

MODERN SLAVERY REPORT 2023

1. INTRODUCTION

This report (the **Report**) is being made by Persist Oil and Gas Inc. (“Persist” or the “Corporation”) pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”).

This Report constitutes Persist’s ‘*modern slavery*’ (defined below) reporting for the year ended December 31, 2023, and outlines the steps that the Corporation took during the year to reduce the risk of any form of modern slavery occurring in the Corporation’s supply chains.

Unless otherwise indicated, all information contained herein is given at or for the year ended December 31, 2023. Certain terms used in this Report have the meaning ascribed to such terms in the Act.

2. STEPS TO PREVENT AND REDUCE THE RISKS OF FORCED LABOUR AND CHILD LABOUR IN 2023

For purposes of this document, references to “**modern slavery**” includes all forms of slavery, compulsory and forced labour, human trafficking and child labour.

During 2023, Persist took the following steps to prevent and to reduce the risk of modern slavery occurring in our business or supply chains:

- engaged external legal counsel to assess the legislative framework and advise Persist on its requirements and effects on the Corporation;
- conducted a review and gap analysis of the Corporation’s current policies and procedures as they relate to risks and responsibilities associated with modern slavery;
- completed a preliminary examination of the Corporation’s supply chains in order to identify goods, activities and suppliers of goods and/or services (“**Suppliers**”) that may have a heightened risk of modern slavery; and

- commenced the development of a risk management framework to assess Persist's vendors from high to low risk over a period of years.

Details of the above actions are set out in this Report.

3. ABOUT PERSIST

Structure and Activities

Persist is a junior oil and natural gas corporation headquartered in Calgary, Alberta that is engaged in the business of exploring for, developing and producing oil, natural gas and other natural gas liquids. All of the Corporation's assets and operations are located in the Province of Alberta.

Persist is a privately held corporation incorporated under the provisions of the *Business Corporations Act* (Alberta) with a registered head office located at Suite 1800, 700 – 4th Avenue S.W., Calgary, Alberta T2P 3J4.

At December 31, 2023, Persist had 29 employees and 3 contractors. Approximately half of the Corporation's employees work in the Calgary based head office, with the remainder of the employees working in field operations. Persist's staff largely consists of oil and gas professionals, including engineers, geologists, corporate and administrative professionals as well as field technical staff and facility operators. In addition, the Corporation hires skilled contractors to perform drilling operations, well completions and other field service operations.

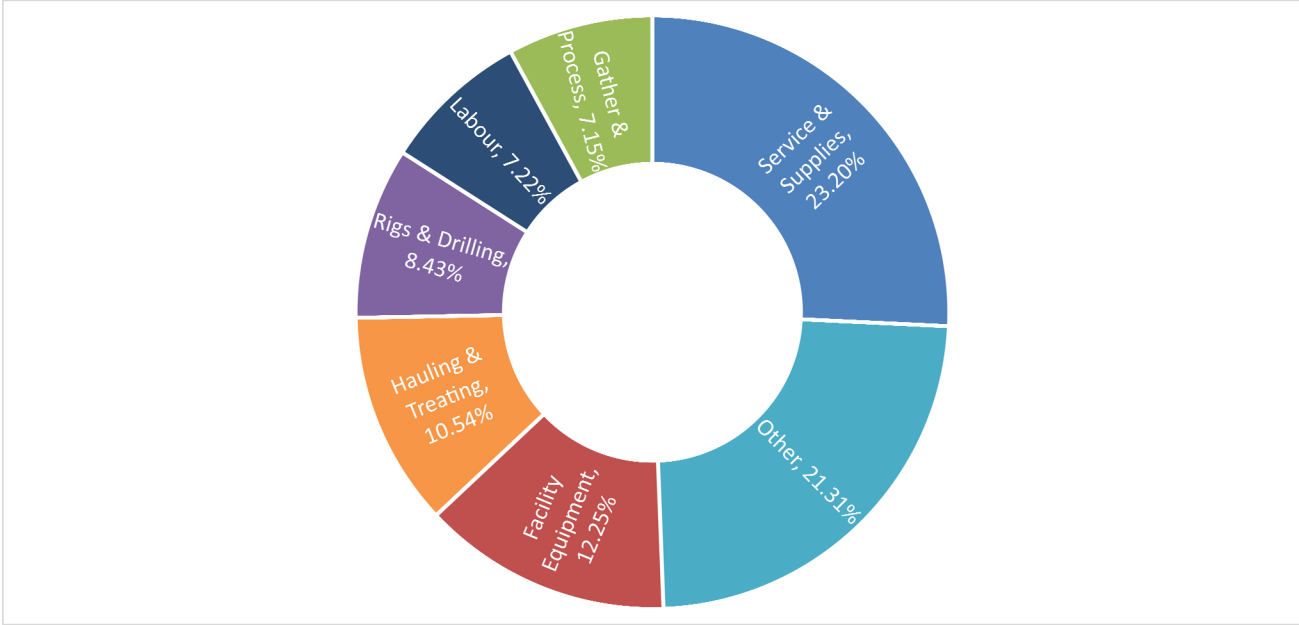
Supply Chains

Persist procures goods and services related to, among other things, services relating to the drilling, completion and tying in of wells, construction activities and the maintenance of production facilities. Persist procures manufactured goods, including pipes, pumps, valves, compressors, motors, electronic components and other engineered components, as well as corporate office supplies and various minor consumer goods for promotional and general corporate purposes.

Persist works with a wide range of Suppliers in the procurement of its goods and services, all of whom are located in Canada or the United States and appreciates that many suppliers access products that originate from other jurisdictions and all have their own supply chains. For the year ended December 31, 2023, Persist's

supply chain spend by jurisdiction was 99.98% sourced in Canada, and 0.02% sourced in the United States.

The chart below reflects the Corporation’s 2023 supply chain spend broken out by sector:



4. ETHICS POLICY

Persist consistently monitors and evaluates its operations, its employees and its contractors to determine whether the Corporation’s standards of professional conduct and ethical behaviour are being upheld. At the current stage of the Corporation’s development, the Corporation’s board of directors has not felt the need to implement a Code of Ethical Conduct. If the board of directors determines that the Corporation would benefit from a Code of Ethical Conduct, steps would be taken to implement one.

5. ASSESSING AND MANAGING RISK

All of Persist’s business operations are located in Alberta, Canada with a workforce that is largely comprised of office workers and skilled oil and gas field workers. The Corporation is of the view that there is low risk of modern slavery in its direct operations. Therefore, the Corporation has not adopted any specific due diligence processes aimed at identifying instances of modern slavery in our direct operations

beyond our general processes and procedures for monitoring compliance with the laws and regulations applicable to our business.

Persist believes that the greatest risk of exposure to modern slavery is through the Corporation's vendors supply chains. Given that Persist's vendors are located in Canada, the Corporation considers the risk of modern slavery being present with our direct supply chain to be low. However, Persist appreciates that many of our Suppliers supply products that originate from other jurisdictions. The Corporation incorporates a standard form Master Services Agreement with its service providers to address and to manage this risk.

Remediation Measures

At December 31, 2023, to the best of Persist's knowledge, no goods procured by Persist were tainted by the indicia of modern slavery and accordingly, no remediation measures were undertaken. Persist has not identified any loss of income to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in our activities or supply chains.

If a situation of non-compliance is identified in the future, Persist will work to implement corrective actions to remedy the situation.

6. TRAINING

When onboarding new staff, Persist educates them as to the Corporation's safety commitments and the Corporation's expectations related to an acceptable code of ethical conduct. Persist is also committed to improving the capacity of its staff to understand, to identify and to manage the risks of modern slavery in the Corporation's operations and across the Corporation's supply chains.

7. EFFECTIVENESS

The Corporation is of the view that the operational risk of exposure to modern slavery risk is negligible. Other than as described in this Report, no actions were taken by Persist in 2023 to assess the effectiveness in ensuring that modern slavery is not being used in its business or supply chains.

8. APPROVAL

This Report was approved by the Board of Directors of Persist Oil and Gas Inc. pursuant to Section 11(4)(a) of the Act.

In accordance with the requirements of the Act, and in particular Section 11 thereof, I, for and on behalf of the Corporation's Board of Directors, attest to the fact that we have reviewed the information contained in this report and further attest to the fact that the information contained 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 the Corporation.

On Behalf of the Board of Directors of **PERSIST OIL AND GAS INC.**

(Signed) *"Massimo Geremia"*

Director

Calgary, Alberta

May 28, 2024