

Reporting Entity Name:

Enercapita Energy Ltd.

Reporting Year:

This report (the "Report") represents Enercapita's response to Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act") for the financial year ending December 31, 2023.

Nature of Business:

Enercapita Energy Ltd. (the "Company", "Enercapita", "we" or "our") is a Canadian resource company engaged in the exploration for and development and production of petroleum and natural gas in Canada. Enercapita is a private company with operations in Alberta and British Columbia. Enercapita's principal place of business is located at 600, 215-2nd Street SW. Calgary, AB T2P 1M4. Enercapita is primarily focused on the development of our Charlie Lake Oil play in Northwestern Alberta and Northeastern BC. Enercapita's supply chain includes local businesses that supply goods and services to our organization. In total, we procure goods and services from approximately 371 suppliers and contractors. The suppliers we engage include businesses that are primarily local and adhere to the strict regulations in Canada.

Steps taken in the reporting year to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods.

During the year ended December 31, 2023, Enercapita took the following steps to prevent and reduce the risk of forced labour and child labour in our business and supply chains:

- Sent out a bulletin to all suppliers requesting information specific to the Act.
- Conducted an internal assessment of risks of forced labour and/or child labour in Enercapita's activities and supply chains.
- Screened all suppliers (371) to gather data on high risk areas in our supply chain.
- Verified internal controls to ensure all workers are recruited voluntarily.
- Identifying practices in Enercapita's activities and suppliers that increase the risk of forced labour and/or child labour.
- Requiring suppliers to have policies and procedures for identifying and prohibiting the use of forced labour and/or child labour in their activities and supply chains.
- Developing and implementing anti-forced labour and/or child labour standards, compliance checklists.
- Monitoring suppliers.
- Developing awareness materials on forced labour and/or child labour.

- Developing and implementing procedures to track performance in addressing forced labour and/or child labour.
- Engaging with suppliers on the issue of addressing forced labour and/or child labour.

Supply Chains

Enercapita engages a variety of suppliers and service providers. The breakdown of our supplier by jurisdiction is presented below:



Enercapita currently only has 1 supplier that operates worldwide and they are also required to present an annual report in their Canadian jurisdiction.

Policies

Through our organizational and governance policies we communicate our values and expectations for ourselves, our business partners and our suppliers. We are committed to constantly evolving and improving our approach. Enercapita does not tolerate child, forced or bonded labour in any of our operations or by our suppliers. Our relevant policies are discussed in further detail below:

Code of Conduct and Business Ethics

We are committed to conducting our business in a lawful and ethical manner. Our Code of Business Conduct and Ethics (the Code) is the foundation of our company policies and sets out guiding principles on professional conduct and establishes that in performing their job duties, Enercapita employees should always act lawfully, ethically and in the best interests of Enercapita.

Contractor Management Program

Enercapita’s Contractor program details the requirements and expectations we have of our suppliers, their supply chains, and other service providers with whom we engage. We expect our suppliers to comply with all applicable legal requirements in the jurisdictions in which they operate and consistently monitor our supply chain.

Whistle Blower Policy

Enercapita's Whistleblower Policy provides a mechanism for employees to report concerns regarding wrongdoing without fear of victimization, subsequent discrimination or disadvantage. The Whistle Blower Policy is intended to encourage and enable employees to raise serious concerns within Enercapita rather than overlooking a problem or seeking a resolution for the problem outside Enercapita. The Whistle Blower Policy applies to all employees and those contractors working for Enercapita. It is also intended to provide a method for other stakeholders (suppliers, customers, shareholders etc.) to voice their concerns regarding Enercapita's business conduct.

Due Diligence Processes

Enercapita has adopted a third-party verification system called Complyworks. This online tracking system assists Enercapita in validating vendors during onboarding, including verifying operational areas and asking specific pre-qualification questions pertaining to the Act. Before making any work commitments towards third parties, we take steps to appropriately evaluate the relationship and mitigate any associated risks by carrying out risk-based due diligence and checks.

In order to mitigate our risk, we follow an approach that includes the following steps:

- Collecting supplier and service provider attestations.
- Embedding responsible business conduct into policies and management systems.
- Monitoring and reviewing suppliers.
- Raising awareness of modern slavery and human trafficking among our employees and vendors.

Assessing Risk

Enercapita believes our operational modern slavery risk is low as 100% of the company's employees, consultants and field staff are located in Canada. 100% of our suppliers have operations in Canada and/or the United States. Both jurisdictions are inherently lower-risk jurisdictions.

We appreciate that some of our suppliers procure goods originating from outside Canada and the United States and further work is required to assess this risk.

Measures taken to remediate any forced labour or child labour or to remediate the loss of income to the most vulnerable families that has resulted from any remediation measures

During the year ended December 31, 2023, Enercapita is not aware of any instances of forced labour or child labour in our operations or supply chains and as such, we have not engaged in any remediation

measures. We are committed to regularly reviewing our risk assessments and implementing any necessary remediation measures should the need arise in the future.

We undertake diligence efforts to ensure that the risk of forced labour and child labour is mitigated in our business. In the event that we discover any forced labour or child labour in our business and supply chains, we may take one or more of the following measures to remediate such forced labour or child labour:

- Actions to prevent forced labour or child labour and associated harms from reoccurring.
- Grievance mechanisms; and
- Formal apologies.

Training

Enercapita personnel at all levels are required to adhere to our Code of Business Conduct and Ethics policies and ensure that it is understood and properly applied. Every employee is required to read and acknowledge our Code of Conduct and Whistle Blower Policies. Periodic review of these policies and procedures is conducted to ensure the training and procedures are operating as intended.

Our Progress

As part of our governance processes, we monitor compliance with our policies on an ongoing basis. We also review any concerns raised through our Whistleblower Policy and other mechanisms of employee feedback. To date, no significant concerns or complaints have been identified.

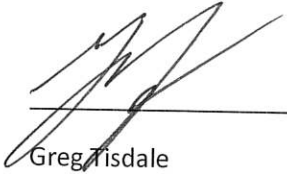
We have selected certain key performance indicators with respect to human rights and forced labour and these are reviewed by senior management on an annual basis. Any non-conformances identified are dealt with by the appropriate mechanisms.

We also assess the effectiveness of our policies by:

- Conducting regular reviews of our organizational policies and procedures.
- Tracking performance indicators.
- Working with our suppliers to measure the effectiveness of their actions to address forced labour and child labour.

Attestation by Reporting Entity

This report was reviewed by Enercapita's Board of Directors on May 29, 2024. In accordance with the requirements of the Fighting Against Forced Labour and Child Labour in Supply Chains 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. In addition, I confirm that I have the authority to bind Enercapita Energy Ltd. This report has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This report is also available on our website at www.enercapita.com.

A handwritten signature in black ink, appearing to read "Greg Tisdale", written over a horizontal line.

Greg Tisdale

President and Chief Executive Officer

May 27, 2024