



ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2015

APRIL 14, 2016

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GLOSSARY OF ABBREVIATIONS

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

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 12 individuals, on a full or part-time basis in Calgary, Alberta.

GENERAL DEVELOPMENT OF THE BUSINESS OVER THE LAST THREE YEARS

In 2013 Traverse participated in the drilling of 9 wells resulting in 6 oil wells, 2 abandoned wells and 1 potential water disposal well. Production during 2013 averaged 680 BOE/d comprised of 419 bbl of oil and natural gas liquids per day and 1,569 Mcf/d of natural gas. The Company acquired 53,000 acres of Crown and freehold undeveloped lands during 2013. At year end Traverse held 172,600 gross (168,000 net) acres of undeveloped lands. In June 2013 Traverse completed a private placement of 2,420,000 common shares for gross proceeds of \$1.5 million. On December 16, 2013 Traverse acquired all of the issued and outstanding shares of DLS, a private company with petroleum and natural gas assets in Southern Alberta, for cash consideration of \$414,700. This was a non-arm’s length transaction in that DLS had certain common directors and officers with Traverse. The Company completed the acquisition of DLS to consolidate interests in Southern Alberta and to acquire DLS’s accumulated tax pools. On January 1, 2014 Traverse amalgamated with DLS, with the amalgamated company continuing under the name Traverse Energy Ltd. On December 17, 2013, Traverse completed a private placement of common shares resulting in the issuance of 4,000,000 common shares for gross proceeds of \$3.4 million.

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.

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, 2015, Traverse’s asset base included proved plus probable reserves (before royalties) of 6,116 MMcf of natural gas and 1,271.6 Mbbbl of oil and NGL, based on escalated price and costs assumptions, and an inventory of undeveloped lands totaling 180,800 gross (180,100 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 \$4,326,000 for reserve and abandonment site restoration as at December 31, 2015. 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 26, 2016. The Sproule report evaluated, as at December 31, 2015, 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, 2015 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		Conventional Natural Gas		Natural Gas Liquids		Oil Equivalent	
	Gross Mbbbl	Net Mbbbl	Gross MMcf	Net MMcf	Gross Mbbbl	Net Mbbbl	Gross MBOE	Net MBOE
	Proved							
Developed Producing	521.8	469.5	3,286	2,914	45.4	30.2	1,114.9	985.4
Developed Non-Producing	9.7	9.7	314	296	4.5	3.3	66.5	62.3
Undeveloped	414.0	364.0	1,237	1,161	20.4	16.0	640.6	573.5
Total Proved	945.5	843.1	4,837	4,371	70.3	49.5	1,822.0	1,621.2
Total Probable	237.2	192.8	1,279	1,139	18.6	12.5	468.8	395.1
Total Proved plus Probable	1,182.7	1,035.9	6,116	5,510	88.9	62.0	2,290.8	2,016.3

NET PRESENT VALUE OF FUTURE NET REVENUE BEFORE INCOME TAXES

Reserves category	Before Income Taxes					Unit Value Before Income Taxes
	0%	5%	10%	15%	20%	10%
	M\$	M\$	M\$	M\$	M\$	\$/BOE
Proved						
Developed Producing	23,009	18,791	15,790	13,610	11,979	16.02
Developed Non-Producing	373	396	386	362	333	6.20
Undeveloped	15,069	11,135	8,458	6,586	5,229	14.75
Total Proved	38,450	30,322	24,634	20,558	17,542	15.20
Total Probable	13,829	8,760	6,046	4,482	3,507	15.30
Total Proved plus Probable	52,279	39,082	30,679	25,040	21,048	15.22

NET PRESENT VALUE OF FUTURE NET REVENUE AFTER INCOME TAXES

Reserves category	After Income Taxes				
	0%	5%	10%	15%	20%
	M\$	M\$	M\$	M\$	M\$
Proved					
Developed Producing	22,858	18,727	15,762	13,597	11,972
Developed Non-Producing	278	349	362	350	328
Undeveloped	10,830	8,181	6,298	4,947	3,948
Total Proved	33,967	27,256	22,422	18,895	16,249
Total Probable	10,150	6,461	4,459	3,302	2,581
Total Proved plus Probable	44,117	33,718	26,881	22,197	18,830

TOTAL FUTURE NET REVENUE (UNDISCOUNTED)

Reserves category	Revenue	Royalties	Operating Costs	Development Costs	Well Abandonment Costs	Future Net Revenue Before Income Taxes	Income Taxes	Future Net Revenue After Income Taxes
	M\$	M\$	M\$	M\$	M\$	M\$	M\$	M\$
Proved	91,443	8,934	33,165	7,894	2,999	38,450	4,484	33,967
Proved plus Probable	119,919	13,347	43,242	7,894	3,156	52,279	8,162	44,117

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 byproducts)	23,546	16.10
Natural Gas (Non Assoc. & Assoc.) (including associated byproducts)	715	4.51
Other Items	373	-
Total	24,634	
Proved plus Probable		
Light and Medium Crude Oil (including solution gas and byproducts)	29,348	16.17
Natural Gas (Non Assoc. & Assoc.) (including associated byproducts)	958	4.75
Other Items	373	-
Total	30,679	

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

⁽²⁾ Other Items include Alberta Capital GCA, Select Scheduled A&R Costs and Other Items

Notes to reserves data tables

- Columns may not add due to rounding.
- 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, 2015, inflation and exchange rates utilized by Sproule in the Sproule Report were as follows:

Year	Light and Medium Crude Oil		Conventional Natural Gas	Natural Gas Liquids			Operating Cost Inflation Rate (%/Yr)	Capital Cost Inflation Rate (%/Yr)	Exchange Rate (\$US/\$Cdn)
	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)			
2016	45.00	55.20	2.25	59.10	39.09	9.09	0.0	0.0	0.750
2017	60.00	69.00	2.95	73.88	51.43	13.64	0.0	4.0	0.800
2018	70.00	78.43	3.42	83.98	58.46	25.84	1.5	4.0	0.830
2019	80.00	89.41	3.91	95.73	66.64	35.35	1.5	4.0	0.850
2020	81.20	91.71	4.20	98.19	68.35	42.30	1.5	1.5	0.850
2021	82.42	93.08	4.28	99.66	69.38	42.94	1.5	1.5	0.850
2022	83.65	94.48	4.35	101.16	70.42	43.58	1.5	1.5	0.850
2023	84.91	95.90	4.43	102.68	71.48	44.24	1.5	1.5	0.850
2024	86.18	97.34	4.51	104.22	72.55	44.90	1.5	1.5	0.850
2025	87.48	98.80	4.59	105.78	73.64	45.57	1.5	1.5	0.850
2026	88.79	100.28	4.67	107.37	74.74	46.26	1.5	1.5	0.850

Thereafter escalation at 1.5% per year.

Traverse's average prices for the 2015 financial year were as follows: \$3.09 per Mcf for natural gas, \$52.14 per bbl of oil and \$19.99 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, however, for the 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	Proved	Probable	Proved Plus
			Probable			Probable
	Mbbl	Mbbl	Mbbl	MMcf	MMcf	MMcf
December 31, 2014	742.4	308.6	1,051.0	3,334	1,482	4,816
Infill drilling	300.3	72.3	372.6	1,323	316	1,639
Technical revisions	101.0	(140.4)	(39.4)	1,388	(412)	976
Economic factors	(23.0)	(3.3)	(26.3)	(211)	(107)	(318)
Production	(175.2)	0.0	(175.2)	(997)	0	(997)
December 31, 2015	945.5	237.2	1,182.7	4,837	1,279	6,116

Gross Reserves (continued)	Natural Gas Liquids			Oil Equivalent		
	Proved	Probable	Proved Plus	Proved	Probable	Proved Plus
			Probable			Probable
	Mbbl	Mbbl	Mbbl	MBOE	MBOE	MBOE
December 31, 2014	45.7	21.0	66.7	1,343.8	576.6	1,920.4
Infill drilling	21.8	5.3	27.1	542.6	130.3	672.9
Technical revisions	19.8	(6.4)	13.4	352.1	(215.4)	136.7
Economic factors	(2.8)	(1.3)	(4.1)	(60.9)	(22.5)	(83.4)
Production	(14.2)	0.0	(14.2)	(355.5)	0.0	(355.5)
December 31, 2015	70.3	18.6	88.9	1,822.0	468.8	2,290.8

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, attributed to Traverse's assets for the years ended December 31, 2015 and, in the aggregate, before that time based on forecast prices and costs.

Proved undeveloped reserves

Year	Light and Medium Crude Oil		Conventional Natural Gas		Natural Gas Liquids	
	First attributed Mbbl	Cumulative at Year End Mbbl	First attributed MMcf	Cumulative at Year End MMcf	First attributed Mbbl	Cumulative at Year End Mbbl
2013	-	-	-	76	-	3.4
2014	188.0	188.0	-	-	-	-
2015	148.5	414.0	1,237	1,237	20.4	20.4

Probable undeveloped reserves

Year	Light and Medium Crude Oil		Conventional Natural Gas		Natural Gas Liquids	
	First attributed Mbbl	Cumulative at Year End Mbbl	First attributed MMcf	Cumulative at Year End MMcf	First attributed Mbbl	Cumulative at Year End Mbbl
2013	-	-	-	19	-	0.8
2014	88.7	88.7	-	-	-	-
2015	37.6	104.6	313	313	5.2	5.2

Traverse attributes proved and probable undeveloped reserves to wells which require additional expenditures in order to commence production. At December 31, 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. At December 31, 2013 proved undeveloped reserves related to a single gas well at Deanne which has subsequently been sold.

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

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 2015.

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
2016	7,790	7,790
2017	104	104
Thereafter	-	-
Total (undiscounted)	7,894	7,894
Total (discounted at 10%)	7,297	7,297

The future development costs in 2016 relate to the drilling, completion and equipping of four horizontal oil wells at Coyote. 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, 2015. Production stated is production before deduction of royalties and includes royalty interests to Traverse and, unless otherwise stated, is average production for 2015. Unless otherwise specified, gross and net acres and well count information are as at December 31, 2015.

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 35,240 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 is being 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 as a modest producer. Traverse drilled two horizontal wells into the Upper Mannville zone in 2015. Further exploitation of this zone will be undertaken with horizontal drilling.

Production for the 2015 year from Coyote averaged 523 BOE per day consisting of 70% oil, 27% natural gas and 3% 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 2016 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 29,760 net acres. Traverse drilled two Mannville gas wells in 2014. Production for the 2015 year from Michichi averaged 78 BOE per day consisting of 13% oil, 79% natural gas and 8% 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 5,680 net acres. Production in 2015 was 359 BOE per day consisting of 28% oil, 67% 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.

In late 2015, Traverse acquired two wellbores in the area which are scheduled for recompletion in 2016.

Minor properties

At December 31, 2015, 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 2015 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, 2015, of Traverse's 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.

Property	Light and Medium Crude Oil (Mbbbl)			Conventional Natural Gas (MMcf)		
	Proved	Probable	Total	Proved	Probable	Total
Working interest ⁽¹⁾						
Coyote	805.6	205.6	1,011.2	2,499	647	3,146
Michichi	8.2	1.9	10.1	231	54	285
Turin	122.4	26.0	148.4	1,978	522	2,500
Minor	9.3	3.6	12.9	129	56	185
Total working interest	945.5	237.1	1,182.7	4,837	1,279	6,116
Royalty interest ⁽²⁾						
Minor ORR	5.0	1.1	6.1	49	13	62
Total royalty interest	5.0	1.1	6.1	49	13	62
Total Company ⁽³⁾	950.5	238.2	1,188.8	4,886	1,292	6,178

Property	Natural Gas Liquids (Mbbbl)			Oil Equivalent (MBOE)		
	Proved	Probable	Total	Proved	Probable	Total
Working interest ⁽¹⁾						
Coyote	41.2	10.7	51.9	1,263.3	324.1	1,587.4
Michichi	2.9	0.7	3.6	49.6	11.6	61.2
Turin	24.7	6.5	31.2	476.8	119.5	596.3
Minor	1.4	0.6	2.0	32.2	13.5	45.7
Total working interest	70.2	18.5	88.7	1,821.9	468.7	2,290.6
Royalty interest ⁽²⁾						
Minor ORR	-	-	-	13.2	3.3	16.4
Total royalty interest	-	-	-	13.2	3.3	16.4
Total Company ⁽³⁾	70.2	18.5	88.7	1,835.1	472.1	2,307.0

⁽¹⁾ Working interest reserves are Traverse's working interest (operated or non-operated) share of reserves before deduction of royalty obligations and without including any royalty interests of Traverse.

⁽²⁾ Royalty interest reserves are Traverse's royalty interest in reserves.

⁽³⁾ Total Company reserves are Traverse's working interest reserves, before deduction of royalty obligations, and Traverse's royalty interest reserves.

Producing wells

The following tables summarize, as at December 31, 2015, the Company's interest in producing and non-producing wells which are believed to be capable of production.

Natural Gas Wells	Producing			Non-producing			Total		
	Gross ⁽¹⁾	Net ⁽²⁾	RI ⁽³⁾	Gross ⁽¹⁾	Net ⁽²⁾	RI ⁽³⁾	Gross ⁽¹⁾	Net ⁽²⁾	RI ⁽³⁾
Coyote	-	-	-	1.0	1.0	-	1.0	1.0	-
Michichi	2.0	2.0	-	-	-	-	2.0	2.0	-
Turin	4.0	4.0	-	1.0	1.0	-	5.0	5.0	-
Minor working interest	1.0	0.5	-	-	-	-	1.0	0.5	-
Minor ORR	3.0	-	0.3	2.0	-	0.2	5.0	-	0.5
Total	10.0	6.5	0.3	4.0	2.0	0.2	14.0	8.5	0.5

Oil Wells	Producing			Non-producing			Total		
	Gross ⁽¹⁾	Net ⁽²⁾	RI ⁽³⁾	Gross ⁽¹⁾	Net ⁽²⁾	RI ⁽³⁾	Gross ⁽¹⁾	Net ⁽²⁾	RI ⁽³⁾
Coyote	13.0	13.0	-	5.0	5.0	-	18.0	18.0	-
Turin	6.0	6.0	-	3.0	3.0	-	9.0	9.0	-
Minor working interest	1.0	0.9	-	2.0	2.0	-	3.0	2.9	-
Minor ORR	3.0	-	0.2	-	-	-	3.0	-	0.2
Total	23.0	19.9	0.2	10.0	10.0	-	33.0	29.9	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, 2015, Traverse held various interests in 180,800 gross (180,100 net) acres in undeveloped lands located in Alberta. Expiries of 38,370 gross (38,370 net) acres are anticipated in 2016. Traverse plans to drill, farm out to third parties, or submit application to continue selected portions of the pending 2016 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, 2015 (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, 2015 the Sproule Report contained 23 gross (22.9 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
2016-2020	-	-
2021	166.4	-
2022	88.1	256.9
2023	268.2	178.8
2024	171.4	90.7
2025	108.3	173.9
Thereafter	2,196.9	2,455.7
Total (undiscounted)	2,999.3	3,156.0
Total (discounted at 10%)	744.6	638.3

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 \$6.0 million and \$4.3 million, respectively (see Note 9 – *Decommissioning Obligations* of the Company's audited financial statements for the year ended December 31, 2015.). 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, 2015. The Company does not anticipate being taxable on a current basis in 2016 dependent on the level and type of capital expenditures in 2016 as well as the results of such expenditures. As at December 31, 2015, Traverse's total tax pools available for deduction against future taxable income are estimated at \$23.3 million.

Costs incurred

The following table summarizes the capital expenditures incurred by Traverse for the year ended December 31, 2015:

M\$	Year Ended December 31, 2015
Unproved property acquisition costs ⁽¹⁾	516
Exploration costs ⁽²⁾	1,907
Development costs ⁽³⁾	9,021
Total	11,444

⁽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, 2015.

	Exploratory Wells		Development Wells	
	Gross ⁽¹⁾	Net ⁽²⁾	Gross ⁽¹⁾	Net ⁽²⁾
Light and Medium Crude Oil	1.0	1.0	2.0	2.0
Conventional Natural Gas	1.0	1.0	-	-
Total	2.0	2.0	2.0	2.0

⁽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 important current and likely exploration and development activities during 2016, see "*Statement of Reserves Data and Other Oil and Gas Information – Other Oil and Gas Information – Principal Properties*".

Production estimates – forecast case for 2016 by reserve category

Reserves Category	Light and Medium Crude Oil	Conventional Natural gas	Natural Gas Liquids	Oil Equivalent
	bbl/d	Mcf/d	bbl/d	BOE/d
Proved				
Coyote	302	924	15	471
Michichi	7	188	2	41
Turin	68	1,119	14	269
Minor working interest	6	71	-	19
Minor ORR	2	19	-	5
Total Proved	385	2,321	31	805
Proved plus Probable				
Coyote	321	990	16	503
Michichi	7	192	2	42
Turin	68	1,270	16	295
Minor working interest	6	71	-	19
Minor ORR	2	19	-	5
Total Proved plus Probable	404	2,542	34	864

Production history and netbacks

The following table summarizes the corporate average daily production and related netbacks by quarter for 2015.

	Three Months Ended, 2015				Total Year
	Mar. 31	June 30	Sept. 30	Dec. 31	
Production					
Conventional Natural Gas (Mcf/d)	2,932	2,658	2,917	2,951	2,865
Light and Medium Crude Oil (bbl/d)	581	443	433	507	490
Natural Gas Liquids (bbl/d)	46	38	32	56	43
Oil equivalent (BOE/d)	1,116	924	951	1,055	1,011
Average prices received					
Conventional Natural Gas (\$/Mcf)	3.66	2.98	3.01	2.72	3.09
Light and Medium Crude Oil (bbl/d)	46.63	61.44	52.13	50.30	52.14
Natural Gas Liquids (\$/bbl)	25.78	21.87	14.22	17.40	19.99
\$ per BOE					
Petroleum and natural gas revenue	34.97	38.92	33.42	32.69	34.90
Royalties	(2.17)	(0.84)	(0.77)	(0.61)	(1.13)
Operating and transportation expenses	(12.06)	(13.21)	(13.24)	(12.41)	(12.69)
Company operating netback	20.74	24.87	19.41	19.67	21.08

The following tables summarize the average daily production by important field by quarter for 2015:

	Three Months Ended, 2015				Total Year
	Mar. 31	June 30	Sept. 30	Dec. 31	
Coyote					
Conventional Natural Gas (Mcf/d)	661	508	1,121	1,139	859
Light and Medium Crude Oil (bbl/d)	433	298	318	403	363
Natural Gas Liquids (bbl/d)	15	10	11	33	17
Oil equivalent (BOE/d)	558	392	516	626	523
Michichi					
Conventional Natural Gas (Mcf/d)	555	376	294	255	369
Light and Medium Crude Oil (bbl/d)	10	10	11	10	10
Natural Gas Liquids (bbl/d)	7	6	3	8	6
Oil equivalent (BOE/d)	110	78	62	60	78
Turin					
Conventional Natural Gas (Mcf/d)	1,481	1,485	1,368	1,434	1,442
Light and Medium Crude Oil (bbl/d)	111	110	99	86	101
Natural Gas Liquids (bbl/d)	20	17	17	14	17
Oil equivalent (BOE/d)	377	374	345	340	359

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 14, 2016 there were 71,948,269 common shares and 5,545,000 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 2015 financial year.

<u>Month</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
January	\$0.88	\$0.68	179,314
February	\$0.75	\$0.67	201,130
March	\$0.71	\$0.62	222,051
April	\$0.67	\$0.63	472,448
May	\$0.67	\$0.60	615,092
June	\$0.58	\$0.51	1,832,855
July	\$0.51	\$0.42	492,850
August	\$0.60	\$0.40	337,830
September	\$0.57	\$0.48	293,061
October	\$0.54	\$0.48	144,936
November	\$0.50	\$0.44	899,111
December	\$0.45	\$0.35	552,645

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, 2015 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.

Forward-Looking Information May Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties are found under the heading "*Forward-Looking Information*".

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 and corresponding declines in the demand for the goods and services of the Company.

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 such as have affected natural gas 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. Prior thereto President and Chief Executive Officer of the Company.	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. Prior thereto Management Consultant with Bearing Point LP.	February 2006
J. Reid Hutchinson ⁽¹⁾⁽²⁾⁽⁴⁾ Alberta, Canada	Director	Property Tax consultant, Altus Group. Prior thereto with Deloitte LLP.	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 20,305,675 common shares or approximately 28% of the issued and outstanding common shares as of April 14, 2016. 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 14, 2016 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 18, 2016. Additional financial information is provided in the Company's comparative audited financial statements and management discussion and analysis for the year ended December 31, 2015.

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, 2015. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2015, 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 sets forth 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, 2015, 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, 2015	Canada	Nil	30,679	Nil	30,679

6. In our opinion, the reserves data respectively 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, 2015)".
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 26, 2016

Per: "Douglas McNichol"

Douglas O, McNichol, P. Eng.
Senior Petroleum Engineer and Partner

Per: "Alec Kovaltchouk"

Alec Kovaltchouk, P. Geo.
Vice President, Geoscience and Partner

Per: "Nora Stewart"

Nora T. Stewart, P. Eng.
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, 2015, 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 14, 2016

