

Sabre Energy Ltd. & Sabre Energy Partnership

Modern Slavery Act Report

Fiscal Year 2023

This Modern Slavery Report (the “**Report**”) addresses the period from January 1, 2023 to December 31, 2023 and has been prepared in compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada)* (the “**Act**”). This Report is made on behalf of both Sabre Energy Ltd. (the “**Company**”) and Sabre Energy Partnership (the “**Partnership**”) (collectively, the Company and Partnership are “**Sabre**”). Whether referred to in the singular or plural in the Report, the use of Sabre applies to both the Company and the Partnership.

1. Introduction

Sabre is a private entity engaged in oil and gas exploration and production in Western Canada (Alberta, British Columbia, Saskatchewan) and is headquartered in Calgary, Alberta.

Sabre is committed to ethical business practices and to respecting human rights in our business operations and through our relationships with our partners, vendors and suppliers. We prohibit the use of, and are committed to the elimination of modern slavery in all its forms. We expect our business partners and suppliers to adhere to the foregoing and endeavor to use vendors and suppliers whose corporate values are consistent with our own.

2. Reducing Risks of Forced Labour and Child Labour

At present, steps taken to reduce forced labour or child labour have been centered around engaging locally based and reputable contractors, vendors and suppliers which Sabre believes to have very limited supply chain and labour risk pertaining to modern slavery. Sabre engages with partners and third parties who share our values and are committed to upholding ethical business practices, including the prevention of modern slavery.

3. Company Structure, Activities and Supply chain

Structure

The Company, which is the managing partner of the Partnership, has a small employment base with eight (8) employees and is a privately owned entity. The Partnership does not have employees and the Company owns the majority interest of the Partnership. Both the Company and the Partnership are Alberta based.

Activities

Sabre is engaged in the exploration and production of oil and gas from the Western Canadian Sedimentary Basin. The Company operates a portion of Sabre's oil and gas production ("**Production**"), however, a significant portion of Sabre's Production is operated and managed by working interest partners (third parties).

Supply Chain

Sabre's supply chain includes businesses that supply goods and services to our organization. The supply chain encompasses various vendors, suppliers, contractors, and subcontractors (collectively, the "**Supply Chain**") involved in the procurement of goods and services necessary for developing and maintaining Sabre's oil and gas wells and their associated production facilities.

We procure goods and services from approximately 70 entities related to our Supply Chain. The Supply Chain entities we engage with are primarily (almost exclusively) local Western Canadian businesses, which adhere to very strong Canadian regulations and standards.

4. Company Policies and Due Diligence

Company employees involved in decisions related to Sabre's Supply Chain are licensed Professional Engineers. Such employees are aware of and bound by both Company policies and the Association of Professional Engineers and Geoscientists of Alberta ("**APEGA**") code of

conduct and code of ethics. Both the Company and APEGA promote and expect the highest standards of ethical conduct, including respect for the law and conducting business with honesty and integrity.

While Sabre has no discrete whistle blower policy, the Company has policies within its Professional Practice Management Plan (the “**PPMP**”, per APEGA professional practice requirements) related to such and covering ethical business practice and professional conduct. The Company’s board of directors (the “**BOD**”) and its executive team fully support, encourage, and expect ethical business practice and professional conduct.

Sabre engages with business partners and Supply Chain entities who share our commitment to ethical business practices and responsible business conduct. The Company assesses third parties based upon their reputation within the industry and actively reviews its Supply Chain business relationships. Company employees involved in making Supply Chain decisions are cognizant of their ethical responsibilities and review third party codes of practice, codes of conduct and other policies.

5. Risk and Risk Management

Sabre’s risk of direct exposure to forced labour or child labour is very low, however, diligence and risk management is necessary related to Sabre’s Supply Chain. Sabre endeavors to manage such risk through its due diligence process and through engaging reputable, professional and licensed consultants (who aid in procurement activities) whose values align with our own.

The potential risk of exposure to forced labour or child labor increases in instances where the Company may be dealing with:

- Entities who (at times) may source materials or equipment from overseas
- Elements of the Supply Chain involved in dangerous or unskilled work

Proactive management and review of Sabre’s Supply Chain risk involves the evaluation of various factors, including:

- Entity code of practice or code of conduct
- Entity reputation and peer consultation
- Complexity of supply chain and use of intermediaries
- Potential for sourcing raw materials or equipment from overseas
- Regulatory or professional accreditation
- Use of migrant or temporary workers

6. Remediation Efforts

Sabre has not identified any instances of forced labour or child labour related to its activities (including its Supply Chain). As such, no remediation efforts have been employed.

If an instance of forced labour or child labour related to Sabre’s activities (including its Supply Chain) is identified, Sabre shall take steps as appropriate for the situation. Such steps shall be at the discretion of the Company’s BOD and may include compensation, apologies and prevention mechanisms.

7. Training and Effectiveness Assessments

No formal training program specific to the prevention of forced labour or child labour is in place or deemed necessary by Sabre, however, employees involved in Supply Chain decision making abide by Company and APEGA policies and undergo periodic training related to such policies (including annual review of such policies).

No formal effectiveness assessments have been undertaken by Sabre. Based on the third parties and the Supply Chain entities that we conduct business with, we assess our potential exposure to forced labour or child labour as very low.

8. Approval & Attestation

This Report was approved pursuant to subparagraph 11(4) of the Act by the BOD of the Company.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities 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.

I have the authority to bind Sabre.

Per: 

Full Name: Sam Smith

Title: President, Sabre Energy Ltd.

Date: May 29, 2024