Traverse Energy Ltd.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2016

APRIL 11, 2017

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GLOSSARY OF ABBREVIATIONS

AECO	The natural gas storage facility located at Suffield, Alberta
bbl	Barrels
bbl/d	Barrels per day
Mbbl	Thousands of barrels
BOE	Barrel of oil equivalent (6:1)
BOE/d	Barrel of oil equivalent per day (6:1)
MBOE	Thousands of barrels oil equivalent (6:1)
COGE	Canadian Oil and Gas Evaluation
GORR	Gross overriding royalty
M$	Thousands of dollars
Mcf	Thousand cubic feet
Mcf/d	Thousand cubic feet per day
MMBtu	Millions of British thermal units
MMcf	Million cubic feet
MMcf/d	Million cubic feet per day
ORR	Over-riding royalty
P	Proved
PA	Probable
PDP	Proved developed producing
PDNP	Proved developed non-producing
PU	Proved undeveloped
P+PA	Proved plus probable
NGL	Natural gas liquids
WI	Working interest
WTI	West Texas Intermediate

Where amounts are expressed on a barrel of oil equivalent basis, natural gas volumes have been converted to barrels of oil at six thousand cubic feet per barrel. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Where any disclosure of reserves data is made in this Annual Information Form that does not reflect all reserves of Traverse, the reader should note that the estimates of reserves and future net revenue for individual properties or groups of properties may not reflect the same confidence level as estimates of reserves and future net revenues for all properties, due to the effects of aggregation.

FORWARD-LOOKING INFORMATION

Certain statements contained in this Annual Information Form constitute forward-looking information. These statements relate to future events or Traverse Energy Ltd.'s (the "**Company**") future performance. All statements other than statements of historical fact contain forward-looking information. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect, "may", "will", "project", "predict", "potential", "should", "believe", and similar expressions are intended to identify forward-looking information. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in this forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct. These statements speak only as of the date of this Annual Information Form and the Company disclaims any intention or obligation to publicly update or revise any forward-looking information whether as a result of new information, future events or otherwise except as may be expressly required by applicable securities laws.

In particular, this Annual Information Form contains forward-looking information pertaining to the following:

- production estimates;
- amount and funding of future development costs;
- the Company's exploration and development intentions for its principal oil and natural gas properties;
- estimates and timing of abandonment and reclamation costs;
- oil, natural gas and natural gas liquids production levels;
- estimates of tax pools and timing of the tax horizon; and
- the Company's intentions with respect to lease expiries.

In addition, statements relating to "reserves" are deemed to be forward-looking information as they involve the implied assessment based on certain estimates and assumptions that the reserves described can be profitably produced in the future.

Although the Company believes that the expectations reflected by the forward-looking information presented in this Annual Information Form are reasonable, this forward-looking information has been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to the Company about itself and the businesses in which it operates. Information used in developing forward-looking information has been acquired from various sources including third party consultants, suppliers, regulators and other sources. The material factors and assumptions used to develop the forward-looking information include but are not limited to:

- no significant adverse changes to energy markets, competitive conditions, the supply and demand for crude oil and natural gas;
- no significant delays of the development, construction or commissioning of the Company's projects that may result from the inability of suppliers to meet their commitments, lack of regulatory approvals or other governmental actions, harsh weather or other calamitous event;
- no significant disruption of the Company's operations such as may result from harsh weather, natural disaster, accident or other calamitous event;
- no significant unexpected technological or commercial difficulties that adversely affect the Company's exploration, development, production, processing or transportation;
- continuing availability of economical capital resources and demand for the Company's products;
- no significant adverse legislative and regulatory changes, in particular changes to the legislation and regulation governing fiscal regimes and environmental issues, environmental risks and liability under provincial, state, federal or other jurisdictions; and
- stability of general domestic and global economic, market and business conditions.

Because actual results or outcomes could differ materially from those expressed in any forward-looking information, investors should not place undue reliance on any such forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes will not occur. The risks, uncertainties and other factors, many of which are beyond the Company's control, that could influence actual results include, but are not limited to:

- volatility in market prices for oil and natural gas;
- liabilities inherent in oil and natural gas operations;
- uncertainties associated with estimating oil and natural gas reserves;
- uncertainties associated with the Company’s oil and natural gas exploration and development program;
- competition for, among other things, capital, acquisitions or reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value of acquisitions;
- geological, technical, drilling and processing problems;
- the need to obtain required approvals from regulatory authorities;
- uncertainties associated with changes in legislation; and
- the other factors discussed under "Risk Factors".

The foregoing list of factors is not exhaustive. The forward-looking information contained in this Annual Information Form is expressly qualified by this cautionary statement.

CORPORATE STRUCTURE

Traverse Energy Ltd. ("**Traverse**" or the "**Company**") was incorporated on August 25, 1995 as Firstland Energy Limited pursuant to the *Business Corporations Act* (Alberta). By Certificate of Amendment dated June 11, 2009 the Company changed its name to Traverse Energy Ltd. The Company amalgamated with a wholly owned subsidiary effective January 1, 2010. On January 1, 2014 Traverse amalgamated with a wholly owned subsidiary, DLS Energy Ltd. ("**DLS**").

The Company has its head office at Suite 780, 839 – 5th Avenue S.W., Calgary, Alberta, T2P 3C8. The Company has its registered office at 2500, 450 – 1 Street S.W., Calgary, Alberta, T2P 5H1.

Traverse does not have any subsidiaries. Traverse employs or retains 11 individuals, on a full or part-time basis in Calgary, Alberta.

GENERAL DEVELOPMENT OF THE BUSINESS OVER THE LAST THREE YEARS

In 2014 Traverse participated in the drilling of 14 wells resulting in 9 oil wells and 5 natural gas wells. Production during 2014 averaged 975 BOE/d comprised of 518 bbl of oil and natural gas liquids per day and 2,743 Mcf/d of natural gas. The Company acquired 36,200 net acres of Crown undeveloped lands during 2014. At year end Traverse held 187,300 gross (185,900 net) acres of undeveloped land. In March 2014 Traverse completed a bought deal financing of 14,375,000 common shares for gross proceeds of $11.5 million. In December 2014, Traverse completed a private placement of 1,300,000 flow-through common shares for gross proceeds of $1.5 million.

In 2015 Traverse participated in the drilling of 4 wells, resulting in 3 oil wells and 1 natural gas well. Production during 2015 averaged 1,011 BOE/d comprised of 534 bbl of oil and natural gas liquids per day and 2,865 Mcf/d of natural gas. In June 2015, the Company sold its royalty interest in the Brazeau area of Alberta for cash proceeds of $8.9 million. The Company acquired 20,680 net acres of Crown undeveloped lands during 2015. At year end, Traverse held 180,800 gross (180,100 net) acres of undeveloped land. In October 2015, Traverse completed a private placement of 1,168,000 flow-through common shares for gross proceeds of $0.7 million.

In 2016 Traverse participated in the drilling of 2 wells, resulting in 1 oil well and 1 abandoned well. Production during 2016 averaged 690 BOE/d comprised of 339 bbl of oil and natural gas liquids per day and 2,107 Mcf/d of natural gas. The Company acquired 41,400 net acres of Crown and freehold lands during 2016. At year end Traverse held 181,600 gross (180,700 net) acres of undeveloped land. In June 2016, Traverse completed a private placement of 6,696,133 flow-through common shares for gross proceeds of $2.8 million. In December 2016, Traverse completed a private placement of 2.4 million common shares and 5.6 million flow-through shares for gross proceeds of $3.5 million.

NARRATIVE DESCRIPTION OF THE BUSINESS

Traverse is in the business of exploration, development, acquisition and production of natural gas, oil and NGL. All of Traverse's natural gas, oil and NGL reserves are located in Alberta, Canada. At December 31, 2016, Traverse's asset base included proved plus probable reserves (before royalties) of 5,897 MMcf of natural gas and 1,175.6 Mbbl of oil and NGL, based on escalated price and costs assumptions, and an inventory of undeveloped lands totaling 181,600 gross (180,700 net) acres.

Traverse directly acquires petroleum and natural gas leases through public offering sales held by the Alberta government; by acquisition of freehold leases; or through participation in farm-in transactions where an interest is earned by incurring exploration, development or other capital costs.

Environmental matters

The oil and gas industry is subject to environmental regulations pursuant to applicable legislation. Such legislation provides for restrictions and prohibitions on release or emission of various substances produced in association with certain oil and gas industry operations, and requires that well and facility sites be abandoned and reclaimed to the satisfaction of environmental authorities. Traverse recorded an estimated provision on its balance sheet of $4,964,000 for reserve and abandonment site restoration as at December 31, 2016. The Company maintains an insurance program consistent with industry practice to protect against losses due to accidental destruction of assets, well blowouts, pollution and other operating accidents or disruptions. The Company also has operational and emergency response procedures and safety and environmental programs in place to reduce potential loss exposure. See "*Risk Factors*".

Competitive conditions

The oil and natural gas industry is intensely competitive in all its phases. Traverse competes with numerous other participants in the search for, and the acquisition of, oil and natural gas properties and in the marketing of oil and natural gas. Traverse's competitors include resource companies which have greater financial resources, staff and facilities than those of Traverse. Competitive factors in the distribution and marketing of oil and natural gas include price and methods and reliability of delivery. Traverse believes that its competitive position is equivalent to that of other oil and gas issuers of similar size and at a similar stage of development. See "*Risk Factors*".

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

In accordance with National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("**NI 51-101**"), Sproule Associates Limited ("**Sproule**") prepared a report (the "**Sproule Report**") dated February 21, 2017. The Sproule Report evaluated, as at December 31, 2016, Traverse's natural gas, oil and NGL reserves.

The reserves data set forth below (the "**Reserves Data**") is based upon an evaluation by Sproule with an effective date of December 31, 2016 and is contained in the Sproule Report. The Reserves Data summarizes the crude oil, natural gas liquids and natural gas reserves of the Company and the net present value of future net revenue for these reserves using forecast prices and costs. The Sproule Report has been prepared in accordance with the standards contained in the COGE Handbook and the reserves definitions contained in NI 51-101. Additional information not required by NI 51-101 has been presented to provide continuity and additional information which management believes is important to the readers of this information. The Company engaged Sproule to provide an evaluation of proved and proved plus probable reserves and no attempt was made to evaluate possible reserves.

In accordance with the requirements of NI 51-101, the Report on Reserves Data By Independent Qualified Reserves Evaluator in Form 51-101F2 and the Report of Management and Directors on Reserves Data and Other Information in Form 51-101F3 are attached as Appendices A and B hereto, respectively.

It should not be assumed that the estimates of future net revenue presented in the tables below represent the fair market value of the reserves. There is no assurance that the forecast prices and cost assumptions will be attained and variances could be material. The recovery and reserves estimates of the Company's crude oil, natural gas liquids and natural gas reserves provided are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein.

SUMMARY OF OIL AND GAS RESERVES

Reserves category	Light and Medium Crude Oil Gross Mbbl	Light and Medium Crude Oil Net Mbbl	Conventional Natural Gas Gross MMcf	Conventional Natural Gas Net MMcf	Natural Gas Liquids Gross Mbbl	Natural Gas Liquids Net Mbbl	Oil Equivalent Gross MBOE	Oil Equivalent Net MBOE
Proved								
Developed Producing	378.7	363.4	2,827	2,505	38.0	26.1	887.9	807.0
Developed Non-Producing	99.4	90.9	717	667	11.6	9.3	230.5	211.4
Undeveloped	386.1	345.8	1,124	1,061	21.4	19.1	594.8	541.7
Total Proved	864.2	800.0	4,668	4,233	70.9	54.4	1,713.0	1,560.1
Total Probable	221.8	191.4	1,229	1,098	18.7	14.1	445.4	388.5
Total Proved plus Probable	1,086.0	991.5	5,897	5,331	89.6	68.6	2,158.4	1,948.6

NET PRESENT VALUE OF FUTURE NET REVENUE BEFORE INCOME TAXES

Reserves category	Before Income Taxes 0% M$	5% M$	10% M$	15% M$	20% M$	Unit Value Before Income Taxes 10% $/BOE
Proved						
Developed Producing	18,114	15,487	13,435	11,856	10,626	16.65
Developed Non-Producing	3,898	3,798	3,641	3,468	3,296	17.24
Undeveloped	15,345	11,874	9,399	7,596	6,243	17.35
Total Proved	37,358	31,160	26,475	22,919	20,166	16.97
Total Probable	13,701	9,632	7,219	5,701	4,685	18.57
Total Proved plus Probable	51,059	40,793	33,694	28,620	24,850	17.29

NET PRESENT VALUE OF FUTURE NET REVENUE AFTER INCOME TAXES

Reserves category	After Income Taxes 0% M$	5% M$	10% M$	15% M$	20% M$
Proved					
Developed Producing	18,114	15,487	13,435	11,856	10,626
Developed Non-Producing	3,898	3,798	3,641	3,468	3,296
Undeveloped	12,030	9,406	7,492	6,079	5,006
Total Proved	34,042	28,692	24,568	21,402	18,929
Total Probable	10,035	7,071	5,301	4,190	3,450
Total Proved plus Probable	44,078	35,764	29,869	25,592	22,378

TOTAL FUTURE NET REVENUE (UNDISCOUNTED)

Reserves category	Revenue M$	Royalties M$	Operating Costs M$	Development Costs M$	Well Abandonment Costs M$	Future Net Revenue Before Income Taxes M$	Income Taxes M$	Future Net Revenue After Income Taxes M$
Proved	86,994	5,863	32,400	7,587	3,786	37,358	3,316	34,042
Proved plus Probable	112,574	8,669	41,279	7,587	3,980	51,059	6,981	44,078

FUTURE NET REVENUE BY PRODUCT TYPE

	Future Net Revenue Before Income Taxes (Discounted at 10%) M$	Unit Value $/BOE[(1)]
Proved		
Light and Medium Crude Oil (including solution gas and associated byproducts)	24,996	18.77
Natural Gas (Non Assoc. & Assoc.) (including associated byproducts)	1,479	6.49
Total	26,475	
Proved plus Probable		
Light and Medium Crude Oil (including solution gas and associated byproducts)	31,662	19.09
Natural Gas (Non Assoc. & Assoc.) (including associated byproducts)	2,031	7.01
Total	33,694	

[(1)]Unit values are based on net reserve volumes.

Notes to reserves data tables

1. Columns may not add due to rounding.

2. The crude oil, natural gas liquids and natural gas reserves estimates presented in the Sproule Report are based on the definitions and guidelines contained in the COGE Handbook. A summary of those definitions are set forth below.

   Reserves Categories

   Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on:

   - analysis of drilling, geological, geophysical and engineering data;
   - the use of established technology;
   - specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed; and
   - a remaining reserve life of 50 years.

Reserves are classified according to the degree of certainty associated with the estimates;

- Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
- Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Other criteria that must also be met for the categorization of reserves are provided in Section 5.5 of the COGE Handbook.

Each of the reserves categories (proved and probable) may be divided into developed or undeveloped categories.

- Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (e.g., when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.
  - Developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
  - Developed non-producing reserves are those reserves that either have not been on production, or have previously been on production, but are shut in, and the date of resumption of production is unknown.

- Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved or probable) to which they are assigned.

- In multi-well pools, it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

3. Forecast prices and costs

The forecast price and cost assumptions assume increases in wellhead selling prices and take into account inflation with respect to future operating and capital costs. The forecast price and cost assumptions assume the continuance of current laws and regulations. Crude oil and natural gas benchmark reference pricing, as at December 31, 2016, inflation and exchange rates utilized by Sproule in the Sproule Report were as follows:

	Light and Medium Crude Oil		Conventional Natural Gas	Natural Gas Liquids					
Year	WTI Cushing Oklahoma 40^0 API ($US/bbl)	Canadian Light Sweet Crude 40^0 API ($C/bbl)	AECO-C Gas Prices ($Cdn/MMBtu)	Edmonton Pentanes Plus ($Cdn/bbl)	Edmonton Butane ($Cdn/bbl)	Edmonton Propane ($Cdn/bbl)	Operating Cost Inflation Rate (%/Yr)	Capital Cost Inflation Rate (%/Yr)	Exchange Rate ($US/$Cdn)
2017	55.00	65.58	3.44	67.95	47.60	22.74	0.0	0.0	0.780
2018	65.00	74.51	3.27	75.61	55.49	28.04	2.0	2.0	0.820
2019	70.00	78.24	3.22	78.82	57.65	30.64	2.0	2.0	0.850
2020	71.40	80.64	3.91	80.47	58.80	32.27	2.0	2.0	0.850
2021	72.83	82.25	4.00	82.15	59.98	33.95	2.0	2.0	0.850
2022	74.28	83.90	4.10	83.86	61.18	35.68	2.0	2.0	0.850
2023	75.77	85.58	4.19	85.61	62.40	37.46	2.0	2.0	0.850
2024	77.29	87.29	4.29	87.39	63.65	39.30	2.0	2.0	0.850
2025	78.83	89.03	4.40	89.21	64.92	41.19	2.0	2.0	0.850
2026	80.41	90.81	4.50	91.07	66.22	43.13	2.0	2.0	0.850
2027	82.02	92.63	4.61	92.96	67.54	45.14	2.0	2.0	0.850

Thereafter escalation at 2.0% per year.

Traverse's average prices for the 2016 financial year were as follows: $2.37 per Mcf for natural gas, $45.36 per bbl of oil and $23.91 per bbl of natural gas liquids.

4. Abandonment and reclamation costs have only been included for wells (both existing and undrilled) with reserves attributed. No allowance was made for abandonment and reclamation costs in respect of any pipelines or facilities or for wells with no attributed reserves. See *"Additional Information Concerning Abandonment and Reclamation Costs"*.

5. The extent and character of all factual data supplied to Sproule were accepted by Sproule as represented. No field inspection was conducted.

6. The after-tax net present value of the Company's properties reflects the tax burden on the properties on a stand-alone basis and utilizing the Company's tax pools. It does not reflect the business entity level tax situation or tax planning. It does not provide an estimate of the value at the level of the business entity, which may be significantly different. The financial statements and management's discussion and analysis of the Company should be consulted for information at the level of the business entity. Furthermore, the tax methodology used assumes that all tax pools are utilized to the maximum depreciation rate as currently permitted.

RESERVES RECONCILIATION

The following tables reconcile Traverse's gross reserves by principal product type. Gross reserves are Traverse's working interest (operated or non-operated) share of reserves before deduction of royalty obligations and without including any over-riding royalty ("ORR") interests of Traverse:

Gross Reserves	Light and Medium Crude Oil			Conventional Natural Gas		
	Proved	Probable	Proved Plus Probable	Proved	Probable	Proved Plus Probable
	Mbbl	Mbbl	Mbbl	MMcf	MMcf	MMcf
December 31, 2015	945.5	237.2	1,182.7	4,837	1,279	6,116
Discoveries	82.5	20.2	102.7	446	115	561
Technical revisions	(31.0)	(33.3)	(64.3)	282	(153)	129
Economic factors	(20.1)	(2.3)	(22.4)	(136)	(12)	(148)
Production	(112.7)	0.0	(112.7)	(761)	0	(761)
December 31, 2016	864.2	221.8	1,086.0	4,668	1,229	5,897

Gross Reserves (continued)	Natural Gas Liquids			Oil Equivalent		
	Proved	Probable	Proved Plus Probable	Proved	Probable	Proved Plus Probable
	Mbbl	Mbbl	Mbbl	MBOE	MBOE	MBOE
December 31, 2015	70.3	18.6	88.9	1,822.0	468.8	2,290.8
Discoveries	7.2	1.9	9.1	164.0	41.2	205.2
Technical revisions	6.2	(1.7)	4.5	22.0	(59.9)	(37.9)
Economic factors	(2.1)	(0.1)	(2.2)	(44.7)	(4.7)	(49.4)
Production	(10.7)	0.0	(10.7)	(250.3)	0.0	(250.3)
December 31, 2016	70.9	18.7	89.6	1,713.0	445.4	2,158.4

ADDITIONAL INFORMATION RELATING TO RESERVES DATA

Undeveloped reserves – attribution history

The following tables set forth the proved undeveloped net reserves and the probable undeveloped net reserves, each by product type, first attributed to Traverse's assets in each of the three most recent financial years based on forecast prices and costs.

Proved undeveloped reserves

	Light and Medium Crude Oil		Conventional Natural Gas		Natural Gas Liquids		Oil Equivalent	
Year	First Attributed Gross Mbbl	Total at Year End Gross Mbbl	First Attributed Gross MMcf	Total at Year End Gross MMcf	First Attributed Gross Mbbl	Total at Year End Gross Mbbl	First Attributed Gross MBOE	Total at Year End Gross MBOE
2014	188.0	188.0	-	-	-	-	188.0	188.0
2015	148.5	414.0	1,237	1,237	20.4	20.4	375.1	640.6
2016	-	386.1	-	1,124	-	21.4	-	594.8

Probable undeveloped reserves

	Light and Medium Crude Oil		Conventional Natural Gas		Natural Gas Liquids		Oil Equivalent	
Year	First Attributed Gross Mbbl	Total at Year End Gross Mbbl	First Attributed Gross MMcf	Total at Year End Gross MMcf	First Attributed Gross Mbbl	Total at Year End Gross Mbbl	First Attributed Gross MBOE	Total at Year End Gross MBOE
2014	88.7	88.7	-	-	-	-	88.7	88.7
2015	37.6	104.6	313	313	5.2	5.2	95.0	162.0
2016	-	94.9	-	277	-	5.3	-	146.2

Traverse attributes proved and probable undeveloped reserves to wells which require additional expenditures in order to commence production. At December 31, 2016 and 2015 proved undeveloped reserves were attributed to four horizontal locations at Coyote. At December 31, 2014 proved undeveloped reserves were attributed to two horizontal locations at Coyote.

Probable undeveloped reserves assigned are associated with the wells which have a proved reserves component.

For information on plans on developing undeveloped reserves see *"Additional Information Relating to Reserves Data – Future development costs"* in this Annual Information Form.

Significant factors or uncertainties affecting reserves data

The estimation of reserves requires significant judgment and decisions based on available geological, geophysical, engineering and economic data. These estimates can change substantially as additional information from ongoing development activities and production performance becomes available and as economic and political conditions impact oil and gas prices and costs change. The Company's estimates are based on current production forecasts, prices and economic conditions. All of the Company's reserves are evaluated by the Sproule Report except for smaller minor ORR properties and non-operated working interests which produced a combined volume of less than 10 BOE per day in 2016.

As circumstances change and additional data becomes available, reserve estimates also change. Based on new information, reserves estimates are reviewed and revised, either upward or downward, as warranted. Although every reasonable effort has been made by Traverse to ensure that reserve estimates are accurate, revisions arise as new information becomes available. As new geologic, production and economic information is incorporated into the process of estimates of reserves the accuracy of the reserves estimates improves.

While Traverse does not anticipate that any significant economic factors or significant uncertainties will affect any particular components of the reserves data, the reserves can be affected significantly by fluctuations in product pricing, capital expenditures, operating costs, royalty regimes and well performance that are beyond Traverse's control. See *"Risk Factors"*. For information with respect to Traverse's abandonment and reclamation obligations see *"Other Oil and Gas Information – Additional information concerning abandonment and reclamation costs"* in this Annual Information Form.

Future development costs

The following table sets forth future development costs deducted in the estimation of Traverse's future net revenue attributable to the reserves categories noted below.

M$	Proved reserves	Proved plus Probable reserves
2017	3,915	3,915
2018	3,672	3,672
Thereafter	-	-
Total (undiscounted)	7,587	7,587
Total (discounted at 10%)	7,142	7,142

The future development costs relate to the drilling, completion and equipping of two horizontal oil wells at Coyote in each of 2017 and 2018. Traverse expects to fund future development costs through a combination of internally generated funds from operations, debt and equity financings.

OTHER OIL AND GAS INFORMATION

Principal properties

The following is a description of the Company's principal oil and natural gas properties, all located within the province of Alberta, as at December 31, 2016. Production stated is production before deduction of royalties and includes royalty interests to Traverse and, unless otherwise stated, is average production for 2016. Unless otherwise specified, gross and net acres and well count information are as at December 31, 2016.

Overview

Coyote

In the Coyote area, located approximately 40 kilometers east of Drumheller in East Central Alberta, Traverse holds a 100 percent working interest in 34,740 net acres. Traverse's Coyote battery includes a treater, storage tanks, water and gas separation facilities, a gas sweetening unit and onsite power generation. The facility is licensed to treat up to 2,000 barrels of oil and water and 4 mmcf of gas per day. The facility was expanded in 2016 to include water disposal.

Traverse drilled a new Ellerslie oil discovery in 2013 which has expanded to 9 producing oil wells and two shut-in oil wells at the end of 2015. During 2014 Traverse directed its efforts to delineate the Ellerslie oil pool and begin horizontal development drilling; two horizontal wells were drilled and placed on production in Q4 2014. Further exploitation of this pool will be with additional horizontal wells.

A new Upper Mannville oil zone was discovered in the Coyote area when drilling to develop the deeper Ellerslie oil pool. This shallower zone was delineated by previous wells and one well was completed in the zone in Q4 2014 and placed on production in 2015. Traverse drilled two horizontals wells into the Upper Mannville zone in 2015. In January 2017 one additional horizontal well was drilled into the Upper Mannville zone and was placed on production in February 2017.

Production for the 2016 year from Coyote averaged 362 BOE per day consisting of 60% oil, 36% natural gas and 4% natural gas liquids. Additional activities in 2014 and 2015 included building multi-well satellite facilities as well as additional multi-well drilling pad sites. Further exploration and development drilling is anticipated in 2017 but will be dependent on economic conditions.

Michichi

In the Michichi area, located approximately 20 kilometers west of the Coyote property, Traverse holds a 100 percent working interest in 15,520 net acres. Traverse drilled two Mannville gas wells in 2014. Production in 2016 from Michichi averaged 49 BOE per day consisting of 17% oil, 78% natural gas and 5% natural gas liquids. Traverse shot a 3D program in the area and plans further drilling of vertical delineation wells and horizontal development wells.

Turin

In the Turin area, located approximately 20 kilometers northeast of Lethbridge in Southern Alberta, Traverse holds a 100% interest in 3,500 net acres. Production in 2016 was 253 BOE per day consisting of 30% oil, 65% natural gas and 5% natural gas liquids. The production is processed through the Company owned Turin battery which consists of a treater, water and gas separation facilities, gas sweetening unit, onsite power generation and a water disposal well.

Watts

In the Watts area, located approximately 20 kilometers north of the Coyote property, Traverse holds a 100% interest in 17,120 net acres. Traverse drilled one Mannville oil well and re-entered one well for natural gas in 2016. The wells were placed on production in the first quarter of 2017. The oil production is trucked to the Company's Coyote battery and the natural gas is processed at a nearby third party gas plant. Traverse drilled one exploratory well in January 2017 which is awaiting completion. Further activity will include seismic acquisition and exploratory and development drilling.

Minor properties

At December 31, 2016, Traverse holds various minor ORR interests in producing oil and natural gas wells, all located within the province of Alberta. These combined ORR interests resulted in daily production volumes to Traverse in 2016 of 6 BOE/d. Further activities on the ORR lands are controlled by third party operators of the properties. Minor working interest properties consist mainly of single producing oil wells (100% interest) at Alliance and Carbon and natural gas wells at Little Bow and Viking.

Reserves by principal property

The following is a summary, as of December 31, 2016, of Traverse's gross company interest in natural gas, oil and NGL reserves as evaluated by Sproule in the Sproule Report on a forecast price and cost basis for each of Traverse's principal properties.

	Light and Medium Crude Oil (Mbbl)			Conventional Natural Gas (MMcf)		
Property	Proved	Probable	Total	Proved	Probable	Total
Coyote	644.3	165.4	809.7	2,126	555	2,680
Michichi	9.6	2.6	12.2	294	80	375
Turin	149.5	38.1	187.6	1,828	480	2,307
Watts	47.9	11.8	59.7	286	76	362
Minor	12.9	3.9	16.8	135	39	174
Total Company	864.2	221.8	1,086.0	4,668	1,229	5,897

** Columns may not add due to rounding*

Property	Natural Gas Liquids (Mbbl) Proved	Probable	Total	Oil Equivalent (MBOE) Proved	Probable	Total
Coyote	40.4	10.5	50.9	1,038.9	268.5	1,307.4
Michichi	3.2	0.9	4.1	61.9	16.9	78.8
Turin	20.1	5.3	25.4	474.3	123.2	597.5
Watts	5.4	1.4	6.9	100.9	25.9	126.8
Minor	2.1	0.6	2.6	37.0	10.8	47.9
Total Company	71.2	18.7	89.9	1,713.0	445.3	2,158.4

* *Columns may not add due to rounding*

Producing wells

The following tables summarize, as at December 31, 2016, the Company's interest in producing and non-producing wells which are believed to be capable of production.

	Producing			Non-producing			Total		
Natural Gas Wells	Gross (1)	Net (2)	RI (3)	Gross (1)	Net (2)	RI (3)	Gross (1)	Net (2)	RI (3)
Coyote	2.0	2.0	-	1.0	1.0	-	3.0	3.0	-
Michichi	2.0	2.0	-	-	-	-	2.0	2.0	-
Turin	4.0	4.0	-	2.0	2.0	-	6.0	6.0	-
Watts	-	-	-	1.0	1.0	-	1.0	1.0	-
Minor	3.0	0.5	0.2	3.0	-	0.3	6.0	0.5	0.5
Total	11.0	8.5	0.2	7.0	4.0	0.3	18.0	12.5	0.5

	Producing			Non-producing			Total		
Oil Wells	Gross (1)	Net (2)	RI (3)	Gross (1)	Net (2)	RI (3)	Gross (1)	Net (2)	RI (3)
Coyote	10.0	10.0	-	9.0	9.0	-	19.0	19.0	-
Turin	7.0	7.0	-	2.0	2.0	-	9.0	9.0	-
Watts	1.0	1.0	-	-	-	-	1.0	1.0	-
Minor	5.0	1.9	0.2	1.0	1.0	-	6.0	2.9	0.2
Total	23.0	19.9	0.2	12.0	12.0	-	35.0	31.9	0.2

(1) Gross means the number of wells in which Traverse has an interest.
(2) Net means the product of the total number of gross wells multiplied by Traverse's percentage working interest therein.
(3) RI means the product of the total number of gross wells multiplied by Traverse's percentage royalty interest therein.

Properties with no attributed reserves

Traverse's gross and net acreage is determined on a title document basis. The gross and net acreage is determined based on the acreage contained in each title document. Where different title documents exist under the same surface area, acreage is counted based on title document.

At December 31, 2016, Traverse held various interests in 181,600 gross (180,700 net) acres in undeveloped lands located in Alberta. Expiries of 48,880 gross (44,400 net) acres are anticipated in 2017. Traverse plans to drill, farm out to third parties, or submit application to continue selected portions of the pending 2017 expiries. The majority of this acreage will be allowed to expire.

Forward contracts

From time to time, Traverse may employ financial instruments and physical arrangements to manage fluctuations in oil and natural gas market prices. Traverse may use fixed physical price arrangements, future contracts, swaps, collars and put options with respect to a portion of its oil and natural gas production in order to achieve more predictable funds from operations. For details on risk management commodity contracts see the discussion under "Pricing" in Traverse's management discussion and analysis for the year ended December 31, 2016 (available on SEDAR at www.sedar.com), which is incorporated herein by reference. Traverse does not utilize financial instruments for speculative purposes.

Additional information concerning abandonment and reclamation costs

At December 31, 2016 the Sproule Report contained 27 gross (26.9 net) wells capable of production and 4 gross (4 net) undrilled locations for which abandonment and reclamation costs were deducted. The future net revenue disclosed in this Annual Information Form does not contain an allowance for abandonment of wells which have not been assigned reserves, suspended wells, site reclamation of abandoned wells and abandonment and site reclamation of facilities. The following table sets out the abandonment and reclamation costs deducted in the estimation of Traverse's net revenue attributable to the reserve categories noted below:

M$	Proved Reserves	Proved Plus Probable Reserves
2017-2022	-	-
2023	81.1	82.7
2024	436.5	445.2
2025	372.6	380.0
2026	184.0	87.8
2027	204.9	191.5
Thereafter	2,506.6	2,793.2
Total (undiscounted)	3,785.7	3,980.1
Total (discounted at 10%)	1,004.8	876.2

The provision for future abandonment and reclamation costs is determined by management in consultation with the Company's independent engineers and is based on prevailing regulations, costs, and technology and industry standards. The Company's estimates of abandonment and reclamation costs for surface leases, wells, facilities and pipelines, undiscounted and discounted at 10 percent are $6.7 million and $2.4 million, respectively (see Note 9 – *Decommissioning Obligations* of the Company's audited financial statements for the year ended December 31, 2016). There are no unusually significant abandonment and reclamation costs associated with Traverse's properties with attributed reserves or properties with no attributed reserves.

Tax horizon

The Company was not taxable on a current basis for the year ended December 31, 2016. The Company does not anticipate being taxable on a current basis in 2017 dependent on the level and type of capital expenditures in 2017 as well as the results of such expenditures. As at December 31, 2016, Traverse's total tax pools available for deduction against future taxable income are estimated at $26 million.

Costs incurred

The following table summarizes the capital expenditures incurred by Traverse for the year ended December 31, 2016:

M$	Year Ended December 31, 2016
Unproved property acquisition costs[(1)]	664
Exploration costs[(2)]	1,162
Development costs[(3)]	4,787
Total	6,613

(1) Cost of land acquired and non-producing lease rentals on those lands.
(2) Geological and geophysical capital expenditures and drilling, completing and equipping exploration wells.
(3) Capital expenditures related to development wells and facilities.

Exploration and development activities

The following table sets forth the gross and net exploratory and development wells in which Traverse participated during the year ended December 31, 2016.

	Exploratory Wells		Development Wells	
	Gross[(1)]	Net[(2)]	Gross[(1)]	Net[(2)]
Light and Medium Crude Oil	1.0	1.0	1.0	1.0
Total	1.0	1.0	1.0	1.0

(1) "Gross" means the number of wells in which Traverse has an interest.
(2) "Net" means the product of the total number of gross wells multiplied by Traverse's percentage interest therein.

For details on the current and anticipated exploration and development activities during 2017, see "*Statement of Reserves Data and Other Oil and Gas Information – Other Oil and Gas Information – Principal Properties*".

Production estimates – forecast case for 2017 by reserve category

	Light and Medium Crude Oil	Conventional Natural gas	Natural Gas Liquids	Oil Equivalent
Reserves Category	bbl/d	Mcf/d	bbl/d	BOE/d
Proved				
Coyote	261	1,033	20	453
Michichi	6	184	2	39
Turin	91	1,158	13	297
Watts	54	404	7	129
Minor	8	76	1	22
Total Proved	419	2,855	42	934
Proved plus Probable				
Coyote	280	1,110	21	487
Michichi	7	196	2	41
Turin	94	1,208	13	309
Watts	56	430	8	136
Minor	8	77	1	22
Total Proved plus Probable	446	3,021	45	991

Production history and netbacks

The following table summarizes the corporate average daily production and related netbacks by quarter for 2016.

	Three Months Ended, 2016				Total
	Mar. 31	June 30	Sept. 30	Dec. 31	Year
Production					
Conventional Natural Gas (Mcf/d)	2,203	2,293	1,861	2,075	2,107
Light and Medium Crude Oil (bbl/d)	371	340	289	239	310
Natural Gas Liquids (bbl/d)	38	26	33	20	29
Oil equivalent (BOE/d)	776	748	632	605	690
Average prices received					
Conventional Natural Gas ($/Mcf)	2.21	1.88	2.46	2.99	2.37
Light and Medium Crude Oil (bbl/d)	34.09	48.45	48.77	54.17	45.36
Natural Gas Liquids ($/bbl)	11.60	33.23	23.58	35.80	23.91
$ per BOE					
Petroleum and natural gas revenue	23.15	28.93	30.74	32.86	28.60
Royalties	(0.84)	(0.53)	(1.02)	(0.84)	(0.80)
Operating and transportation expenses	(13.08)	(16.87)	(18.26)	(20.04)	(16.83)
Operating netback	9.23	11.53	11.46	11.98	10.97

Operating netback does not have a standardized meaning prescribed by International Financial Reporting Standards (“IFRS”) and therefore may not be comparable to the calculation of similar measures by other entities. Management uses certain industry benchmarks such as operating netback to analyze financial and operating performance. There are no comparable measures in accordance with IFRS for operating netback. Management believes that in addition to net income (loss), this non-IFRS measure is a useful supplemental measure to assist in the determination of the Company's operating performance. Investors should be cautioned however, that this measure should not be construed as an alternative to net income (loss) determined in accordance with IFRS, as indicators of the Company's performance.

Operating netback represents revenue less royalties, operating and transportation costs. Operating netback per BOE is the operating netback divided by barrels of oil equivalent production volume for the applicable period.

The following tables summarize the average daily production by important field by quarter for 2016:

	Three Months Ended, 2016				Total
	Mar. 31	June 30	Sept. 30	Dec. 31	Year
Coyote					
Conventional Natural Gas (Mcf/d)	831	928	713	667	784
Light and Medium Crude Oil (bbl/d)	276	242	201	149	217
Natural Gas Liquids (bbl/d)	17	16	19	6	15
Oil equivalent (BOE/d)	432	413	338	266	362
Michichi					
Conventional Natural Gas (Mcf/d)	236	227	208	249	230
Light and Medium Crude Oil (bbl/d)	7	10	7	10	9
Natural Gas Liquids (bbl/d)	9	(4)	2	3	2
Oil equivalent (BOE/d)	56	44	44	54	49
Turin					
Conventional Natural Gas (Mcf/d)	1,103	984	835	1,043	991
Light and Medium Crude Oil (bbl/d)	84	79	72	73	77
Natural Gas Liquids (bbl/d)	11	13	11	10	11
Oil equivalent (BOE/d)	279	256	222	257	253

DESCRIPTION OF CAPITAL STRUCTURE

Traverse is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares. As at April 11, 2017 there were 86,644,402 common shares and 6,175,000 options outstanding. Each option is exercisable into one common share. No preferred shares have been issued.

Common shares

The holders of common shares are entitled to: (i) receive notice of and to attend and vote at all meetings of shareholders on the basis of one vote per share, except meetings at which only holders of a specified class of shares are entitled to vote, (ii) receive any dividends declared on this class of shares although the Company is entitled to declare dividends on the preferred shares without being obliged to declare any dividends on the common shares, and subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Company, to receive the remaining property of the Company upon dissolution.

Preferred shares

The preferred shares may be issued in one or more series. The Board of Directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to each series. The preferred shares of each series shall, with respect to payments of dividends and distributions of assets be entitled to preference over the common shares and the shares of any other class ranking junior to the preferred shares of that series.

Dividends

The Company has not paid any dividends on its common shares. Any decision to pay dividends on the common shares in the future will be made by the Board of Directors on the basis of earnings, financial requirements and other conditions existing at the time.

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company of Canada, at its offices in Calgary, Alberta, is the transfer agent and registrar for Traverse.

MARKET FOR SECURITIES

The common shares of the Company are listed for trading on the TSX Venture Exchange under the symbol "TVL". The following table sets out the price ranges and volumes traded by month for the 2016 financial year.

Month	High	Low	Volume
January	$0.40	$0.31	683,273
February	$0.34	$0.29	419,464
March	$0.37	$0.30	1,394,495
April	$0.40	$0.33	539,625
May	$0.43	$0.38	208,525
June	$0.47	$0.40	372,130
July	$0.55	$0.47	197,300
August	$0.52	$0.46	197,700
September	$0.54	$0.45	444,371
October	$0.47	$0.43	299,820
November	$0.45	$0.40	238,180
December	$0.45	$0.41	449,318

RISK FACTORS

Investors should carefully consider the risk factors set out below and consider all other information contained herein and in the Company's other public filings before making an investment decision.

Competitive Industry

The oil and gas industry is highly competitive. Traverse competes with numerous other participants for all of its business activities, including exploration and development prospects, access to commodity markets and available capital. Traverse's competitors include companies with greater financial resources, staff and facilities than those of Traverse. Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted by the Company. Demand for such limited equipment or access restrictions may affect the availability of such equipment to Traverse and may delay exploration and development activities.

Additional Commercial Quantities of Oil and Natural Gas

Exploration, development and production of petroleum and natural gas involves many risks that even a combination of experience, knowledge and careful evaluation may not be sufficient to overcome. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by Traverse.

Marketability

The marketability of oil and natural gas discovered or acquired will be affected by numerous factors beyond the control of Traverse. These factors include reservoir characteristics, market fluctuations, the proximity and capacity of oil and natural gas pipelines and processing equipment and government regulation. The effect of these factors cannot be accurately predicted.

Regulation

Oil and natural gas operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government, which may be amended from time to time. Traverse's oil and natural gas operations may also be subject to compliance with international, federal, provincial and local laws, regulations and policies controlling the discharge of materials into the environment or otherwise relating to the protection of the environment. Although the Company believes that it is in material compliance with current applicable environmental regulations, changing regulations may have a material adverse effect on the Company.

Oil and Natural Gas Operations

Oil and natural gas operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, and oil spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or in personal injury. Traverse maintains a comprehensive insurance program that insures liability and property consistent with industry practice. The program is designed to mitigate risks and protect against significant loss. However, the Company is not fully insured against all these risks, nor are all such risks insurable.

Estimates of Quantities of Reserves

There are numerous uncertainties inherent in estimating quantities of reserves and cash flows to be derived, including many factors that are beyond the control of the Company. The reserves and cash flow information set forth in this Annual Information Form represent estimates only. The reserves and estimated future net cash flow from the Company's properties have been independently evaluated effective December 31, 2016 by Sproule Associates Limited. These evaluations include a number of assumptions relating to factors such as initial production rates, production decline rates, ultimate recovery of reserves, timing and amount of capital expenditures, marketability of production, future prices of oil and natural gas, operating costs and royalties and other government levies that may be imposed over the producing life of the reserves. Many of these assumptions are subject to change and are beyond the control of the Company.

Risks Associated with Acquisitions of Oil and Natural Gas Properties

Acquisitions of oil and natural gas properties are based in large part on engineering, environmental and economic assessments made by the acquiror, independent engineers and consultants. These assessments include a series of assumptions regarding such factors as recoverability and marketability of oil and natural gas, environmental restrictions and prohibitions regarding releases and emissions of various substances, future prices of oil and natural gas and operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond the control of the Company. All such assessments involve a measure of geological, engineering, environmental and regulatory uncertainty that could result in lower production or reserves or higher operating or capital expenditures than anticipated.

Although select title and environmental reviews are conducted prior to any purchase of resource assets, such reviews cannot guarantee that any unforeseen defects in the chain of title will not arise to defeat the Company's title to certain assets or that environmental defects or deficiencies do not exist or are not greater than anticipated.

Dividends are Discretionary

The Company is not obligated to pay dividends on its common shares. The payment of dividends is at the sole discretion of the Company's board of directors and as at the date hereof, the Company has not paid dividends. In addition, the Company's credit facilities may restrict its ability to pay dividends, and thus the Company's ability to pay dividends on its common shares will depend on, among other things, the Company's level of indebtedness at the time of the proposed dividend and whether it is in compliance with such facilities. Any reduction or elimination of dividends could cause the market price of the common shares to decline and could further cause the common shares to become less liquid, which may result in losses to shareholders.

Future Sales of Common Shares by the Company

The Company may issue additional common shares in the future, which may dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of common shares and an unlimited number of preferred shares and shareholders will have no pre-emptive rights in connection with such further issuances. The directors of the Company have the discretion to determine the provisions attaching to any series of preferred shares and the price and the terms of issue of further issuances of common shares. Also, additional common shares will be issued by the Company on the exercise of options under the Company's stock option plan.

Additional Funding Requirements

Traverse's cash flow from its reserves may not be sufficient to fund its ongoing activities at all times. From time to time, Traverse may require additional financing in order to carry out its oil and natural gas exploitation, acquisition, exploration, development and production activities. Failure to obtain such financing on a timely basis could cause Traverse to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If Traverse's revenues from its reserves decrease as a result of lower oil and natural gas prices or otherwise, Traverse's ability to expend the necessary capital to replace its reserves or to maintain its production will be impaired. If Traverse's cash flow from operations is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or, if available, on favourable terms.

Hedging Activities

The Company may enter into agreements to receive fixed or collared prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline. However, if commodity prices increase beyond the levels set in such agreements, the Company will not benefit from such increases.

Litigation Risks

In the normal course of the Company's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, relating to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Company and as a result, could have a material adverse effect on the Company's assets, liabilities, business, financial condition and results of operations. Even if the Company prevails in any such legal proceeding, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from the Company's business operations, which could adversely affect its financial condition.

Seasonality and Climate

The level of activity in the Canadian oil and gas industry is influenced by seasonal weather patterns. A mild winter or wet spring may result in limited access and, as a result, reduced operations or a cessation of operations.

Municipalities and provincial transportation departments enforce road bans that restrict the movement of drilling rigs and other heavy equipment during periods of wet weather, thereby reducing activity levels. Also, certain oil and natural gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of swampy terrain. Seasonal factors and unexpected weather patterns may lead to declines in exploration and production activity.

Alternatives to and Changing Demand for Petroleum Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons. The Company cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Volatility of Oil and Gas Prices

Both oil and natural gas prices are unstable and are subject to fluctuation. Material declines in commodity prices could result in a reduction of the Company's future production revenue and overall value and could result in reserve and ceiling test write-downs. The economics of producing from some wells may change as a result of lower prices, which could result in a reduction in the volumes and value of the Company's reserves. The Company might also elect not to produce from certain wells at lower prices. All of these factors could materially affect the Company's production revenue, and, correspondingly, internally generated cash flow, causing a reduction in its oil and gas exploration and development activities.

Geopolitical Risks

The marketability and price of oil and natural gas that may be acquired or discovered by the Company is and will continue to be affected by political events throughout the world that cause disruptions in the supply of oil. Conflicts, or conversely peaceful developments, arising outside of Canada have a significant impact on the price of oil and natural gas. Any particular event could result in a material decline in prices and therefore result in a reduction of the Company's net production revenue.

Third Party Credit Risk

The Company is or may be exposed to third party credit risk through its contractual arrangements with future joint venture partners, marketers of its petroleum and natural gas production, counterparties to financial instruments and other parties. In the event such entities fail to meet their contractual obligations to the Company, such failures could have a material adverse effect on the Company, its cash flow from operations and its liquidity structure.

Aboriginal Claims

Aboriginal peoples have claimed Aboriginal and treaty rights to portions of Western Canada. The Company is not aware that any claims have been made in respect of the Company's assets; however, if a claim arose and was successful this could have an adverse effect on the Company and its operations.

DIRECTORS AND OFFICERS

Information is given below with respect to each of the current directors and officers of the Company. The terms of each of the directors expire at the next annual meeting of the shareholders of the Company.

Name, Province and Country of Residence	**Position with the Company**	**Principal Occupation During the Preceding Five Years**	**Director Since**
Laurie J. Smith[(3)] Alberta, Canada	President, Chief Executive Officer and Director	President and Chief Executive Officer of the Company.	August 1995
David H. Erickson[(2)(3)] Alberta, Canada	Vice-President and Chief Operating Officer and Director	Vice-President and Chief Operating Officer of the Company.	June 2009
Daniel G. Kolibar[(4)] Alberta, Canada	Corporate Secretary and Director	Partner with Osler, Hoskin & Harcourt LLP. Prior thereto partner with Borden Ladner Gervais LLP.	June 2009
A. David van der Lee [(1)(2)] Alberta, Canada	Director	Independent Businessman.	August 1995
Robert M. Libin [(1)(3)] Alberta, Canada	Director	Independent Businessman.	January 2002
Adam O. Wells[(1)(4)] Alberta, Canada	Director	Director at PwC LLP, previously Manager with PwC LLP.	February 2006
J. Reid Hutchinson[(1)(2)(4)] Alberta, Canada	Director	Property Tax consultant, Altus Group.	May 2010
Sharon A. Supple Alberta, Canada	Chief Financial Officer	Chief Financial Officer of the Company and Independent Consultant.	

(1) Member of the Audit Committee
(2) Member of the Reserves Committee
(3) Member of the Compensation Committee
(4) Member of the Corporate Governance Committee

The directors and senior officers of the Company, as a group, beneficially owned, directly or indirectly 22,440,081 common shares or approximately 26% of the issued and outstanding common shares as of April 11, 2017. The information as to shares beneficially owned, directly or indirectly or over which control or direction is exercised, is based upon information furnished to the Company by the individuals indicated.

Conflicts of interest

There are potential conflicts of interest to which the directors and officers of Traverse are subject to in connection with the operations of Traverse. In particular, certain of the directors and officers of Traverse are involved in managerial or director positions with other oil and gas companies, whose operations may, from time to time, be in direct competition with Traverse. In accordance with the *Business Corporations Act* (Alberta), directors who have a material interest in, or in any person who is a party to, a material contract or a proposed material contract with Traverse are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Management of Traverse is not aware of any material interest of any director or executive officer or anyone who has held office as such since the beginning of Traverse's last financial period, any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class of voting securities, or of any associate or affiliate of any of the foregoing, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect Traverse.

INTEREST OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing or referred to in a filing, made under National Instrument 51-102 by the Company during, or related to, the Company's most recently completed financial year other than Sproule Associates Limited, the Company's independent engineering evaluators, and KPMG LLP, the Company's auditors. None of the principals of Sproule Associates Limited had any registered or beneficial interests, direct or indirect, in any securities or other property of the Company either at the time they prepared the statement, report or valuation prepared by them, at any time thereafter or to be received by them. As at April 11, 2017 KPMG LLP have reported that they are independent in accordance with the Rules of Professional Conduct as outlined by the Chartered Professional Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and options to purchase the Company's securities will be contained in the Company's Management Information Circular to be prepared and delivered in connection with the Annual and Special Meeting of Shareholders to be held on May 16, 2017. Additional financial information is provided in the Company's comparative audited financial statements and management discussion and analysis for the year ended December 31, 2016.

Additional copies of this Annual Information Form, the materials listed in the preceding paragraph and any interim financial statements which have been issued by the Company are available upon request by contacting the Chief Financial Officer of the Company at its offices at 780, 839 – 5th Avenue S.W., Calgary, Alberta T2P 3C8, Phone (403) 264-9223.

APPENDIX A
FORM 51-101F2
REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATOR

Terms to which a meaning is ascribed in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* have the same meaning in this form.

Report on Reserves Data

To the Board of Directors of Traverse Energy Ltd. (the "Company"):

1. We have evaluated the Company's reserves data as at December 31, 2016. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2016, estimated using forecast prices and costs.
2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.
3. We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook as amended from time to time (the "COGE Handbook"), maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).
4. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us for the year ended December 31, 2016, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company's management and Board of Directors:

			Net Present Value of Future Net Revenue Before Income Taxes (10% Discount Rate)			
Independent Qualified Reserves Evaluator	**Effective Date of Evaluation Report**	**Location of Reserves**	**Audited (M$)**	**Evaluated (M$)**	**Reviewed (M$)**	**Total (M$)**
Sproule	December 31, 2016	Canada	Nil	33,694	Nil	33,694

6. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
7. We have no responsibility to update our report referred to in paragraph 5 for events and circumstances occurring after the effective date of our report, entitled "Evaluation of the P&NG Reserves of Traverse Energy Ltd. (As of December 31, 2016)".
8. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:
Sproule Associates Limited

Calgary, Alberta, February 21, 2017

Per: *"Douglas McNichol"*
Douglas O, McNichol, P. Eng.
Senior Petroleum Engineer

Per: *"Alec Kovaltchouk"*
Alec Kovaltchouk, P. Geo.
Vice President, Geosciences

Per: *"Nora Stewart"*
Nora T. Stewart, P. Eng.
Senior Vice President, Reserves Certification and Director

APPENDIX B
FORM 51-101F3
REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

Terms to which a meaning is ascribed in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* have the same meaning in this form.

Report of Management and Directors on Reserves Data and Other Information

Management of Traverse Energy Ltd. (the "Company") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2016, estimated using forecast prices and costs.

An independent qualified reserves evaluator has evaluated the Company's reserves data. The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of the Board of Directors of the Company has:

(a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluator;
(b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and
(c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The Reserves Committee of the Board of Directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The Board of Directors has, on the recommendation of the Reserves Committee, approved:

(a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
(b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and
(c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

"Laurie J. Smith"
Laurie J. Smith
President and Chief Executive Officer

"David H. Erickson"
David H. Erickson
Director

"Sharon A. Supple"
Sharon A. Supple
Chief Financial Officer

"A. David van der Lee"
A. David van der Lee
Director

April 11, 2017