



PLEASE READ THIS MATERIAL CAREFULLY AS YOU ARE REQUIRED TO MAKE A DECISION PRIOR TO 4:00 P.M. (CALGARY TIME) ON DECEMBER 13, 2021

*This rights offering circular (this “**Circular**”) is prepared by management. No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Circular. Any representation to the contrary is an offence.*

*This is the Circular we referred to in the November 8, 2021 rights offering notice (the “**Rights Offering Notice**”), which you should have already received. Your Rights DRS Statement (as defined herein) and relevant forms were enclosed with the Rights Offering Notice. This Circular should be read in conjunction with the Rights Offering Notice and our continuous disclosure prior to making an investment decision.*

*The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States. This Circular does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States, and the securities offered herein may not be offered or sold in or into the United States unless registered under the U.S. Securities Act and applicable state securities laws, or pursuant to an exemption from such registration requirements as described herein. “United States” is as defined in Regulation S under the U.S. Securities Act.*

RIGHTS OFFERING CIRCULAR

November 8, 2021

TENAZ ENERGY CORP.

References in this Circular to “Tenaz”, the “Company”, “we”, “our”, “us” and similar terms are to Tenaz Energy Corp. (formerly, Altura Energy Inc.). References in this Circular to “you”, “your” and similar terms are to holders of the Company’s common shares (“**Common Shares**”). Unless otherwise indicated, references herein to “\$” or “dollars” are to Canadian dollars.

SUMMARY OF THE OFFERING

Why are you reading this Circular?	We are issuing to the holders of our outstanding Common Shares of record at the close of business on November 15, 2021 (the “ Record Date ”) who are resident in any province or territory of Canada (“ Eligible Jurisdictions ”), rights (“ Rights ”) to subscribe for Common Shares on the terms set forth in this Circular (the “ Offering ”). This Circular should be read in conjunction with the Rights Offering Notice.
What is being offered?	Each holder of Common Shares who resides in an Eligible Jurisdiction will receive one Right for each Common Share held on the Record Date. Notwithstanding the foregoing, the subscribers under the Private Placements (as defined herein) have agreed not to participate in the Offering in respect of the

	<p>securities subscribed for in the Private Placements and have undertaken not to exercise, sell, trade or otherwise convey any interest in any Rights issued in connection with the Common Shares issued under the Unit Private Placement (as defined herein) or on conversion of the Subscription Receipts (as defined herein) or pursuant to the exercise of Warrants (as defined herein). As such, Rights in respect of Common Shares acquired by holders in connection with the Private Placements will not be delivered to such holders.</p>
<p>Who is eligible to receive Rights?</p>	<p>The Rights are offered only to holders of Common Shares who reside in Eligible Jurisdictions (the “Eligible Holders”). Shareholders will be presumed to reside in the place shown on their registered address, unless the contrary is shown to our satisfaction. Neither the Rights Offering Notice nor this Circular is to be construed as an offering of the Rights, nor are the securities issuable upon exercise of the Rights, offered for sale in any jurisdiction outside of Eligible Jurisdictions or to shareholders of the Company who reside in any jurisdiction other than the Eligible Jurisdictions (the “Ineligible Holders”). Instead, Ineligible Holders will be sent a letter advising them that their Rights will be held by Odyssey Trust Company (the “Rights Agent”), located at 350, 409 – Granville Street Vancouver, BC V6C 1T2, who will hold such Rights as agent for the benefit of all such Ineligible Holders.</p>
<p>What do eight (8) Rights entitle you to receive?</p>	<p>Eight (8) Rights entitle Eligible Holders to subscribe for one Common Share upon payment of the Subscription Price (the “Subscription Privilege”).</p>
<p>What is the Subscription Price?</p>	<p>\$0.18 per Common Share (the “Subscription Price”).</p>
<p>When does the offer expire?</p>	<p>On December 13, 2021 (the “Expiry Date”) at 4:00 p.m. (Calgary time) (the “Expiry Time”).</p>
<p>What are the significant attributes of the Rights issued under the Offering and the securities to be issued upon the exercise of Rights?</p>	<p>Eight (8) Rights entitle you to subscribe for one Common Share upon payment of the Subscription Price.</p> <p>We are authorized to issue an unlimited number of Common Shares, of which, as the date of this Circular, 272,900,974 are issued and outstanding. Holders of Common Shares are entitled to receive dividends, if, as and when declared by Company’s board of directors (the “Board”). The Common Shares provide each holder with the right to one vote per Common Share at meetings of shareholders and, upon liquidation, to share in the remaining assets of the Company as are distributable to such holders.</p>
<p>What are the minimum and maximum number of</p>	<p>The Offering is not subject to any minimum subscription level.</p>

Common Shares that may be issued under the Offering?	While the maximum number of Common Shares issuable pursuant to the Offering would be 34,112,621, only a total of 13,626,371 Common Shares are capable of being issued pursuant to the Offering as a result of the subscribers under the Private Placements (as defined herein) having agreed not to participate in the Offering in respect of the securities subscribed for in the Private Placements.
Where will the Rights and the securities issuable upon the exercise of the Rights be listed for trading?	<p>The Common Shares are listed on the TSXV under the name Tenaz Energy Corp. and the trading symbol "TNZ". The TSXV has approved the listing of the Common Shares issuable on the exercise of the Rights. The Common Shares will commence trading "ex-rights" under the name Tenaz Energy Corp. and the trading symbol "TNZ" on November 12, 2021, being one trading day prior to the Record Date.</p> <p>The Rights will be listed on the TSXV under the trading symbol "TNZ.RT" until 10:00 a.m. (Calgary time) on the Expiry Date, at which time they will be halted from trading.</p>

FORWARD-LOOKING STATEMENTS

This Circular contains forward-looking statements. All statements, other than statements of historical fact that address activities, events or developments that we believe, expect or anticipate will or may occur in the future are forward-looking statements. These forward-looking statements reflect our current expectations or beliefs based on information currently available to us. Readers are cautioned that assumptions used in the preparation of such information may prove to be incorrect. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "plan", "should", "believe" and similar expressions are intended to identify forward looking statements and forward-looking information.

In particular, this Circular contains forward looking statements which include, but are not limited to, statements and information pertaining to the following:

- the completion of the Offering and receipt of all regulatory approvals in connection therewith;
- the estimated costs of the Offering;
- the net proceeds to be available upon completion of the Offering;
- the use of the net proceeds from the Offering; and
- the Company's business strategy.

The forward-looking statements contained in this Circular are based on certain assumptions which include, but are not limited to, the following:

- the execution of the Company's business strategy;
- the ability of the Company to carry out exploration, development and exploitation activities;
- levels of production, future capital expenditures, debt levels, expenses and cash flows;

- the continued performance of the Company's oil and gas properties in a manner consistent with its past experiences;
- that the Company will continue to conduct its operations in a manner consistent with past operations;
- the general continuance of current industry conditions;
- government regulations and the continuance of existing (and in certain circumstances, the implementation of proposed) tax, royalty and regulatory regimes;
- the accuracy of the estimates of the Company's reserves and resource volumes;
- certain commodity price and other cost assumptions;
- the continued availability of oilfield services; and
- the continued availability of adequate debt and equity financing and cash flow from operations to fund its planned expenditures.

The Company's actual results could differ materially from those anticipated in these forward-looking statements and information as a result of both known and unknown risks, including the risk factors set forth under "Risk Factors" in this Circular and those set forth below:

- delays in obtaining or failure to obtain required approvals to complete the Offering;
- ability of the Company to execute its business strategy;
- risks relating to the Company's business strategy;
- changes in commodity prices;
- changes in the demand for or supply of the Company's products;
- unanticipated operating results or production declines;
- changes in tax or environmental laws, royalty rates or other regulatory matters;
- changes in development plans of the Company or by third party operators of the Company's properties;
- increased debt levels or debt service requirements;
- inaccurate estimation of the Company's oil and gas reserves and resource volumes;
- limited, unfavorable or a lack of access to capital markets
- increased costs;
- a lack of adequate insurance coverage;
- the impact of competitors; and
- certain other risks detailed from time to time in the Company's public documents.

The information contained herein and any forward-looking statement speaks only as of the date on which it is made and is subject to change. We disclaim any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise, except as may be required by applicable securities laws. Although we believe that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly, undue reliance should not be put on such statements due to their inherent uncertainty.

BUSINESS OF THE COMPANY

Recent Developments

Recapitalization Transaction

On August 30, 2021, the Company entered into a reorganization and investment agreement with Anthony Marino, Michael Kaluza, Bradley Bennett, Jonathan Balkwill, Marty Proctor, Mark Rollins and the other parties listed thereto which provided for, among other things: (i) a non-brokered private placement of units of the Company (the “**Units**”) (the “**Unit Private Placement**”); (ii) a brokered private placement of subscription receipts of the Company (the “**Subscription Receipts**”) (the “**Subscription Receipt Private Placement**” and together with the Unit Private Placement, the “**Private Placements**”); (iii) the reconstitution of the Board and the appointment of a new management team of the Company (the “**Change of Management**”); and (iv) the Offering.

On September 22, 2021, the Company completed the Subscription Receipt Private Placement, pursuant to which 136,112,000 Subscription Receipts were issued at a price of \$0.18 per Subscription Receipt, for aggregate gross proceeds of \$24,500,160, to be held in escrow until the completion of the Change of Management and the Unit Private Placement.

On October 8, 2021, the Company completed the Change of Management and the Unit Private Placement. The new management team is led by Anthony Marino as President and Chief Executive Officer, Michael Kaluza as Chief Operating Officer, Bradley Bennett as Chief Financial Officer, David Burghardt as Senior Vice-President of our Canadian Business Unit, Jonathan Balkwill as Vice-President of Business Development, Jennifer Russel-Houston as Vice President of Geoscience, and Travis Stephenson as Vice President of Engineering (the “**New Management Team**”). The new Board is comprised of Marty Proctor, Anna Alderson, John Chambers, Mark Rollins and Anthony Marino.

Pursuant to the Unit Private Placement, the Company issued 27,778,000 Units, at a price per Unit of \$0.18, for aggregate gross proceeds of \$5,000,040. Each Unit was comprised of one Common Share and one warrant (“**Warrant**”), with each Warrant entitling the holder thereof to purchase one Common Share at a price of \$0.18 per Common Share from a period of five years from the issuance date, subject to certain terms and conditions. One-third of the Warrants will vest and become exercisable upon the 20-day VWAP of the Common Shares (the “**Market Price**”) equaling or exceeding \$0.25 per Common Share, an additional one-third upon the Market Price equaling or exceeding \$0.315 per Common Share and a final one-third upon the Market Price equaling or exceeding \$0.36 per Common Share. All Common Shares and Warrants issued under the Unit Private Placement are subject to a Canadian statutory hold period of four months plus one day from October 8, 2021.

Immediately following the completion of the Change of Management and Unit Private Placement on October 8, 2021, the Company issued 136,112,000 Common Shares pursuant to the conversion of the 136,112,000 Subscription Receipts previously issued by the Company in connection with the Subscription Receipt Private Placement, and \$24.5 million in aggregate gross proceeds was released from escrow.

Name and Symbol Change

On October 15, 2021, the Company changed its name from “Altura Energy Inc.” to “Tenaz Energy Corp” (the “**Name Change**”). Concurrently with the Name Change, the Company’s trading symbol on the TSXV was changed from “ATU” to “TNZ”.

Share Consolidation

The Company’s shareholders previously approved the consolidation of the Common Shares on the basis of one (1) new Common Share for every ten (10) existing Common Shares (the “**Share Consolidation**”), or such lesser ratio that the Board may determine, at a special meeting of the shareholders of the Company held on October 7, 2021. The Company intends to delay effecting the Share Consolidation until completion of the Offering. Accordingly, the Share Consolidation is not expected to have any effect on the number of Common Shares holders of Rights will receive upon exercise of their Right.

Corporate Strategy

In addition to the continued development of the Company’s existing assets, the New Management Team intends to target the acquisition of conventional and semi-conventional oil and gas assets in overseas markets. The Company will focus on building a portfolio of free cash flow assets that have the potential to provide returns to shareholders through a growth-and-income capital markets model.

With the completion of the Private Placements, the Company believes it has established itself as a viable public vehicle for the acquisition of oil and gas producing assets. Through the application of the technical and commercial expertise of the New Management Team, the Company will endeavor to identify, evaluate and acquire producing properties for which there is an opportunity for operational improvement and which have the potential to generate free cash flow and production growth. The Company intends to leverage the New Management Team’s experience to pursue opportunities across multiple international jurisdictions where there is the potential for less competition, greater opportunity for operational improvements and higher returns on capital. Finally, the Company recognizes the critical importance of sustainability in its environmental, social and governance practices, and will place a correspondingly high priority on performance and leadership in these areas. The Company is committed to the short and long-term environmental and economic sustainability of the jurisdictions in which it invests and the local communities in which it operates.

USE OF AVAILABLE FUNDS

What will our available funds be upon the closing of the Offering?

The Company estimates that after giving effect to the Offering, it will have the following funds available:

		Assuming 15% of the Offering⁽¹⁾	Assuming 50% of the Offering⁽¹⁾	Assuming 75% of the Offering⁽¹⁾	Assuming 100% of the Offering⁽¹⁾
A.	Amount to be raised by this Offering	\$367,912	\$1,226,373	\$1,839,560	\$2,452,747
B.	Selling Commissions and Fees	Nil	Nil	Nil	Nil
C.	Estimated Offering Costs (e.g. legal, accounting, audit)	\$200,000	\$200,000	\$200,000	\$200,000
D.	Available Funds: D = A - (B + C)	\$167,912	\$1,026,373	\$1,639,560	\$2,252,747
E.	Additional Sources of Funding Required	n/a	n/a	n/a	n/a
F.	Working Capital Surplus	\$23,200,000	\$23,200,000	\$23,200,000	\$23,200,000
G.	Total: G = D + E + F	\$23,367,912	\$24,226,373	\$24,839,560	\$25,452,747

Note:

⁽¹⁾ The amounts to be raised by this Offering account for the fact that the subscribers under the Private Placements have agreed not to participate in the Offering in respect of the securities subscribed for in the Private Placements and have undertaken not to exercise, sell, trade or otherwise convey any interest in any Rights issued in connection with the Common Shares issued under the Unit Private Placement or on conversion of the Subscription Receipts or pursuant to the exercise of Warrants.

As at September 30, 2021, the Company had a working capital deficiency of approximately \$3.5 million. Upon closing the Unit Private Placement and the conversion of the Subscription Receipts

into Common Shares under the Subscription Receipt Private Placement on October 8, 2021, the Company had a working capital surplus of approximately \$23.2 million.

How will we use the available funds?

The following table provides a detailed breakdown of how the Company will use our available funds, including those received pursuant to the Offering:

Description of intended uses of available funds listed in order of priority	Assuming 15% of the Offering	Assuming 50% of the Offering	Assuming 75% of the Offering	Assuming 100% of the Offering
General corporate purposes, capital expenditures and acquisition of global oil and gas assets	\$167,912	\$1,026,373	\$1,639,560	\$2,252,747
Total:	\$167,912	\$1,026,373	\$1,639,560	\$2,252,747

The Company intends to employ the available funds for general corporate purposes, for capital expenditures, and for the acquisition of global oil and gas assets.

How long will the available funds last?

The Company expects that it will have sufficient available funds to satisfy all of its anticipated expenses for more than 12 months.

INSIDER PARTICIPATION

Will insiders be participating?

Yes, John Chambers (Director), David Burghardt (SVP Canadian Business Unit) and Travis Stephenson (VP Engineering) have advised the Company that they intend to exercise Rights in respect of the 500,000, 3,170,370 and 962,963 Common Shares held by each of them, respectively, prior to the completion of the Private Placements and Change in Management.

Pursuant to the terms of the Unit Private Placement, the subscribers thereunder (including insiders of the Company) agreed not to participate in the Offering in respect of the securities subscribed for in the Unit Private Placement and have undertaken not to exercise, sell, trade or otherwise convey any interest in any Rights issued in connection with the Common Shares issued under the Unit Private Placement or pursuant to the exercise of Warrants. See “Business of the Company – Recent Developments”.

Who are the holders of 10% or more of our Common Shares before and after the Offering?

To the best of the knowledge of the directors and senior officers of the Company, as at the date hereof, no person or company, currently or will upon completion of the Offering, beneficially own, directly or indirectly, or exercise control or direction over, voting securities of the Company

carrying more than 10% of the voting rights attached to any class of voting securities of the Company.

DILUTION

If you do not exercise your Rights, by how much will your security holdings be diluted?

Assuming that we issue the maximum number of Common Shares pursuant to the Offering and you do not subscribe for any Common Shares, your shareholdings will be diluted by approximately 5%. This figure accounts for the fact that the subscribers under the Private Placements have agreed not to participate in the Offering in respect of the securities subscribed for in the Private Placements and have undertaken not to exercise, sell, trade or otherwise convey any interest in any Rights issued in connection with the Common Shares issued under the Unit Private Placement or on conversion of the Subscription Receipts or pursuant to the exercise of Warrants.

STAND-BY COMMITMENT

Who is the stand-by guarantor and what are the fees?

There is no standby commitment under the Offering.

MANAGING DEALER, SOLICITING DEALER AND UNDERWRITING CONFLICTS

Who is the soliciting dealer and what are its fees?

The Company has not retained any party to solicit subscriptions for Common Shares pursuant to the Offering.

HOW TO EXERCISE THE RIGHTS

How does a security holder that is a registered holder participate in the Offering?

If you are a registered Eligible Holder, a statement issued under the Rights Agent's direct registration system (the "**Rights DRS Statement**") representing the total number of transferable Rights to which you are entitled as of the Record Date, including a subscription form attached thereto (the "**Rights Subscription Form**"), will be mailed to you with a copy of the Rights Offering Notice. Notwithstanding the foregoing, Rights DRS Statements representing Rights in respect of Common Shares acquired by Eligible Holders in connection with the Private Placements will not be mailed to such holders. To exercise the Rights represented by the Rights DRS Statement, you must complete and deliver the Rights DRS Statement, including the Rights Subscription Form attached thereto, in accordance with the instructions set out below. Rights not exercised at or prior to the Expiry Time will be void and of no value. The method of delivery is at the discretion and risk of the holder of the Rights DRS Statement and delivery to the Rights Agent will only be effective when actually received by the Rights Agent at its office. See "Appointment of Rights Agent – Who is the Rights Agent?" Rights DRS Statements and payments received after the Expiry Time will not be accepted.

In order to exercise your Rights you must:

1. **Complete Form 1 and Form 2 on the Rights Subscription Form.** The maximum number of Rights that you may exercise under the Subscription Privilege is shown on the

first page of the Rights DRS Statement. If you complete Form 1 on the Rights Subscription Form so as to exercise some but not all of the Rights evidenced by the Rights DRS Statement, you will be deemed to have waived the unexercised balance of such Rights, unless you otherwise specifically state your intention to exercise the unexercised balance of such Rights prior to the Expiry Time.

2. **Enclose payment in Canadian funds by certified cheque, bank draft or money order to the order of Odyssey Trust Company.** In order to purchase one Common Share, you must own eight (8) Rights and pay a price of \$0.18 per Common Share.
3. **Delivery.** Deliver or mail the completed Rights DRS Statement, including the Rights Subscription Form attached thereto, and payment in the enclosed return envelope addressed to the Rights Agent at the address below so that it is received before the Expiry Time. If you are mailing your documents, registered mail is recommended. Please allow sufficient time to avoid late delivery.

By mail, express mail, hand or overnight courier to:

Odyssey Trust Company
350, 409 – Granville Street
Vancouver, BC V6C 1T2
Attention: Corporate Actions

The signature of the registered Eligible Holder on Form 2 on the Rights Subscription Form must correspond in every particular with the name that appears on the face of the Rights DRS Statement.

Signatures by a trustee, executor, administrator, guardian, attorney, officer of a company or any person acting in a fiduciary or representative capacity should be accompanied by evidence of authority satisfactory to the Rights Agent. We will determine all questions as to the validity, form, eligibility (including time of receipt) and acceptance of any subscription in our sole discretion. Subscriptions are irrevocable. We reserve the right to reject any subscription if it is not in proper form or if the acceptance thereof or the issuance of the securities pursuant thereto could be unlawful. We also reserve the right to waive any defect in respect of any particular subscription. Neither we nor the Rights Agent is under any duty to give any notice of any defect or irregularity in any subscription, nor will we or the Rights Agent be liable for the failure to give any such notice.

How does a security holder that is not a registered holder participate in the Offering?

You are a beneficial Eligible Holder if you: (i) hold your Common Shares through a securities broker or dealer, bank or trust company or other participant (each, a “**Participant**”) in the book-based system administered by CDS Clearing and Rights Agent Services Inc. (“**CDS**”); and (ii) are resident in an Eligible Jurisdiction. The total number of Rights to which all beneficial Eligible Holders as of the Record Date are entitled, excluding any Rights in respect of Common Shares acquired by Eligible Holders in connection with the Private Placements, will be deposited with CDS following the Record Date. We expect that each beneficial Eligible Holder will receive a confirmation of the number of Rights issued to it from the applicable Participant in accordance with the practices and procedures of that Participant. CDS will be responsible for establishing and maintaining book-entry accounts for Participants holding Rights.

Neither we nor the Rights Agent will have any liability for: (i) the records maintained by CDS or Participants relating to the Rights or the book-entry accounts maintained by them, (ii) maintaining, supervising or reviewing any records relating to such Rights, or (iii) any advice or representations made or given by CDS or Participants with respect to the rules and regulations of CDS or any action to be taken by CDS or Participants.

If you are a beneficial Eligible Holder, to exercise your Rights held through a Participant, you must instruct such Participant to exercise all or a specified number of such Rights, and forward to such Participant, the Subscription Price for each Common Share that you wish to subscribe for.

Any excess funds will be returned to the relevant Participant for the account of the beneficial holder, without interest or deduction.

Who is eligible to receive Rights?

No offering outside of Eligible Jurisdictions

The Rights are being offered to Eligible Holders in each of the provinces and territories of Canada. Shareholders will be presumed to be resident in the place of their registered address, unless the contrary is shown to the satisfaction of the Company. This Circular is not to be construed as an offering of the Rights, nor are the securities issuable upon exercise of the Rights offered for sale, in any jurisdiction outside the Eligible Jurisdictions or to holders of Common Shares who are residents of any jurisdiction other than the Eligible Jurisdictions (except for Approved Ineligible Holders, as described below).

Ineligible Holders may not acquire Rights or the securities issuable upon exercise of the Rights, unless they are Approved Ineligible Holders.

We will not issue or forward Rights DRS Statements to Ineligible Holders unless they are Approved Ineligible Holders (as defined herein). Ineligible Holders will be presumed to be resident in the place of their registered address.

Ineligible Holders will be sent the Rights Offering Notice, for information purposes only, together with a letter advising them that their Rights DRS Statements will be held by the Rights Agent. An Ineligible Holder may apply to the Company to claim their Rights DRS Statement by notifying the Company in writing and providing documentation confirming that the delivery of their Rights DRS Statement, and the exercise of their Rights, is lawful and complies with all applicable securities laws, and other laws, in the jurisdiction where the Ineligible Holder resides and would not require the Company to file any documentation, make an application, or pay any payment of any nature whatsoever. Such written notice and documentation must be provided to the Company on or before December 3, 2021 and may require the delivery of an opinion of counsel. If such documentation is acceptable to the Company, in its sole discretion, the Company may provide notice to the Rights Agent that such Ineligible Holder is an approved ineligible holder (an **“Approved Ineligible Holder”**) and instruct the Rights Agent to deliver the Rights DRS Statement to the Approved Ineligible Holder. The Rights DRS Statement, and the securities that are issued upon the exercise of the Rights, may be endorsed with restrictive legends according to applicable securities laws.

The Rights Agent will hold the Rights of registered Ineligible Holders until December 3, 2021. If a registered Ineligible Holder does not satisfy the Company as to the holder's eligibility to participate in the Offering as an Approved Ineligible Holder on or before December 3, 2021, the Rights Agent

will, prior to the Expiry Time, attempt to sell such Rights on the TSXV, on a best efforts' basis on such date or dates and at such price or prices as the Rights Agent will determine in its sole discretion.

No charge will be made for the sale of Rights by the Rights Agent except for a proportionate share of any brokerage commissions incurred by the Rights Agent and the costs of or incurred by the Rights Agent in connection with the sale of the Rights. The Rights Agent's ability to sell the Rights, and the prices obtained for the Rights, are dependent on market conditions. The Rights Agent will not be subject to any liability for failure to sell any Rights held for the benefit of registered Ineligible Holders at any particular price or prices, or at all. Any proceeds received by the Rights Agent from the sale of the Rights delivered to it, net of any applicable costs, expenses (including brokers' commissions) and taxes, will be divided among the registered Ineligible Holders on a pro rata basis according to the total number of Common Shares held by them on the Record Date. The Rights Agent will mail cheques (in Canadian funds) to the registered Ineligible Holders at their addresses appearing in the records of the Rights Agent, for their respective proportions of those net proceeds, subject to any applicable taxes which must be withheld for particular Ineligible Holders, provided that the Rights Agent will not be required to make any such payment to any Ineligible Holder if the amount owing to such holder is less than \$10.00. Such amount will be used by the Company to offset a portion of the remuneration of the Rights Agent for its services. There is a risk that the proceeds received from the sale of Rights will not exceed the costs of or incurred by the Rights Agent in connection with the sale of such Rights and, if applicable, the Canadian tax required to be withheld. In such event, no proceeds will be remitted.

Participants receiving Rights on behalf of beneficial Ineligible Holders will be instructed by CDS not to permit the exercise of such Rights unless the holder is an Approved Ineligible Holder. After December 3, 2021, Participants should attempt to sell the rights of Ineligible Holders for the accounts of such holders and should deliver any net proceeds of sale to such holders. A holder of Rights not resident in an Eligible Jurisdiction holding on behalf of a person resident in an Eligible Jurisdiction may be able to exercise the Rights provided the holder satisfies the Company on or before December 3, 2021 that such subscription is lawful and in compliance with all securities and other applicable laws.

Holders of Rights who are not resident in Canada should be aware that the acquisition and disposition of Rights or Common Shares may have tax consequences in the jurisdiction where they reside, which are not described herein. Accordingly, such holders should consult their own tax advisors about the specific tax consequences in the jurisdiction where they reside of acquiring, holding and disposing of Rights or Common shares.

What is the additional subscription privilege and how can you exercise this privilege?

There is no additional subscription privilege under the Offering.

Can I combine, exchange or divide my Rights DRS Statement?

Rights will be issued in electronic form and represented by Rights DRS Statements. Accordingly, Rights DRS Statements cannot be combined, divided or exchanged for certificates.

How does a Rights holder sell or transfer Rights?

Registered holders of Rights

The Rights will be listed for trading on the TSXV under the trading symbol “TNZ.RT” until 10:00 a.m. (Calgary time) on the Expiry Date. If you do not wish to exercise your Rights, you may sell or transfer them directly or through your broker or investment dealer at your expense, subject to any applicable resale restrictions. See “How to exercise the Rights – Are there restrictions on the resale of securities?” You may elect to only exercise a part of your Rights and dispose of the remainder, or dispose of all of your Rights. Any commission or other fee payable in connection with the exercise or any trade of Rights is the responsibility of the holder of such Rights. Depending on the number of Rights a holder may wish to sell, the commission payable in connection with a sale of Rights could exceed the proceeds received from such sale.

If you wish to transfer your Rights other than through the facilities of the TSXV, complete Form 3 and Form 4 on the Rights Subscription Form, have the signature guaranteed by an eligible institution to the satisfaction of the Rights Agent on Form 5 on the Rights Subscription Form (Form 3, Form 4 and Form 5, collectively, the “**Transfer Forms**”), and deliver the Rights DRS Statement to the transferee. For this purpose, holders of rights must have their signatures “Medallion Guaranteed” by a North American bank, broker, investment dealer or other institution under an acceptable Securities Transfer Agents Medallion Program (STAMP), Stock Exchange Medallion Program (SEMP) or New York Stock Exchange Inc. Medallion Signature Guarantee Program (MSP), or a “Signature Guaranteed,” “Signature and Authority to Sign Guaranteed” or “Endorsement Guaranteed” by one of the three (3) participating Canadian Schedule I banks, being the Bank of Nova Scotia, the Royal Bank of Canada and TD Bank.

It is not necessary for a transferee to obtain a new Rights DRS Statement to exercise the Rights, but the signature of the transferee on Form 2 on the Rights Subscription Form must correspond in every particular with the name of the transferee shown on Form 3 on the Rights Subscription Form. If the Transfer Forms are properly completed, the Company and the Rights Agent will treat the transferee as the absolute owner of the Rights DRS Statement for all purposes and will not be affected by notice to the contrary. A Rights DRS Statement so completed should be delivered to the transferee in ample time for the transferee to use it before the Expiry Time.

Beneficial holders of Rights

If you hold Common Shares through a Participant, you must arrange for the exercise, transfer or purchase of Rights through that Participant.

When can you trade the securities issuable upon the exercise of your Rights?

Upon the exercise of your Rights, the Common Shares issued under the Offering will be listed on the TSXV under the symbol “TNZ” and will be available for trading on or about December 15, 2021.

Are there restrictions on the resale of securities?

Rights, and the securities issuable upon the exercise of such Rights, distributed to shareholders in the Eligible Jurisdictions may be resold without hold period restrictions under the applicable securities laws of the Eligible Jurisdictions provided that: (i) the sale is not by a “control person” of the Company; (ii) no unusual effort is made to prepare the market or create a demand for the

securities being resold; (iii) no extraordinary commission or consideration is paid to a person or company in respect of the resale; and (iv) if the selling security holder is an insider or officer of the Company, the selling security holder has no reasonable grounds to believe that the Company is in default of securities legislation.

If such conditions have not been met, then the securities may not be resold except pursuant to a prospectus or prospectus exemption, which may only be available in limited circumstances.

The foregoing is a summary only and is not intended to be exhaustive. Each holder is urged to consult their professional advisor to determine the exact conditions and restrictions applicable to the right to trade in securities.

Will we issue fractional underlying securities upon exercise of the Rights?

No fractional securities will be issued upon the exercise of the Rights. Any fractional entitlements to subscribe for securities described herein will be rounded down to the next whole number such that no fractional securities will be issued under the Offering.

APPOINTMENT OF RIGHTS AGENT

Who is the Rights Agent?

The Rights Agent, Odyssey Trust Company, has been appointed to receive the exercise of and payments from holders of Rights and to perform the services relating to the exercise and transfer of the Rights.

Odyssey Trust Company, through its office in Vancouver, British Columbia, is the transfer agent and registrar for the Common Shares. Odyssey Trust Company will issue and deliver, at the subscriber's request, a certificate or DRS statement representing the Common Shares issued under the Offering.

What happens if we do not proceed with the Offering?

If the Company terminates the Offering, the Rights Agent will return all funds held by it to holders of rights that have subscribed for securities under the Offering.

ADDITIONAL INFORMATION

Where can you find more information about us?

You can find more information about the Company on SEDAR at www.sedar.com in the Company's continuous disclosure documents. You can also find additional information about us at www.tenazenergy.com.

RISK FACTORS

An investment in the Rights offered hereunder or the securities issuable upon exercise of the Rights should be considered speculative due to various factors, including the nature of the industry in which the Company operates and its financial position. Risk factors relating to the Company are discussed in certain public disclosures of the Company which are available for review on the Company's SEDAR profile at www.sedar.com. These risk factors should be

carefully reviewed and considered by an investor before a decision is made to invest in the Rights offered hereunder or the securities issuable upon exercise of the Rights. Such risks may not be the only risks facing the Company. Additional risks not currently known may also negatively impact the Company's business operations and results of operations. In addition to such risk factors, investors should consider the following additional risks related to the Offering:

Subscription Price is not an indication of value.

The Subscription Price of \$0.18 does not necessarily bear any relationship to the book value of the Company's investments, past operations, cash flows, losses, financial condition or any other established criteria for value regarding the Company. Holders of Rights should not consider the Subscription Price as an indication of the Company's value.

Decline in the trading price may occur.

The trading price of the Common Shares in the future may decline below the Subscription Price for the Common Shares. The Company can make no assurance that the Subscription Price will remain below any future trading price for the Common Shares. Future prices of the Common Shares may adjust positively or negatively depending on various factors including the Company's future revenues, speculation in the trade or business press about the Company's operations and overall conditions affecting the businesses, economic trends and the securities markets regarding the Company.

Further, in recent years, the securities markets in Canada and the United States have experienced a high level of price and volume volatility, and the market price of securities of many companies, including those considered to be in the oil and gas industry, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It is likely that the market price for the Common Shares will be subject to market trends generally, notwithstanding the financial and operational performance of the Company.

No revocation of Right.

Even if the price of the Common Shares declines below the Subscription Price for Common Shares, resulting in a loss on investment upon the exercise of Rights, a holder of Rights may not revoke or change the exercise of Rights after they send in their exercise forms and payment.

No interest on subscription funds.

If the Company cancels the Offering, neither the Company nor the Rights Agent will have any obligation with respect to the Rights, except to return, without interest, any exercise payments to holders that elected to exercise Rights.

Participation in the Offering is not assured.

If a holder of Common Shares exercises its Rights, it may not revoke the exercise for any reason unless the Company amends the Offering. If the Company decides to terminate the Offering, the Company will not have any obligation with respect to the Rights except to return any exercise payments, without interest.

Holders of Common Shares need to act promptly and follow subscription instructions.

Holders of Common Shares who desire to purchase Common Shares in this Offering must act promptly to ensure that all required forms and payments are actually received by the Rights Agent or Participants prior to the Expiry Time. If the holder of Rights fails to complete and sign the required exercise forms, sends an incorrect payment amount, or otherwise fails to follow the exercise procedures that apply to the exercise of Rights by the holder, the Rights Agent may, depending on the circumstances, reject the exercise or accept it to the extent of the payment received. None the Company, the Rights Agent nor the Participants undertakes to attempt to correct an incomplete or incorrect exercise form or payment. The Company has the sole discretion to determine whether an exercise of Rights properly follows the exercise procedures.

Dilution of shareholdings.

If a holder of Rights elects not to exercise Rights, such holder's holdings in the Company may be diluted as a result of the exercise of Rights by other holders of Rights.

MATERIAL FACTS AND MATERIAL CHANGES

There are no material facts or material changes about the Company that have not been generally disclosed.