



**SINTANA**  
ENERGY

FS|Q1 2022

SEI|TSX-V

## SINTANA ENERGY INC.

### CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2022

*(EXPRESSED IN CANADIAN DOLLARS, UNLESS OTHERWISE STATED)*

**UNAUDITED**

**NOTICE TO READER**

The accompanying unaudited condensed interim consolidated financial statements of Sintana Energy Inc. ("Sintana") have been prepared by, and are the responsibility of, management. The unaudited condensed interim consolidated financial statements have not been reviewed by Sintana's auditors.

Exploring a better way™

*A Colombia Focused Exploration Company*

---

## Sintana Energy Inc.

Condensed Interim Consolidated Statements of Financial Position  
(Expressed in Canadian Dollars, Unless Otherwise Stated)  
(Unaudited)

	As at March 31, 2022	As at December 31, 2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 4,888,105	\$ 38,767
Accounts receivable and other assets (note 3)	102,444	16,177
<b>Total current assets</b>	<b>4,990,549</b>	<b>54,944</b>
<b>Non-current assets</b>		
Investment in associate (note 4)	13,179,367	-
<b>Total assets</b>	<b>\$ 18,169,916</b>	<b>\$ 54,944</b>
<b>EQUITY (DEFICIT) AND LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (notes 5 and 14)	\$ 335,816	\$ 555,347
Deferred compensation (note 14)	4,918,007	6,662,145
Asset retirement obligation	102,312	102,312
<b>Total current liabilities</b>	<b>5,356,135</b>	<b>7,319,804</b>
<b>Non-current liabilities</b>		
Convertible debentures (note 6)	109,225	106,185
<b>Total liabilities</b>	<b>5,465,360</b>	<b>7,425,989</b>
<b>Shareholders' equity (deficiency)</b>	<b>12,704,556</b>	<b>(7,371,045)</b>
<b>Total shareholders' equity (deficiency) and liabilities</b>	<b>\$ 18,169,916</b>	<b>\$ 54,944</b>

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Nature of operations and going concern (note 1)

Contingency (note 16)

Subsequent event (note 17)

---

**Sintana Energy Inc.**

**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**  
**(Expressed in Canadian Dollars, Unless Otherwise Stated)**  
**(Unaudited)**

**Three Months Ended**  
**March 31,**  
**2022                      2021**

---

**Operating expenses**

Exploration and evaluation expenditures (note 12)	\$ 1,092	\$ 45,121
General and administrative (notes 13 and 14)	2,411,940	423,097
Finance interest expense (note 6)	3,040	3,840
Costs related to acquisition of an interest in Inter Oil (note 4)	229,119	-
Foreign exchange gain	(19,183)	(80,914)
<b>Net loss before gain of accounts payable</b>	<b>(2,626,008)</b>	<b>(391,144)</b>
Gain of accounts payable (note 5)	21,864	22,002
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (2,604,144)</b>	<b>\$ (369,142)</b>
<b>Loss per share - basic and diluted</b> (note 11)	<b>\$ (0.02)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares</b> <b>outstanding - basic and diluted</b> (note 11)	<b>170,517,136</b>	<b>132,615,831</b>

---

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

---

**Sintana Energy Inc.****Condensed Interim Consolidated Statements of Cash Flows**  
**(Expressed in Canadian Dollars, Unless Otherwise Stated)**  
**(Unaudited)**

Three Months Ended  
March 31,  
2022                      2021

---

**Operating activities**

Net loss for the period	\$ (2,604,144)	\$ (369,142)
Adjustment for:		
Accretion on convertible debentures (note 6)	1,040	1,840
Accrued interest on convertible debentures (note 6)	2,000	2,000
Share-based compensation (notes 9 and 10)	1,293,536	77,367
Gain of accounts payable (note 5)	(21,864)	(22,002)
Non-cash working capital items:		
Accounts receivable and other assets	(86,267)	5,053
Accounts payable and accrued liabilities	(197,667)	(3,436)
Deferred compensation	(1,744,138)	193,100
<b>Net cash used in operating activities</b>	<b>(3,357,504)</b>	<b>(115,220)</b>

**Investing activity**

Investment in associate (note 4)	(5,144,700)	-
<b>Net cash used in investing activity</b>	<b>(5,144,700)</b>	<b>-</b>

**Financing activities**

Proceeds from private placements (note 7)	14,051,731	-
Share issue costs (note 7)	(850,189)	-
Options exercised	150,000	-
Warrants exercised	-	63,000
<b>Net cash provided by financing activities</b>	<b>13,351,542</b>	<b>63,000</b>

<b>Net change in cash</b>	<b>4,849,338</b>	<b>(52,220)</b>
<b>Cash, beginning of period</b>	<b>38,767</b>	<b>104,049</b>
<b>Cash, end of period</b>	<b>\$ 4,888,105</b>	<b>\$ 51,829</b>

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

## Sintana Energy Inc.

### Condensed Interim Consolidated Statements of Changes in Shareholders' (Deficiency) Equity (Expressed in Canadian Dollars, Unless Otherwise Stated) (Unaudited)

	Number of common shares #	Share capital	Warrants	Contributed surplus	Conversion feature of convertible debt	Deficit	Total
<b>Balance, December 31, 2020</b>	<b>130,398,297</b>	<b>\$ 78,657,924</b>	<b>\$ 31,082</b>	<b>\$ 5,713,913</b>	<b>\$ 24,891</b>	<b>\$(90,575,977)</b>	<b>\$ (6,148,167)</b>
Restricted shares vested and converted to common shares (note 7(b)(i))	1,950,000	165,750	-	(165,750)	-	-	-
Warrants exercised (note 8)	630,000	71,176	(8,176)	-	-	-	63,000
Share-based compensation - stock options (note 9)	-	-	-	38,367	-	-	38,367
Share-based compensation - restricted shares (note 10)	-	-	-	39,000	-	-	39,000
Net loss and comprehensive loss for the period	-	-	-	-	-	(369,142)	(369,142)
<b>Balance, March 31, 2021</b>	<b>132,978,297</b>	<b>\$ 78,894,850</b>	<b>\$ 22,906</b>	<b>\$ 5,625,530</b>	<b>\$ 24,891</b>	<b>\$(90,945,119)</b>	<b>\$ (6,376,942)</b>
<b>Balance, December 31, 2021</b>	<b>135,143,297</b>	<b>\$ 79,160,096</b>	<b>\$ -</b>	<b>\$ 5,684,120</b>	<b>\$ 24,891</b>	<b>\$(92,240,152)</b>	<b>\$ (7,371,045)</b>
Private placements (note 7(b)(ii)(iii))	93,678,205	14,051,731	-	-	-	-	14,051,731
Warrants issued (note 7(b)(iii))	-	(5,092,656)	5,092,656	-	-	-	-
Share issue costs (note 7(b)(iii))	-	(1,610,472)	760,283	-	-	-	(850,189)
Shares issued to acquire Inter Oil (note 4)	34,933,333	8,034,667	-	-	-	-	8,034,667
Restricted shares vested and converted to common shares (note 7(b)(iv))	4,200,000	735,000	-	(735,000)	-	-	-
Options exercised (note 9)	1,500,000	252,437	-	(102,437)	-	-	150,000
Share-based compensation - stock options (note 9)	-	-	-	497,286	-	-	497,286
Share-based compensation - restricted shares (note 10)	-	-	-	796,250	-	-	796,250
Net loss and comprehensive loss for the period	-	-	-	-	-	(2,604,144)	(2,604,144)
<b>Balance, March 31, 2022</b>	<b>269,454,835</b>	<b>\$ 95,530,803</b>	<b>\$ 5,852,939</b>	<b>\$ 6,140,219</b>	<b>\$ 24,891</b>	<b>\$(94,844,296)</b>	<b>\$ 12,704,556</b>

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

---

# Sintana Energy Inc.

## Notes to Condensed Interim Consolidated Financial Statements Three Months Ended March 31, 2022 (Expressed in Canadian Dollars, Unless Otherwise Stated) (Unaudited)

---

### 1. Nature of operations and going concern

Sintana Energy Inc. ("Sintana" or the "Company") is a public Canadian oil and gas exploration company listed on the TSX Venture Exchange ("TSXV"), with offices in Toronto, Canada; and Dallas, Texas. The trading symbol of the Company is SEI. The Company is targeting assets in Colombia's Magdalena Basin and Namibia. It's business strategy is to acquire, explore, develop and produce superior quality assets with significant hydrocarbon reserves potential. The primary office of the Company is located at The Canadian Venture Building, 82 Richmond Street East, Toronto, Ontario, Canada, M5C 1P1.

Sintana is at an early stage of development and as is common with similar exploration companies, it raises financing for its property acquisition and exploration activities. Sintana has not incurred any operating income in the current and prior years. For the three months ended March 31, 2022, the Company incurred a loss of \$2,604,144 (three months ended March 31, 2021 - \$369,142) and had an accumulated deficit of \$94,844,296 (December 31, 2021 - \$92,240,152). Sintana had a working capital deficit of \$365,586 at March 31, 2022 (December 31, 2021 - working capital deficit of \$7,264,860).

These unaudited condensed interim consolidated financial statements have been prepared on a basis which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern. The certainty of funding future exploration expenditures and availability of additional financing sources cannot be assured at this time. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent upon obtaining additional financing and eventually achieving profitable production. These unaudited condensed interim consolidated financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary should the going concern assumption be inappropriate.

In March 2020, the World Health Organization declared coronavirus (COVID-19) a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, and financial markets globally. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business and / or ability to raise funds. To date, our operations have remained stable but there can be no assurance that our ability to continue to operate our business will not be materially and adversely impacted, in particular to the extent that aspects of our operations which rely on services provided by third parties fail to perform as expected.

### 2. Significant accounting policies

#### Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements prepared in accordance with IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of May 30, 2022, the date the Board of Directors approved these unaudited condensed interim consolidated financial statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual audited consolidated financial statements as at and for the year ended December 31, 2021. Any subsequent changes to IFRS that are given effect in the Company's annual audited consolidated financial statements for the year ending December 31, 2022 could result in restatement of these unaudited condensed interim consolidated financial statements.

---

## Sintana Energy Inc.

Notes to Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2022  
(Expressed in Canadian Dollars, Unless Otherwise Stated)  
(Unaudited)

---

### 2. Significant accounting policies (continued)

#### *New standards adopted during the period*

##### Investment in associate

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity. Investment in an associate is accounted for using the equity method (equity accounted investee) and is recognized initially at cost. When applicable, the unaudited condensed interim consolidated financial statements include the Company's share of the income (loss) and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Company from the date that significant influence or joint control commences, until the date that significant influence or joint control ceases. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest, including any long-term investments, is reduced to \$nil, and the recognition of further losses is discontinued, except to the extent that the Company has an obligation, or has made payments on behalf of the investee.

Inter-company balances and transactions, and any unrealized income (loss) and expenses arising from inter-company transactions, are eliminated in preparing the unaudited condensed interim consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

The Company is accounting for its investment in Inter Oil (Pty) Ltd. ("Inter Oil"), as an equity investment (refer to note 4).

### 3. Accounts receivable and other assets

	As at March 31, 2022	As at December 31, 2021
Accounts receivable	\$ 80,844	\$ 14,707
Prepays and other advances	21,600	1,470
	<b>\$ 102,444</b>	<b>\$ 16,177</b>

### 4. Investment in associate

<b>Balance, December 31, 2021</b>	<b>\$ -</b>
Acquisition costs	13,179,367
<b>Balance, March 31, 2022</b>	<b>\$ 13,179,367</b>

On March 8, 2022, the Company completed the acquisition of 49% of the outstanding shares of Inter Oil (the "Acquisition") from Grisham Assets Corp. ("Grisham"), a private company owned by Knowledge Katti. Inter Oil is a private Namibian company which indirectly holds a strategic portfolio of offshore petroleum exploration license interests ("PELs") in Namibia including (i) a 15% carried interest in PEL 87; (ii) a 10% carried interest in each of PELs 82 and 83; and (iii) a 20% uncarried interest in PEL 90. Inter Oil also holds a 30% interest in a subsidiary which, in turn, holds a 90% interest in onshore PEL 103 (Block 1918B). In connection with the closing of the Acquisition, Mr. Knowledge Katti was appointed to the Board of Directors of Sintana.

---

## Sintana Energy Inc.

Notes to Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2022  
(Expressed in Canadian Dollars, Unless Otherwise Stated)  
(Unaudited)

---

### 4. Investment in associate (continued)

Three of the four offshore PELs are located directly outboard of (i) the Kudu Gas Field, which was the first offshore discovery in Namibia; (ii) Venus-1, a highly anticipated exploration well immediately south of PEL 90, successfully drilled by French supermajor Total; and (iii) Graff-1, a highly anticipated exploration well immediately south of PEL 83, successfully drilled by Shell. In addition, PEL 103 is located in close proximity to the prospective block currently being evaluated by Reconnaissance Energy Africa Ltd.

The consideration for the Acquisition consisted of a cash payment of \$5,144,700 (US\$4,000,000) and the issuance of an aggregate of 34,933,333 common shares of the Company (issued and valued at \$8,034,667). The common shares are subject to a statutory hold period expiring on July 9, 2022.

The following is a summary of financial information of Inter Oil presented based on the latest available information of Inter Oil. The numbers have not been pro-rated for the Company's ownership interest.

#### As at February 28, 2022 (most recent available data)

Cash	\$	108
Total current assets		6,501
Total non-current assets		1,383
Total current liabilities		47,065
Total non-current liabilities		-

---

### 5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding relating to exploration and evaluation expenditures, general operating and administrative activities and a dormant arbitration of disputed joint venture cash calls:

	As at March 31, 2022	As at December 31, 2021
Accounts payable	\$ 34,875	\$ 135,001
Accrued liabilities	300,941	420,346
	\$ 335,816	\$ 555,347

---

The following is an aged analysis of accounts payable and accrued liabilities:

	As at March 31, 2022	As at December 31, 2021
Less than 1 month	\$ 60,006	\$ 285,241
1 to 3 months	45,628	7,552
Greater than 3 months	230,182	262,554
	\$ 335,816	\$ 555,347

---



---

## Sintana Energy Inc.

Notes to Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2022  
(Expressed in Canadian Dollars, Unless Otherwise Stated)  
(Unaudited)

---

### 5. Accounts payable and accrued liabilities (continued)

A provision related to the dispute (refer to note 16) is included in accounts payable and accrued liabilities. The Company assesses the probability each year for the likelihood of payment of the alleged liability. Management estimates that the probability of paying the alleged liability will decrease by 15% of the original accrued amount each year.

During the three months ended March 31, 2022, the Company recorded a gain of accounts payable of \$21,864 (US\$17,496) (three months ended March 31, 2021 - \$22,002 (US\$17,496)) in the unaudited condensed interim consolidated statements of loss and comprehensive loss related to the decrease in the probability of the provision being paid.

### 6. Convertible debentures

Movement in the convertible debenture was as follows:

	<b>Amount</b>
<b>Balance, December 31, 2021</b>	<b>\$ 106,185</b>
Accrued interest	2,000
Accretion expense	1,040
<b>Balance, March 31, 2022</b>	<b>\$ 109,225</b>

### 7. Share capital

a) Authorized share capital:

At March 31, 2022, the authorized share capital consisted of an unlimited number of common shares.

The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued:

At March 31, 2022, the issued share capital amounted to \$95,530,803. The change in issued share capital for the periods presented was as follows:

	<b>Number of common shares</b>	<b>Amount</b>
<b>Balance, December 31, 2020</b>	<b>130,398,297</b>	<b>\$ 78,657,924</b>
Restricted shares vested and converted to common shares (i)	1,950,000	165,750
Exercise of warrants	630,000	71,176
<b>Balance, March 31, 2021</b>	<b>132,978,297</b>	<b>\$ 78,894,850</b>

## Sintana Energy Inc.

Notes to Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2022  
(Expressed in Canadian Dollars, Unless Otherwise Stated)  
(Unaudited)

### 7. Share capital (continued)

	Number of common shares	Amount
<b>Balance, December 31, 2021</b>	<b>135,143,297</b>	<b>\$ 79,160,096</b>
Private placements (ii)(iii)	93,678,205	14,051,731
Warrants (iii)	-	(5,092,656)
Share issue costs (iii)	-	(1,610,472)
Restricted shares vested and converted to common shares (iv)	4,200,000	735,000
Common shares issued to acquire Inter Oil (note 4)	34,933,333	8,034,667
Exercise of options	1,500,000	252,437
<b>Balance, March 31, 2022</b>	<b>269,454,835</b>	<b>\$ 95,530,803</b>

(i) During the three months ended March 31, 2021, 1,950,000 Restricted share units ("RSUs") were granted, vested and converted to common shares with a value of \$165,750. Refer to note 10.

(ii) On January 21, 2022, the Company closed a non-brokered private placement pursuant to which it issued an aggregate of 5,128,205 common shares at a price of \$0.15 (US\$0.117) per share to Charlestown Energy Partners, LLC to raise aggregate gross proceeds of \$769,231 (US\$600,000).

(iii) On March 8, 2022, the Company closed a public offering conducted by Echelon Capital Markets (the "Agent") as lead agent and sole bookrunner, pursuant to which it issued an aggregate of 88,550,000 units of the Company (the "Units"), at a price of \$0.15 per Unit, to raise aggregate gross proceeds of \$13,282,500. Each Unit consisted of one common share of the Company and one share purchase warrant. Each warrant entitled the holder thereof to acquire one additional common share of the Company for an exercise price of \$0.25 until March 8, 2024, and started to be listed for trading on the TSXV under the symbol SEI.WT at the open of trading on March 11, 2022.

The Company paid a cash commission of \$649,775 to the Agent as partial consideration for its services in connection with the public offering, together with a corporate finance fee of \$25,000. The Company also issued an aggregate of 4,331,833 broker warrants to the Agent. Each broker warrant entitles the holder to acquire one Unit at an exercise price of \$0.15 until March 8, 2024.

A value of \$5,092,656 was estimated for the 88,550,000 warrants on the date of issuance using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 145.99% using the historical price history of the Company; risk-free interest rate of 1.46%; and an expected average life of 2 years.

A value of \$760,283 was estimated for the 4,331,833 broker warrants on the date of issuance using a relative fair value method based on the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 145.99% using the historical price history of the Company; risk-free interest rate of 1.46%; and an expected average life of 2 year.

All securities issued pursuant to the public offering are subject to a statutory hold period expiring on July 9, 2022.

(iv) During the three months ended March 31, 2022, 4,200,000 RSUs were granted, vested and converted to common shares with a value of \$735,000. Refer to note 10.

---

## Sintana Energy Inc.

Notes to Condensed Interim Consolidated Financial Statements  
Three Months Ended March 31, 2022  
(Expressed in Canadian Dollars, Unless Otherwise Stated)  
(Unaudited)

---

### 8. Warrants

The following table reflects the continuity of warrants for the periods presented:

	Number of warrants	Weighted average exercise price
<b>Balance, December 31, 2020</b>	<b>2,395,000</b>	<b>\$ 0.10</b>
Warrants exercised	(630,000)	0.10
<b>Balance, March 31, 2021</b>	<b>1,765,000</b>	<b>\$ 0.10</b>
<b>Balance, December 31, 2021</b>	<b>-</b>	<b>\$ -</b>
Warrants issued (note 7(iii))	88,550,000	0.25
Broker warrants issued (note 7(iii))	4,331,833	0.15
<b>Balance, March 31, 2022</b>	<b>92,881,833</b>	<b>\$ 0.25</b>

The following table reflects the actual warrants issued and outstanding as of March 31, 2022:

Expiry date	Exercise price (\$)	Warrants outstanding	Fair value
March 8, 2024	0.25	88,550,000	\$ 5,092,656
March 8, 2024	0.15	4,331,833	760,283
		<b>92,881,833</b>	<b>\$ 5,852,939</b>

### 9. Stock options

The following table reflects the continuity of stock options for the periods presented:

	Number of stock options outstanding	Weighted average exercise price
<b>Balance, December 31, 2020 and March 31, 2021</b>	<b>10,625,000</b>	<b>\$ 0.11</b>
<b>Balance, December 31, 2021</b>	<b>10,225,000</b>	<b>\$ 0.11</b>
Expired	(250,000)	0.10
Exercised	(1,500,000)	0.10
Granted (i)	7,750,000	0.17
<b>Balance, March 31, 2022</b>	<b>16,225,000</b>	<b>\$ 0.14</b>

---

## Sintana Energy Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars, Unless Otherwise Stated)

(Unaudited)

---

#### 9. Stock options (continued)

(i) On March 24, 2022, the Company granted a total of 7,750,000 stock options to several directors and officers of the Company and six consultants. The options have an exercise price of \$0.165 and expire on March 24, 2027. Vesting of the stock options is as follows: one-third on day of grant, one-third after one year and one-third after two years. The fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 150.79%; risk-free interest rate of 2.27%; and an expected average life of 5 years. The options were valued at \$1,167,970. \$486,921 was expensed to salaries and benefits (share-based compensation) and as an addition to contributed surplus during the three months ended March 31, 2022.

(ii) Share-based compensation included in salaries and benefits expense includes \$10,365 (three months ended March 31, 2021 - \$38,367) relating to stock options granted in previous years in accordance with their respective vesting terms, during the three months ended March 31, 2022.

The following table reflects the actual stock options issued and outstanding as of March 31, 2022:

Expiry date	Exercise price	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)	Number of options unvested
June 4, 2023	\$0.100	1.19	450,000	450,000	-
December 18, 2023	\$0.100	1.72	3,850,000	3,850,000	-
January 30, 2025	\$0.145	2.84	2,025,000	2,025,000	-
December 18, 2025	\$0.100	3.72	2,150,000	1,433,333	716,667
March 24, 2027	\$0.165	4.98	7,750,000	2,583,333	5,166,667
		<b>3.67</b>	<b>16,225,000</b>	<b>10,341,666</b>	<b>5,883,334</b>

#### 10. RSUs

The grant date fair value of RSUs equals the fair market value of the corresponding shares at the grant date. The fair value of these equity-settled awards is recognized as compensation expense with a corresponding increase in contributed surplus. The total amount expensed is recognized over the vesting period, which is the period over which all specified vesting conditions must be satisfied before RSUs are earned and therefore convertible. RSUs are converted into common shares when vested.

During the three months ended March 31, 2022, 4,200,000 RSUs (three months ended March 31, 2021 - 1,950,000) were granted, vested and converted to common shares with a value of \$735,000 (three months ended March 31, 2021 - \$165,750).

The portion of the compensation of RSUs granted in the current and prior years and vested during the three months ended March 31, 2022, amounted to \$796,250 (three months ended March 31, 2021 - \$39,000).

As of March 31, 2022, there were 350,000 RSUs outstanding (December 31, 2021 - nil RSUs).

---

## Sintana Energy Inc.

### Notes to Condensed Interim Consolidated Financial Statements Three Months Ended March 31, 2022 (Expressed in Canadian Dollars, Unless Otherwise Stated) (Unaudited)

---

#### 11. Net loss per share

The calculation of basic and diluted loss per share for the three months ended March 31, 2022 was based on the loss attributable to common shareholders of \$2,604,144 (three months ended March 31, 2021 - loss of \$369,142) and the weighted average number of common shares outstanding of 170,517,136 (three months ended March 31, 2021 - 132,615,831). Diluted loss per share did not include the effect of options, warrants, RSUs and convertible debentures for the three months ended March 31, 2022 and 2021 as they were anti-dilutive or not in the money.

#### 12. Exploration and evaluation expenditures

	Three Months Ended March 31,	
	2022	2021
<b>Magdalena Basin, Colombia</b>		
Administrative and general	\$ 1,092	\$ 13,906
Professional fees	-	31,215
	<b>\$ 1,092</b>	<b>\$ 45,121</b>

#### 13. General and administrative

	Three Months Ended March 31,	
	2022	2021
Salaries and benefits (notes 9, 10 and 14)	\$ 2,161,983	\$ 351,695
Professional fees (note 14)	176,998	48,204
Reporting issuer costs	35,236	13,608
Administrative and general	37,723	9,590
	<b>\$ 2,411,940</b>	<b>\$ 423,097</b>

#### 14. Related party transactions and balances

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The below noted transactions occurred in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

(a) Remuneration of directors and key management personnel (officers and vice-president) of the Company was as follows:

	Three Months Ended March 31,	
	2022	2021
Salaries and benefits <sup>(1)(3)</sup>	\$ 770,202	\$ 261,870
Share-based compensation <sup>(2)</sup>	\$ 1,229,183	\$ 72,254

---

## Sintana Energy Inc.

### Notes to Condensed Interim Consolidated Financial Statements Three Months Ended March 31, 2022 (Expressed in Canadian Dollars, Unless Otherwise Stated) (Unaudited)

---

#### 14. Related party transactions and balances (continued)

(a) Remuneration of directors and key management personnel (officers and vice-president) of the Company was as follows (continued):

(1) Salaries and benefits include director fees. Balances for deferred compensation due to directors and key management personnel of \$4,918,007 are included in deferred compensation as at March 31, 2022 (December 31, 2021 - \$6,662,145) and include the retiring allowance payable to Lee A. Pettigrew (refer to note 14(a)<sup>(3)</sup>).

(2) Share-based compensation is recorded in salaries and benefits under general and administrative.

(3) Effective as of July 31, 2016, the employment by the Company of Lee A. Pettigrew, former Vice President - Canadian Operations, ceased. Pursuant to his employment agreement, Mr. Pettigrew is entitled to 12 months base salary as a retiring allowance. As at March 31, 2022, Lee A. Pettigrew was owed \$256,898 (US\$205,584) (December 31, 2021 - \$387,420 (US\$305,584)) and this amount is included as deferred compensation.

(b) The Company has entered into the following transactions with related parties:

For the three months ended March 31, 2022, the Company paid professional fees and disbursements of \$17,212 (three months ended March 31, 2021 - \$15,596) to Marrelli Support Services Inc. ("Marrelli Support"), an organization of which the Chief Financial Officer ("CFO") of the Company is a managing director. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Marrelli Support also provides bookkeeping services to the Company. All services were made on terms equivalent to those that prevail with arm's length transactions. An amount of \$5,817 is included in accounts payable and accrued liabilities as at March 31, 2022 (December 31, 2021 - \$27,074).

For the three months ended March 31, 2022, the Company paid professional fees and disbursements of \$nil (three months ended March 31, 2021 - \$nil) to DSA Corporate Services Inc., an organization of which the CFO of the Company is the corporate secretary and sole director. These services were incurred in the normal course of operations of corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at March 31, 2022, DSA was owed \$nil (December 31, 2021 - \$198) and this amount is included in accounts payable and accrued liabilities.

For the three months ended March 31, 2022, the Company paid professional fees and disbursements of \$1,701 (three months ended March 31, 2021 - \$1,460) to DSA Filing Services Inc. ("DSA Filing"), an organization of which the CFO of the Company is the corporate secretary and sole director. These services were incurred in the normal course of operations of corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at March 31, 2022, DSA Filing was owed \$nil (December 31, 2021 - \$961) and this amount is included in accounts payable and accrued liabilities.

For the three months ended March 31, 2022, the Company paid professional fees and disbursements of \$2,060 (three months ended March 31, 2021 - \$nil) to Marrelli Press Release Services Ltd. ("Press Release"), an organization which the CFO of the Company is the corporate secretary and sole director. These services were incurred in the normal course of operations of corporate secretarial matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at March 31, 2022, Press Release was owed \$836 (December 31, 2021 - \$1,745) and this amount is included in accounts payable and accrued liabilities.

## Sintana Energy Inc.

### Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars, Unless Otherwise Stated)

(Unaudited)

#### 15. Segmented information

The Company's operations comprise a single reporting operating segment engaged in oil and natural gas exploration and development in Colombia. The Company has administrative offices in Toronto, Canada; and Dallas, Texas. Segmented information on a geographic basis is as follows:

<b>March 31, 2022</b>	<b>Canada</b>	<b>United States</b>	<b>Colombia</b>	<b>Total</b>
Cash	\$ 4,627,302	\$ 259,390	\$ 1,413	\$ 4,888,105
Accounts receivable and other assets	102,444	-	-	102,444
Investment in associate	13,179,367	-	-	13,179,367
<b>Total assets</b>	<b>\$ 17,909,113</b>	<b>\$ 259,390</b>	<b>\$ 1,413</b>	<b>\$ 18,169,916</b>
Accounts payable and accrued liabilities	\$ 335,816	\$ -	\$ -	\$ 335,816
Deferred compensation	438,303	4,479,704	-	4,918,007
Asset retirement obligation	102,312	-	-	102,312
Convertible debentures	109,225	-	-	109,225
<b>Total liabilities</b>	<b>\$ 985,656</b>	<b>\$ 4,479,704</b>	<b>\$ -</b>	<b>\$ 5,465,360</b>

<b>Three Months Ended March 31, 2022</b>	<b>Canada</b>	<b>United States</b>	<b>Colombia</b>	<b>Total</b>
Exploration and evaluation expenditures	\$ -	\$ -	\$ 1,092	\$ 1,092
General and administrative	1,885,214	526,726	-	2,411,940
Finance interest expense	3,040	-	-	3,040
Costs related to acquisition of Inter Oil	229,119	-	-	229,119
Foreign exchange loss (gain)	109,841	(127,724)	(1,300)	(19,183)
Gain of accounts payable	(21,864)	-	-	(21,864)
<b>Net loss and comprehensive loss</b>	<b>\$ 2,205,350</b>	<b>\$ 399,002</b>	<b>\$ (208)</b>	<b>\$ 2,604,144</b>

<b>December 31, 2021</b>	<b>Canada</b>	<b>United States</b>	<b>Colombia</b>	<b>Total</b>
Cash	\$ 35,029	\$ 3,520	\$ 218	\$ 38,767
Accounts receivable and other assets	16,177	-	-	16,177
<b>Total assets</b>	<b>\$ 51,206</b>	<b>\$ 3,520</b>	<b>\$ 218</b>	<b>\$ 54,944</b>
Accounts payable and accrued liabilities	\$ 476,255	\$ 74,781	\$ 4,311	\$ 555,347
Deferred compensation	641,238	6,020,907	-	6,662,145
Asset retirement obligation	102,312	-	-	102,312
Convertible debentures	106,185	-	-	106,185
<b>Total liabilities</b>	<b>\$ 1,325,990</b>	<b>\$ 6,095,688</b>	<b>\$ 4,311</b>	<b>\$ 7,425,989</b>

<b>Three Months Ended March 31, 2021</b>	<b>Canada</b>	<b>United States</b>	<b>Colombia</b>	<b>Total</b>
Exploration and evaluation expenditures	\$ -	\$ -	\$ 45,121	\$ 45,121
General and administrative	149,484	273,613	-	423,097
Finance interest expense	3,840	-	-	3,840
Foreign exchange loss (gain)	167,492	(239,362)	(9,044)	(80,914)
Gain of accounts payable	(22,002)	-	-	(22,002)
<b>Net loss and comprehensive loss</b>	<b>\$ 298,814</b>	<b>\$ 34,251</b>	<b>\$ 36,077</b>	<b>\$ 369,142</b>

---

## **Sintana Energy Inc.**

**Notes to Condensed Interim Consolidated Financial Statements**

**Three Months Ended March 31, 2022**

**(Expressed in Canadian Dollars, Unless Otherwise Stated)**

**(Unaudited)**

---

### **16. Contingency**

#### Farmout Agreement Arbitration

On March 20, 2015, the operator advised the Company that it had exercised its right to terminate the Farmout Agreement for each of two Middle Magdalena Valley Blocks in Colombia. The Company concurred in writing that the Farmout Agreements had terminated. The operator also contended that it had the right to recover certain historical costs with which the Company disagrees. Management is currently evaluating this matter and, together with legal counsel and other experts, assessing its potential options and alternatives with respect to these costs. Refer to note 5.

### **17. Subsequent event**

On April 21, 2022, the Company announced the engagement of Harbor Access LLC, an investor relations firm with offices in the US and Canada. Harbor Access will provide investor relations support to the Company including enhancing Sintana's communications and investor outreach efforts. The initial term of the engagement is for 12 months with a monthly retainer of \$9,500.



# CORPORATE INFORMATION

## DIRECTORS

Keith Spickelmier, Executive Chairman  
Douglas Manner, CEO & Director  
Robert Bose, President & Director  
Bruno Maruzzo, Independent Director  
Dean Gendron, Independent Director  
Knowledge Katti, Independent Director

## OFFICERS

Douglas Manner, Chief Executive Officer  
David Cherry, Chief Operating Officer  
Carmelo Marrelli, Chief Financial Officer  
Robert Bose, President  
Sean Austin, VP, Controller, Secretary & Treasurer

## AUDIT COMMITTEE

Bruno Maruzzo, Independent Director (Chair)  
Dean Gendron, Independent Director  
Robert Bose, Director

## UNITED STATES

Sintana Energy Inc.  
5501 LBJ Freeway, Suite 900  
Dallas, Texas USA 75240  
☎ 713.825.9591  
✉ [info@sintanaenergy.com](mailto:info@sintanaenergy.com)

## AUDITORS

MNP LLP Chartered Accountants  
Toronto, Ontario

## REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada  
Toronto, Ontario

## LEGAL COUNSEL

Fogler, Rubinoff LLP  
Toronto, Ontario

## LISTING

Exchange: TSX Venture  
Trading Symbol: SEI  
Cusip Number: 82938H  
Fiscal Year End: Dec 31

## CANADA

Sintana Energy Inc.  
82 Richmond Street East, Suite 201  
Toronto, Ontario M5C 1P1  
☎ 416.361.0737  
☎ 416.361.0923