

ACQUISITION OIL INC.

2023 MODERN SLAVERY REPORT

Introduction

Acquisition Oil Inc. has created this report (the “Report”) to meet our requirements pursuant to Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Modern Slavery Act”). This Report constitutes our forced labour and child labour reporting statement for the financial year ending December 31, 2023. This report is prepared by Acquisition Oil Inc. on its own behalf and on behalf of its wholly owned Canadian operating subsidiary located in Calgary, Alberta, Acquisition Oil Corp. (together with Acquisition Oil Inc. the entities are referred to herein as “AOI”, the “Corporation”, “we”, “us” or “our”).

Forced labour and child labour (each as defined in the Modern Slavery Act and hereinafter together referred to as “modern slavery”) are violations of fundamental human rights and are occurring across the globe. As a Canadian exploration and production company, we recognize the responsibility we have to ensure our operations and the supply chains that support our operations adhere to the highest ethical standards which includes the identification and prevention of modern slavery in our business or supply chains.

The Corporation takes modern slavery and our reporting requirements very seriously and we are committed to ensuring that we adhere to such requirements. We will continue to evaluate and assess our processes with respect to modern slavery in our business over time to ensure we are meeting all applicable reporting requirements and other legislation relating to modern slavery.

Structure, Activities and Supply Chains

Operations

AOI is a private Canadian-based energy company headquartered in Calgary, Alberta. Our operations, all located in northern Alberta, are associated with the exploration and development of conventional oil and natural gas properties. We strive to ensure safe and reliable operations, including top-tier health and safety performance.

Structure

AOI has six employees and approximately twelve contractors, all of whom are located within Canada. Our staff largely consists of oil and gas professionals, operators in upstream functions, and corporate knowledge workers, including engineering and other corporate and administrative professionals.

Supply Chains

AOI does business with a wide range of suppliers, which source materials locally and globally. The Corporation strives to work with direct (tier 1) suppliers who operate legally, ethically and responsibly, using risk-based qualification criteria to assess whether they are aligned with our safety and operational integrity requirements, and to protect us from potential legal and reputational risks. Our prequalification assessment includes health, safety, environmental, technical compliance, and financial considerations, among other supply chain metrics.

During this reporting period, we procured goods and services from a network of approximately 200 suppliers, all of whom were domiciled in North America.

Steps to Prevent and Reduce Risks of Modern Slavery

AOI took the following steps during the reporting period to prevent and reduce the risk of modern slavery in our business and supply chains:

- Engaged the services of external counsel to assess the legislative framework and advise the Corporation;
- Conducted a review and analysis of current AOI policies and procedures as they relate to risks and responsibilities associated with modern slavery;
- Initiated mapping activities to assess modern slavery risk within our supply chains.

We intend to continue to evaluate our reporting processes, ensure that our reporting with respect to modern slavery meets the statutory requirements and assess our policies, due diligence activities and overall business regarding the identification and prevention of modern slavery.

Policies and Due Diligence

Policies

AOI recognizes that modern slavery is a critical issue, and we stand strongly against this exploitation. Our staff and suppliers all play a role in ensuring that we carry out our business activities in an ethical, legal and responsible manner. As part of our commitment to the policies and standards set by the AOI Board of Directors and management, the Corporation seeks to work with staff and suppliers who share our commitment. We have an expectation that they will uphold our corporate values.

We are committed to conducting our business in a lawful and ethical manner. Our Code of Business Conduct and Ethics (“Code”) is the foundation of our corporate policies and applies to all Board, staff and suppliers in all jurisdictions in which we operate. The Code provides guidelines of how AOI expects to conduct business and serves to:

- Emphasize AOI’s commitment to ethics and the basic standards of ethical behaviour;
- Establish expectations with respect to compliance with local, provincial and federal laws;
- Provide reporting mechanisms for known or suspected ethical or legal violations; and
- Help prevent and detect wrongdoing.

Due Diligence

The Corporation expects our Board, staff and suppliers to adhere to ethical and lawful business practices.

To ensure we are not unknowingly engaged in business with any entities engaged in modern slavery, our supplier due diligence includes the following steps:

- Engaging with Canadian-based companies, which are subject to local laws including employment and labour laws, to the fullest extent reasonable; and

- Monitoring and evaluating supply chains and business relationships.

Activity and Supply Chain Risks

Risks with respect to modern slavery exist across all industries and sectors. Given that our workforce is comprised of office workers and skilled oil and gas workers based in Alberta, Canada, we consider that there is low risk of modern slavery within our direct operations. AOI has determined that our most significant risks with respect to modern slavery are from sourcing specific products and services originating from global regions with high prevalence of modern slavery identified on external databases. Though all our suppliers are domiciled in countries with low prevalence and vulnerability to modern slavery, we appreciate that many of our suppliers provide us with products that originate from other jurisdictions, and all have their own global supply chains, and additional work is required to assess and understand this risk.

Remediation Measures

In 2023, AOI did not identify any instances of modern slavery in our operations or supply chain. As a result, we have not had to take any measures to remediate any modern slavery or to remediate the loss of income to the most vulnerable families that resulted from any measure taken from any of the Corporation's actions.

Training

When onboarding new staff, we provide training regarding our safety commitments and the Code of Business Conduct and Ethics. On an annual basis, we require mandatory review and acknowledgement of our Code and will provide additional targeted training as necessary to staff.

Assessing our Effectiveness

Based on the review of our existing policies and practices which address modern slavery risks, AOI believes that our operational modern slavery risk is low. We apply due diligence processes to our suppliers that provide goods and services, who are also required to comply with domestic and international laws. We continue to be guided by our policies and principles in our relationships with our partners, including working with reputable companies, who are required to comply with domestic and international laws.

Approval and Attestation

In accordance with the requirements of the Act, and in particular paragraph 11(4)(a), I attest that I have reviewed the information contained in the report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Dated in the City of Calgary, Alberta, effective as of May 31, 2024.



Colin Witwer
President and Chief Executive Officer

I have the authority to bind the Acquisition Oil Inc.