



Vital Energy Inc.

INSIDER TRADING AND REPORTING POLICY

OCTOBER 2014



VITAL ENERGY INC. (the “Corporation”)

The purpose of the Insider Trading and Reporting Policy (the “**Policy**”) is to summarize the insider trading restrictions to which directors, officers and certain employees are subject under applicable securities legislation, and to set forth a policy governing investments in the shares of the Corporation and the reporting thereof which is consistent with the applicable legislation.

This Policy is not intended to discourage investment in the Corporation's shares. Rather, it is intended to highlight the obligations and the restrictions imposed on insiders by relevant securities laws and to promote compliance with such laws.

1. Summary of Legislation

Securities legislation prohibits any person in a “special relationship” with the Corporation from either:

- (a) purchasing or selling the Corporation's shares with the knowledge of a material fact or material change concerning the Corporation that has not been generally disclosed to the public; or
- (b) informing (or “**tipping**”), other than when in the necessary course of business, another person or corporation of a material fact or material change concerning the Corporation before the material fact or material change has been generally disclosed. A material change to the business or affairs of the Corporation or a material fact is one which would reasonably be expected to have an effect on the market price or value of any securities of a public issuer. A material change is specifically defined to include any decision by a board of directors to implement a material change, as well as any decision made to implement such a change by senior management, if Board of Director approval is probable.

This prohibition applies to any of the following persons who are deemed to have a “special relationship” with the Corporation:

- (a) directors, officers, employees and consultants of the Corporation; and
- (b) persons or corporations who learn of a material fact or material change concerning the Corporation.

While the penalties for a breach of this prohibition vary among jurisdictions, a breach may render you personally liable to prosecution and, upon conviction, to a fine not exceeding one million dollars or two years in jail, or both. Further, you may be subject to civil actions at the instance of certain security holders, the companies whose securities were traded, various securities commissions, or any of these.

You should note that any person who is associated with you, including any member of your family, your spouse or any person living with you, is also deemed to be a person in a special relationship with the Corporation, and is subject to the same legal obligations and duties.



2. Trading Prohibitions

In light of the foregoing, all directors, officers and employees of the Corporation will be subject to the following prohibitions relating to investments in the Corporation's securities and securities of other public issuers:

- (a) If one has knowledge of a material fact or material change related to the affairs of the Corporation or any public issuer involved in a transaction with the Corporation which is not generally known, no purchase or sale may be made until the information has been generally disclosed to the public and the blackout periods set forth below have expired;
- (b) Knowledge of a material fact or change must not be conveyed to any other person for the purpose of assisting that person in trading securities;
- (c) The practice of selling "short" securities of the Corporation at any time is not permitted;
- (d) The practice of buying or selling a "call" or "put" or any other derivative security in respect of the securities of the Corporation is not permitted; and
- (e) Trading is prohibited in the event that the Corporation has provided notice of a pending material fact or material change until the information has been generally disclosed to the public and the blackout periods set forth below have expired.

For purposes of this Policy, public issuer includes any issuer, whether a corporation or otherwise, whose securities are traded in a public market, whether on a stock exchange or "over the counter".

The above prohibitions and the insider reporting obligations provided below applies equally to the trading or exercising of options of the public issuer.

3. Insider Reporting Obligations

Under current Alberta law, a person or Corporation who becomes an insider of the Corporation must file an insider report within 10 days of the date of becoming an insider. In addition, an insider whose direct or indirect beneficial ownership of or control or direction over securities of the Corporation changes, must file an insider report of the change within 5 days of the date of the change.

Some other Canadian jurisdictions require the filing of the Insider Report within 10 days of the end of the month during which the person became an insider or the change occurred. By complying with the Alberta legal requirements in this regard, insiders will also be in compliance with the laws of other relevant jurisdictions.

Generally, securities legislation defines "insiders" as:

- (a) every director or "senior officer" (as defined below) of a public issuer;
- (b) every director or senior officer of an issuer that is itself an insider of a public issuer, which includes its subsidiaries;



- (c) any person or corporation that:
 - (i) beneficially owns, directly or indirectly, voting securities of a public issuer, or
 - (ii) exercised control or direction over voting securities of a public issuer, or
 - (iii) beneficially owns, directly or indirectly, certain voting securities of a public issuer and exercises control or direction over certain other voting securities of a public issuer,

carrying more than 10% of the voting rights attached to all voting securities of the public issuer for the time being outstanding other than voting securities held by the person or Corporation as underwriter in the course of distribution.

Generally, a “senior officer” is:

- (a) The Chair or Vice-Chair of the Board of Directors, the President, Vice-President, Secretary, Comptroller, Treasurer or General Manager or any other individual who performs functions for the issuer similar to those performed by an individual occupying that office; and
- (b) Each of the 5 highest paid employees of an issuer, including any individual referred to above.

All insider reports are required to be filed electronically on SEDI.

It is each insider's personal responsibility to ensure that all requisite insider trading reports are filed with the appropriate securities commissions within the statutory time limits.

4. Blackout Periods

In order to ensure uniform compliance with securities legislation, the Corporation has made the following provision for blackout periods during which insiders and employees and service providers who are or are expected to be in possession of undisclosed material information, are prohibited from trading in the Corporation's securities.

In respect of periodic disclosure of quarterly and annual financial reports, the blackout period commences 14 days immediately preceding the day of the earlier of the Board or Audit Committee meeting at which the relevant financial report is to be reviewed and/or approved and terminating at the end of the second business day following the release of such financial report. Financial report release dates are approximate and will vary on a yearly basis.

Unscheduled developments are significant corporate acquisitions, divestitures, contract negotiations, asset write downs, or similar transactions that are generally expected to result in a material change in the affairs of the Corporation.

The blackout period for unscheduled developments begins as soon as management is aware of the development and has communicated such development to the insiders and other restricted persons, and continues until the end of the second business day following the public disclosure of the information, unless otherwise determined by the Board.



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The Company intends to advise all persons subject to any blackout notice by email as to both the commencement of and expiry of each blackout period. However, failure of the Corporation to provide such email notice is not a justification or excuse for failure to comply with the restrictions of this policy.

If you are unsure whether or not you may trade in a given circumstance, you should contact the President or Chief Financial Officer to determine if the particular information is or is not material and whether a blackout period is in effect.