

PETROLIA SE

(the “Company”)

Minutes of the Annual General Meeting of the Company’s shareholders held at the Company’s registered office at 205, Christodoulou Chatzipavlou Street, Loulloupis Court, 4th floor, office 401, 3036 Limassol, Cyprus, on the 31st day of May 2022 at 12:30 hrs (11:30 CET) (the “Meeting”).

Notice and Quorum

IT WAS NOTED THAT seven (7) shareholders have attended the Meeting through proxies/voting instructions and therefore, representing the 85,81% of the shareholding of the Company (50,742,128 shares), a quorum of the shareholders was present in accordance with the Company’s Articles of Association and that the Meeting could proceed.

The Notice and the Agenda convening the Meeting were taken as read and approved.

Chairman

Mr. Polykarpos Protopapas was appointed as a Chairman of the Meeting.

ORDINARY BUSINESS:

The following ordinary business was on the agenda.

First item on the Agenda

To receive and consider the Financial Statements of the Company for the year ended 31st day of December 2021, together with both the Management Report and the Independent Auditor’s Report. The Directors (members of the Administrative Organ) of the Company recommend that no dividend be declared.

Ordinary Resolution 1

“The Financial Statements of the Company for the year ended 31st December 2021, together with both the Management Report and the Independent Auditor’s Report, are hereby approved.

Furthermore, the recommendation of the Directors (members of the Administrative Organ) of the Company that no dividend shall be declared, is hereby approved.”

Votes in favour were 50,742,128(representing 100.00% of the shareholder present) of which 19,646,698 were pre-votes.

Second Item on the Agenda

Recommendation from the Nomination Committee of Petrolia SE to the 2022 Annual General Meeting.

Background:

A. The current Nomination Committee was elected at the Annual General Meeting (AGM) held on 27th May 2021 and consists of the following members:

Mr Robert Arnott (chair) – Mrs Tove Kate Larsen (member) – Mr Andreas Constantinou (member).

B. Mr Berge Gerdt Larsen, Mr. Polycarpus Protopapas, Mr. George Hadjineophytou and Mr Sjur Storaas are all retiring from their position as Directors (members of the Administrative Organ) of the Company and in accordance with the Articles of Association of the Company and the terms of their appointment at the last AGM and they are all eligible for re-election.

Recommendation of the Nomination Committee

In the Nomination Committee's recommendation to the Company's Annual General Meeting in 2022, it is noted that all directors, i.e. Messrs Berge Gerdt Larsen - Chairman of the Board – Non-Independent Director, Polycarpus Protopapas – Non- Independent Director, Mr. Sjur Storaas – Independent Director, as defined by the Company's Articles of Association, and George Hadjineophytou – Deputy Chairman, Independent Director, as defined by the Company's Articles of Association, have expressed their willingness to continue in office and have offered themselves for re-election.

Therefore, the Nomination Committee recommends that the shareholders elect each candidate as follows:

Berge Gerdt Larsen, Chairman of the Board – Non- Independent Director
George Hadjineophytou, Deputy Chairman – Independent Director, as defined by the Company's Articles of Association
Sjur Storaas, – Independent Director, as defined by the Company's Articles of Association
Polycarpus Protopapas – Non- Independent Director

The term of office is set to one year, up to the 2023 AGM.

Following a relevant recommendation by the Company's Nomination Committee to consider and, if thought appropriate, to pass the following ordinary resolution for the election of Mr Berge Gerdt Larsen to the office of Chairman of the Board Directors (member of the Administrative Organ) of the Company:

Ordinary resolution 2

"Mr Berge Gerdt Larsen is re-elected to the office of Director (member of the Administrative Organ of the Company) and to act as Chairman of the Board (Administrative Organ) of the Company. Berge Gerdt Larsen is considered as a Non-Independent Director and his term of office runs until the next Annual General Meeting of the Company in 2023."

Votes in favour were 50,742,128 (representing 100.00% of the shareholder present) of which 19,646,698 were pre-votes.

Third Item on the Agenda

Following a relevant recommendation by the Company's Nomination Committee, to consider and, if thought appropriate, to pass, the following ordinary resolution for the re-appointment and re-election of Mr George Hadjineophytou to the office of Deputy Chairman (member of the Administrative Organ) of the Company:

Ordinary resolution 3

"Mr George Hadjineophytou is re-elected to the office of Director (member of the Administrative Organ) of the Company and to act as Deputy Chairman of the Board. George Hadjineophytou shall be considered as an Independent Director, as defined by the Company's Articles of Association, (member of the Administrative Organ) of the Company and his term of office runs until the next Annual General Meeting of the Company in 2023".

Votes in favour were 50,742,128 (representing 100.00% of the shareholder present) of which 19,646,698 were pre-votes.

Fourth Item on the Agenda

Following a relevant recommendation by the Company's Nomination Committee, to consider and, if thought appropriate, to pass, the following ordinary resolution for the re-appointment and re-election of Mr Sjur Storaas to the office of Independent Director, as defined by the Company's Articles of Association, (member of the Administrative Organ) of the Company:

Ordinary resolution 4

"Mr Sjur Storaas is re-elected to the office of Director (member of the Administrative Organ) of the Company. Sjur Storaas shall be considered as an Independent Director, as defined by the Company's Articles of Association, (member of the Administrative Organ) of the Company and his term of office runs until the next Annual General Meeting of the Company in 2023."

Votes in favour were 50,742,128 (representing 100.00% of the shareholder present) of which 19,646,698 were pre-votes.

Fifth Item on the Agenda

Following a relevant recommendation by the Company's Nomination Committee, to consider and, if thought appropriate, to pass, the following ordinary resolution for the re-appointment and re-election of Mr Polycarpus Protopapas to the office of Director (member of the Administrative Organ) of the Company:

Ordinary resolution 5

"Mr Polycarpus Protopapas is re-elected to the office of Director (member of the Administrative Organ) of the Company. Polycarpus Protopapas shall be considered as a Non-Independent Director (member of the Administrative Organ) of the Company and his term of office runs until the next Annual General Meeting of the Company in 2023."

Votes in favour were 50,742,128 (representing 100.00% of the shareholder present) of which 19,646,698 were pre-votes.

Sixth Item on the Agenda

To consider and, if thought appropriate, to pass the following ordinary resolution for the appointment of Mr Robert Arnott, Mrs Tove Kate Larsen and Mr Andreas Constantinou as members of the Nomination Committee of the Company:

Ordinary resolution 6

“Mr Robert Arnott, Mrs Tove Kate Larsen and Mr Andreas Constantinou are elected as members of the Nomination Committee.”

Votes in favour were 50,742,128 (representing 100.00% of the shareholder present) of which 19,646,698 were pre-votes.

Seventh Item on the Agenda

To consider, and if thought appropriate, to pass the following ordinary resolution for the approval of the remuneration of the eligible Directors (members of the Administrative Organ) of the Company up to today's Annual General Meeting:

Ordinary resolution 7

“The remuneration of the Directors (members of the Administrative Organ) of the Company up to today's Annual General Meeting which is USD 36,000 for each eligible Director (member of the Administrative Organ) is hereby approved. Furthermore, a bonus of USD 4,000 for each of the eligible directors is hereby approved.”

Votes in favour were 50,742,128 (representing 100.00% of the shareholder present) of which 19,646,698 were pre-votes.

The Remuneration Policy of the Company has been received and considered and is hereby approved. The said Remuneration Policy is hereby attached and marked as «Appendix A». Furthermore, the Remuneration Report of the Company is hereby attached and marked as «Appendix B». Both, the Remuneration Policy and Remuneration Report are available to the public on the website of the Company (<https://www.petrolia.eu/about-us/remuneration>).

Eighth Item on the Agenda

To consider, and if thought appropriate, to pass the following ordinary resolution for the approval of the remuneration of the eligible Directors (members of the Administrative Organ) of the Company up to the next Annual General Meeting:

Ordinary resolution 8

“The remuneration of the Directors (members of the Administrative Organ) of the Company up to the next Annual General Meeting shall be USD 40,000 for each eligible Director (member of the Administrative Organ) payable quarterly in arrears.”

Votes in favour were 50,742,128 (representing 100.00% of the shareholder present) of which 19,646,698 were pre-votes.

Ninth Item on the Agenda

To consider, and if thought appropriate, to pass the following ordinary resolution for the approval of the remuneration of the members of the Audit Committee of the Company up to the next Annual General Meeting:

Ordinary resolution 9

“The remuneration of the members of the Audit Committee of the Company up to the next Annual General Meeting shall be USD 5,000 for each eligible member, being equal to such members’ remuneration for the preceding period”.

Votes in favour were 50,742,128 (representing 100.00% of the shareholder present) of which 19,646,698 were pre-votes.

Tenth Item on the Agenda

To consider, and if thought appropriate, to pass the following ordinary resolution for the approval of the remuneration of the members of the Nomination Committee of the Company up to the next Annual General Meeting:

Ordinary resolution 10

“The remuneration of the members of the Nomination Committee of the Company up to the next Annual General Meeting shall be USD 1,500 for each eligible member, being equal to such members’ remuneration for the preceding period”.

Votes in favour were 50,742,128 (representing 100.00% of the shareholder present) of which 19,646,698 were pre-votes.

Eleventh Item on the Agenda

To consider, and if thought appropriate, to pass the following ordinary resolution for the approval of the remuneration of the members of the Remuneration Committee of the Company up to the next Annual General Meeting:

Ordinary resolution 11

“The remuneration of the members of the Remuneration Committee of the Company up to the next Annual General Meeting shall be USD 1,500 for each eligible member, being equal to such members’ remuneration for the preceding period”.

Votes in favour were 50,742,128 (representing 100.00% of the shareholder present) of which 19,646,698 were pre-votes.

Twelfth Item on the Agenda

To consider, and if thought appropriate approve the following ordinary resolution for re-appointing the auditors of the Company and fixing their remuneration up to the next Annual General Meeting (The auditors' remuneration for the year ended 31.12.2021 was EUR 120,000 plus VAT and a fee of EUR 2,850 plus VAT for other permissible non audit services).

Ordinary resolution 12

"Ernst & Young Cyprus Limited be and are hereby (re-)appointed as auditors of the Company until the conclusion of the next Annual General Meeting of the Company at which accounts are laid before the shareholders and the Board is herewith authorised to fix the auditors remuneration for 2022."

Votes in favour were 50,742,128 (representing 100.00% of the shareholder present) of which 19,646,698 were pre-votes.

SPECIAL BUSINESS

Thirteenth Item on the Agenda

To consider and, if thought appropriate approve the following ordinary resolution for the approval of the Board of Directors' (Administrative Organ's) statement on Corporate Governance, which is part of the Directors' Report for 2021:

Ordinary resolution 13

"The Board of Directors' (Administrative Organ's) statement on Corporate Governance be and is hereby approved."

Votes in favour were 50,742,128 (representing 100.00% of the shareholder present) of which 19,646,698 were pre-votes.

Fourteenth Item on the Agenda

To consider, and, if thought appropriate, to pass the following ordinary resolution for the approval of the indemnity of the Board of Directors (Administrative Organ) and management:

Ordinary resolution 14

"Petrolia SE (the "Company") shall indemnify any person who is or was a party or is threatened to be made a party to any civil, criminal and/or administrative proceedings by reason of the fact that such person is or was a Board Member, Director or Senior Officer of the Company, against any expenses (including attorneys' fees), liability, judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such proceeding.

Costs, fees and expenses reasonably incurred by such person in case of and during a proceeding as mentioned above, shall be admitted and covered consecutively by the Company.

In case of a conviction or plea of guilty of such a person in a final decision, ruling, judgment, order or settlement following a proceeding as mentioned above, the Company reserves the right to claim regress of any costs, fees, expenses, liabilities, fines, settlements and any other amounts paid in connection with the said proceeding.

No person shall be entitled to indemnification in connection with a proceeding brought by or in the right of the Company in which the Board Member, Director or Senior Officer was adjudged liable to the Company."

Votes in favour were 50,742,128 (representing 100.00% of the shareholder present) of which 19,646,698 were pre-votes.

Fifteenth Item on the Agenda

To consider and, if thought appropriate, to approve the following special resolution for authorising the Board of Directors (Administrative Organ) of the Company, without prejudice to any limitation of the powers of the Board of Directors (Administrative Organ) of the Company as provided by the Cyprus law on public takeover bids, to acquire (buy-back) on behalf and in the name of the Company, some of the Company's own shares within a period of twelve months from the passing of such resolution according to the following terms: a) The total amount of the nominal value of the Company's own shares held by the Company at any time (including the Company's own shares that the Company has already acquired and maintains in a portfolio and any of its own shares having been acquired by any person acting in his/her name but on behalf of the Company) may not exceed ten per cent (10%) of the issued share capital of the Company or twenty five per cent (25%) of the average market value of transactions carried out in the shares of the Company over the last thirty trading days prior to the acquisition of such shares, whichever amount is the lowest, b) the minimum price for the acquisition of the Company's own shares shall be determined by the Board of Directors (Administrative Organ) of the Company, at its absolute discretion, whereas the maximum price may not exceed by more than five per cent (5%) the average market price of the Company's shares over the last five trading days prior to the relevant acquisition, and c) the Company may not hold any of its own shares for more than two years from the time of their acquisition:

Special Resolution 15

"That, without prejudice to any limitation of the powers of the Board of Directors (Administrative Organ) of the Company as provided by the Cyprus law on public takeover bids, the Board of Directors (Administrative Organ) of the Company be and is hereby authorised to acquire (buy-back) on behalf and in the name of the Company some of the Company's own shares within a period of twelve months from the passing of this resolution according to the following terms: a) The total amount of the nominal value of the Company's own shares held by the Company at any time (including the Company's own shares that the Company has already acquired and maintains in a portfolio and any of its own shares having been acquired by any person acting in his/her name but on behalf of the Company) may not exceed ten per cent (10%) of the issued share capital of the Company or twenty-five per cent (25%) of the average market value of transactions carried out in the shares of the Company over the last thirty trading days prior to the acquisition of such shares, whichever amount is the lowest, b) the minimum price for the acquisition of the Company's own shares shall be determined by the Board of Directors (Administrative Organ) of the Company, at its absolute

discretion, whereas the maximum price may not exceed by more than five per cent (5%) the average market price of the Company's share over the last five trading days prior to the relevant acquisition, and c) the Company may not hold any of its own shares for more than two years from the time of their acquisition".

Votes in favour were 50,742,128 (representing 100.00% of the shareholder present) of which 19,646,698 were pre-votes.

Sixteenth Item on the Agenda

To consider and, if thought appropriate, after reviewing the relevant Report of the Board of Directors (Administrative Organ) of the Company dated the 9th day of May 2022 that the pre-emption rights granted to the existing shareholders of the Company in relation to any new shares to be issued and for any future public offering(s) and/or private placement(s) and/or allotment to the existing shareholders and new investors and/or conversion(s) of any convertible bonds issued by and/or convertible loans granted to the Company, of up to 13,250,000 shares in the Company of a nominal value of USD 0.10 each, for cash consideration, at a subscription price per share not lower than seventy five per cent (75%) of the average of the volume weighted price of the Company's share in the Oslo Stock Exchange for each of the five trading days prior to the day the subscription price is decided, and/or in exchange for a contribution in kind, in accordance with the terms of a relevant agreement between the Company and such new investors and/or existing shareholders of the Company, pursuant to section 60B of the Companies Law Cap. 113, provided that no issue shall be for a price below the nominal value of the shares, be and are hereby waived until the Annual General Meeting of the Company of the year 2023, but no later than 30 June 2023:

Special Resolution 16

"It is hereby resolved that, after having reviewed the relevant Report of the Board of Directors (Administrative Organ) of the Company dated the 9th day of May 2022, the pre-emption rights granted to the existing shareholders of the Company in relation to any new shares to be issued and for any future public offering(s) and/or private placement(s) and/or allotment to the existing shareholders and new investors and/or conversion(s) of any convertible bonds issued by and/or convertible loans granted to the Company, of up to 13,250,000 shares in the Company of a nominal value of USD 0.10 each, for cash consideration, at a subscription price per share not lower than seventy five per cent (75%) of the average of the volume weighted price of the Company's share in the Oslo Stock Exchange for each of the five trading days prior to the day the subscription price is decided, and/or in exchange for a contribution in kind, in accordance with the terms of a relevant agreement between the Company and such new investors and/or existing shareholders of the Company, pursuant to section 60B of the Companies Law Cap. 113, provided that no issue shall be for a price below the nominal value of the shares, be and are hereby waived until the Annual General Meeting of the Company of the year 2023 but no later than 30 June 2023."

Votes in favour were 50,742,128 (representing 100.00% of the shareholder present) of which 19,646,698 were pre-votes.

Seventeenth Item on the Agenda

To consider and, if thought, appropriate to approve the following special resolution for authorising the Board of Directors (Administrative Organ) of the Company, without prejudice to any limitation of the powers of the Board of Directors (Administrative Organ) of the Company as provided by the Cyprus law on public takeover bids, to issue and allot until the Company's Annual General Meeting in 2023, but no later than 30 June 2023, and at its discretion, to new investors and/or existing shareholders of the Company up to 13,250,000 shares in the Company of a nominal value of USD 0.10 each, for cash consideration at a subscription price per share not lower than seventy five per cent (75%) of the average of the volume weighted price of the Company's share in the Oslo Stock Exchange for each of the five trading days prior to the day the subscription price per share and provided that no issue shall be for a price below the nominal value of the shares, in accordance with the terms of a relevant agreement between the Company and such new investors and/or existing shareholders of the Company, without applying any pre-emptive rights of the existing shareholders of the Company in relation to the issue and allotment of such new shares in the Company, and for authorising the Board of Directors (Administrative Organ) of the Company to enter into and execute in the name and on behalf of the Company until the Company's Annual General Meeting in 2023, but no later than 30 June 2023:

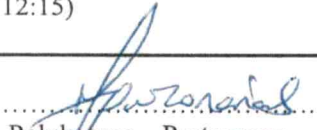
Special Resolution 17

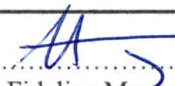
"It is hereby resolved that without prejudice to any limitation of the powers of the Board of Directors (Administrative Organ) of the Company as provided by the Cyprus law on public takeover bids, the Board of Directors (Administrative Organ) of the Company be and is hereby authorized to issue and allot until the Company's Annual General Meeting in 2023, but no later than 30 June 2023, and at its discretion, to new investors and/or existing shareholders of the Company up to 13,250,000 shares in the Company of a nominal value of USD 0.10 each, for cash consideration, at a subscription price per share not lower than seventy five per cent (75%) of the average of the volume weighted price of the Company's share in the Oslo Stock Exchange for each of the five trading days prior to the day the subscription price per share and provided that no issue shall be for a price below the nominal value of the shares, in accordance with the terms of a relevant agreement between the Company and such new investors and/or existing shareholders of the Company, without applying any pre-emptive rights of the existing shareholders of the Company in relation to the issue and allotment of such new shares in the Company, and that the Board of Directors (Administrative Organ) of the Company be and is hereby authorized to enter into and execute until the Company's Annual General Meeting in 2023, but no later than 30 June 2023."

Votes in favour were 50,742,128 (representing 100.00% of the shareholder present) of which 19,646,698 were pre-votes.

Conclusion

There being no other business to discuss the meeting came to an end at 13:15 hrs (CET 12:15)


Polykarpos Protopapas
Chairman of the meeting


Fidelius Management Services Ltd
Company Secretary



Petrolia SE

(the "Company")

REMUNERATION POLICY FOR THE BOARD OF DIRECTORS AND THE MANAGEMENT TEAM

Overall aim:

The overall aim of this remuneration policy for the Board of Directors and the Executive Management Team (the "Policy") is to provide a framework for remuneration of the Board of Directors and the Management Team of Petrolia SE, (hereinafter the Company), including specific guidelines for incentive pay, based on an understandable and comprehensive overview of the remuneration provided by the Company.

The Policy and the remuneration guidelines herein shall apply to:

- A. the independent members of the Board of Directors;
- B. the members of the Audit Committee and the Nomination Committee; and
- C. the Managing Director and the Finance Manager of the Company (collectively referred to as the "Management Team"), and is subject to approval by the General Meeting of the Company upon its first adoption, and upon any subsequent material changes or at least every four years.

This Policy, is subject to approval by the General Meeting of the company in 2022, and shall become effective immediately following its approval by the Annual General Meeting.

This Policy has been prepared in accordance with Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement which was transposed into Cyprus law by the enactment of "*The Encouragement of the Long-Term Active Participation of the Shareholders Law of 2021 (111(I)/2021*".

Objectives - The overall objectives of this Policy are to:

- A. Support the strategic objectives, growth and sustainability of the Company;
- B. Align the remuneration components with the interests of shareholders and other stakeholders relevant to the above;
- C. Support delivery of the Company's strategic priorities; and
- D. Provide guidelines for establishing the appropriate remuneration to the Management Team in order to attract, retain and motivate employees with the skills, qualifications and experience needed to maximize value creation for the Company and its shareholders.

Preparation and implementation of this Policy

The Board is responsible for preparing this Policy with regards to remuneration guidelines for the Management Team.

The Board is also responsible for implementing and monitoring the remuneration and other terms and conditions of the remuneration for the Management Team pursuant to this Policy.

Furthermore, the Board is responsible for preparing this Policy with regards to remuneration guidelines and for implementing and evaluating the remuneration of the Board Members pursuant to this Policy.

Finally, the Board is responsible for proposing the Policy for adoption at the Company's General Meeting upon any subsequent material changes or at least every four years.

Consideration of employee pay and employment conditions when preparing this Policy

When making decisions about executive remuneration and setting the contents of this Policy, the Board also considered the remuneration arrangements in place locally and globally for similar entities. Compensation for employees outside the Management Team follows the same principles applied to executives, i.e., salary and employment conditions within comparable companies operating in the industry in general.

Conflicts of interest

The Company has already established a Nomination Committee the tasks of which already include, inter alia, the preparation of recommendations for remuneration of the Board members.

Consequently, and provided that the General Meeting approves the proposal from the Nomination Committee, no conflicts of interests should arise in respect of the remuneration of members of the Board (the remuneration payable to the Board members for each year is finally approved by the shareholders at the Annual General Meeting of the Company, following proposals submitted by the Nomination Committee).

The Board acts independently of the Management Team, and no members of the Management Team shall be present at Board meetings where the remuneration of the Management Team is discussed, so as to avoid conflict of interests.

Remuneration Policy for the board of Directors

Article 87 of the Company's Statutes provides that only Independent Directors shall be entitled to Director's Fees which shall, from time to time, be determined by the Company in General Meeting.

In accordance to Art. 112 to 114 of the Company's statutes the Nomination Committee shall act in accordance with instructions laid down by the General Meeting and shall be responsible for putting forward a proposal at the General Meeting with candidates for election as directors.

The Committee shall also propose the directors' remuneration to the General Meeting.

The proposals for the remuneration of the Board members are presented for approval as a separate item on the agenda of the Annual General Meeting before they come into effect.

Fee levels

The Chair, if independent, and each independent member of the Board of Directors receives a fixed annual fee, which amount may be paid quarterly.

Individual Board members may be required to take on specific ad hoc tasks outside their normal duties assigned by the Board, and such tasks may also be agreed through service agreements with companies affiliated to Board members. In each such cases, the Board shall determine a fixed fee for the work carried out related to those tasks. The fixed fee will be disclosed in the annual remuneration report.

Additional fees or benefits may be provided to reflect, for example, accommodation, office, transport and other business-related expenses incurred while carrying out their role.

Remuneration of the Management Team

The overall objective of the remuneration guidelines for the Management Team can be summarized as set out below:

- A. The total compensation offered to the members of the Management Team shall be competitive.

- B. The compensation shall be motivating, both for the individual and for the Management Team as a group.
- C. Any variable elements in the total compensation to the Company's senior executives shall be linked to the value generated by the Company for the Company's shareholders.
- D. The system of compensation shall be understandable and meet general acceptance internally within the Company, among the Company's shareholders and with the public.
- E. The system of compensation shall be flexible and contain mechanisms which make it possible to carry out individual adjustments based on the results achieved and contributions made towards the development of the Company.

The terms and conditions of employment of the Managing Director and the Finance Manager of the Company are decided by the Board

Any salary increases and other amendments to the employment terms shall be based on a review by the Board at the start of each year, taking into account trends in local labour markets, the results achieved, and individual contributions to the development of the Company based on agreed measurable key performance indicators and the recommendations of the Remuneration Committee.

Remuneration elements and guidelines

Set out below is an overview of the various elements of the remuneration of the Management Team.

Fixed salary - The fixed salary which each member of the Management Team receives is a consequence of existing employment agreements.

Adjustments of individual fixed salaries will be carried out in accordance with trends in local labour markets, the results achieved, and individual contributions to the development of the Company.

Purpose and link to strategy: To provide fixed remuneration allowing the Company to offer its senior executives a competitive salary level compared to similar companies.

Benefits in Kind

The Company's remuneration strategy includes only a limited number of benefits in kind, including but not limited to coverage of telephony and any other out of pocket expenses incurred for the purpose of performing the respective duties. These benefits are offered in line with what is common practice in the Cyprus labour market, and the Company intends to continue such benefit schemes in accordance with existing employment agreements and local practice. Purpose and link to strategy: Provide market competitive and cost-effective benefits.

Performance Related Bonus

Purpose and link to strategy: To incentivise delivery of the Company's objectives and ensure a clear link with value creation.

The Company currently has no performance related bonus arrangement with any member of its Management Team.

However, the Company may from time to time, award discretionary bonuses to its employees.

Such discretionary bonuses will, if paid, be determined by the Chair of the Board.

Share option program

Purpose and link to strategy: The share options are a tool to incentivize the option holders to work for long-term value creation for the Company and its shareholders.

Currently the Company does not operate a share option scheme.

In case where the Board sees that a share option scheme should be introduced for certain employees and key persons in the Company, subject to the General Meeting of the Company authorising, from time to time, the Board of Directors may issue shares under the share option program.

The Board of Directors shall be authorised by the General Meeting to determine who should be offered share options, the number of share options to be allocated to each individual, the strike price and any other conditions for the share options including expiry of such options and any lock-up provisions.

Employment contracts

Notice periods: The Company may terminate the employment of an executive by giving 3 to 12 months' notice, unless otherwise specified in their respective employment agreement.

Unless otherwise provided in the employment agreement of the members of the Management Team, the employee may terminate its employment by giving the Company 3 to 12 months' notice.

Severance payment

No member of the Management Team is entitled to any severance payment beyond salary accrued during the notice periods for termination of employment.

Board's discretion to deviate from the policy

Provided adherence to the provisions of the relevant laws, rules or regulations (including regulatory, stock exchange control, tax or any other administrative purposes) the Board may, in order to ensure the Company's long-term interests, resolve to temporarily deviate from any sections of this Policy in the following instances:

- A. Upon changes in or amendments to relevant laws, rules or regulations;
- B. Upon other exceptional circumstances where the deviation may be required to serve the long-term interests and sustainability of the Company as a whole or to assure its viability;
- C. Upon changes in the Group structure, organization, ownership and/ or business (i.e., in following a merger, takeover, demerger, acquisition, disposal etc.);
- D. Upon material changes in the Company's strategy and operations; and
- E. Upon a change of the Management Team;

Any deviation from this Policy shall be reported in the remuneration report for the relevant year.

If a deviation continues for a period over 12 months, then the Company shall prepare an amended policy which shall be presented and approved at the following General Meeting.

PETROLIA SE (THE "COMPANY")

REMUNERATION REPORT

This report on salary and other remuneration (the "Report") for the Board of Directors (the "Board"), the members of the Audit Committee and the Nomination Committee and Executive Management Team of PETROLIA SE (the "Company"), has been prepared for the financial year ended 31 December 2021.

The purpose of the Report is to give an overview of paid and retained salary and other remuneration from the Company to the members of the Board, the Audit Committee, the Nomination Committee and the Executive Management Team for 2021, pursuant to the Company's remuneration policy (the "Remuneration Policy").

The Remuneration Policy is available at <https://www.petrolia.eu/about-us/remuneration/>. The Report is based on the following principles and objectives as set out in the Remuneration Policy, and applies to all the members of the Company's Board and Committees, as well as the Management Team employed by the Company:

- 1) The remuneration offered shall support the growth of the Company's value,
- 2) The remuneration offered shall ensure leading performance, and
- 3) The remuneration shall be offered in a responsible and consistent manner, with an objective to be competitive when compared to companies similar to Petrolia SE

This Report has been drawn up in compliance with Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement which was enacted into Cyprus law through the Encouragement of long-term shareholder engagement law of Cyprus in 2021 (the "Directive EU 2017/828").

Overall Company performance in 2021

The principal activity of the Company is the sale and rental of drilling equipment and land rig rental the financing of group companies and the holding of investments in subsidiaries and associates engaged in Energy and Energy Service.

The Company's loss after tax for the year ended 31 December 2021, which is attributable to the equity holders, was USD 1.2 million compared to a loss of USD 0.2 million for the year ended 31 December 2020.

The total assets of the Company for 2021 were USD 69.3 million and the net assets were USD 39.3 million, compared to USD 71.4 million and USD 40.9 million respectively in 2020.

Composition of the Board, the Executive Management Team, the Audit Committee and the Nomination Committee in 2021.

The Board of Directors

During 2021, the Board consisted of the following members:

- Berge Gerdt Larsen, Chair;
- Polycarpus Protopapas, Managing Director;
- Sjur Storaas, Director and
- George Hadjineophytou, Deputy Chair

Remuneration to the Board members is approved by the Annual General Meeting as a separate item on the agenda, as proposed by the Nomination Committee and in accordance with the Remuneration Policy.

Payment Based Remuneration Table for the period

During 2021, the Board members received remuneration as set out below:

USD 000

Name	FY	Fixed Remuneration			Extraordinary Items	Total Remuneration	Proportion of Fixed and Variable Remuneration
		Base Salary	Fees	Fringe Benefits			
Berge Gerdt Larsen	2021	-	-	-	-	0	N/A
	2020	-	-	-	-	0	N/A
Sjur Storaas	2021	-	44	-	-	44	100% Fixed Remuneration. 0% Variable Remuneration
	2020	-	38	-	-	38	100% Fixed Remuneration. 0% Variable Remuneration
George Hadjineophytou	2021	-	44	-	-	44	100% Fixed Remuneration. 0% Variable Remuneration
	2020	-	42	-	-	42	100% Fixed Remuneration. 0% Variable Remuneration
Judith Parry	2021	-	-	-	-	-	N/A
	2020	-	18	-	-	18	100% Fixed Remuneration. 0% Variable Remuneration

The Company has paid a Bonus of USD 4 thousands to the Managing Director for the year ended 31.12.2021.

The remuneration of the Board members supports the main focus of the Board to support the purpose and sustainability of the Company as well as the delivery of Company's strategic priorities.

The table below shows the change of the Board members' total Board fees for the years 2017 until 2021:

USD 000

Changes in fees from previous years								
Name	2021 vs 2020		2020 vs 2019		2019 vs 2018		2018 vs 2017	
	USD	%	USD	%	USD	%	USD	%
Berge Gerdt Larsen	-	-	-	-	-	-	-	-
Sjur Storaas	6	16%	(4)	(10%)	(1)	(2%)	-	-
George Hadjineophytou	2	5%	38	950%	4	-	-	-
Judith Parry	(18)	(100%)	(25)	(58%)	-	-	-	-
Pierre Godec	-	-	-	-	-	-	-	-

The deviation between 2019 to 2020 for the remuneration of Mr. George Hadjineophytou is due to the fact that he was elected as a director of the company on 27/11/2019 and therefore his remuneration was a proportion of the yearly Fee.

The deviations for Mrs. Judith Parry between 2019 and 2020 are due to the fact that she stepped down from her position as director of the company during 2020.

Share-based remuneration.

The Company has not provided share-based remuneration to the Board members during 2021.

As of 31 December 2021, the Board Members and Management Team held shares in the Company as set out below:

Name	Total Shareholding
Berge Gerdt Larsen(Chair of the Board) (Note 1)	3,789,897
Solve Nilsen (Finance Manager)	202,971

(Note 1) Berge Gerdt Larsen owns 44.95% of Increased Oil Recovery AS and his son owns the remaining 55.05%. Larsen Oil & Gas AS is a 100% owned subsidiary of Increased Oil Recovery AS.

Together the two companies hold 26.82% of the shares. Increased Oil Recovery AS is a 49.58% shareholder in Independent Oil & Resources Plc, which holds 45.97% of the shares in Petrolia SE. Berge Gerdt Larsen also controls Time Critical Petroleum Resources AS which holds 6.41% of the shares in Petrolia SE and 19.68% in shares in Independent Oil & Resources Plc. Independent Oil & Resources Plc is a 38.75% indirect shareholder in NOCO (UK) Ltd. Increased Oil Recovery AS indirectly owns 38.42% in NOCO (UK) Ltd.

REMUNERATION OF THE EXECUTIVE MANAGEMENT TEAM

Key principles for the remuneration of the Executive Management Team

The overall objective of the remuneration guidelines for the Executive Management Team can be summarized as set out below:

- The total compensation offered to the members of the Executive Management Team shall be competitive.
- The compensation shall be motivating, both for the individual and for the Executive Management Team as a group.
- Any variable elements in the total compensation to the Company's Executive Management shall be linked to the values generated by the Company for the Company's shareholders.
- The system of compensation shall be understandable and meet general acceptance internally in the Company, among the Company's shareholders and with the public.
- The system of compensation shall be flexible and contain mechanisms which make it possible to carry out individual adjustments based on the results achieved and contributions made towards the development of the Company.

The Company offers its Executive Management Team remuneration consisting of fixed salary.

Remuneration to the Executive Management Team in 2021

During 2021, the Executive Management received remuneration as set out below:

USD 000

Name of Executive member, position	FY	Fixed Remuneration			Variable Remuneration		Extraordinary Items	Pension Expense	Total Remuneration	Proportion of Fixed and Variable Remuneration
		Base Salary	Fees	Fringe Benefits	One-year Variable	Multi-year Variable				
Polycarpus Protopapas, Managing Director	2021	60	-	-	4	-	-	-	64	94% Fixed Remuneration . 6% Variable Remuneration
	2020	57	-	-	-	-	-	-	57	100% Fixed Remuneration . 0% Variable Remuneration
Solve Nilsen, Finance Manager	2021	185	-	-	7	-	-	20	212	100% Fixed Remuneration . 0% Variable Remuneration
	2020	177	-	-	8	-	-	20	205	100% Fixed Remuneration . 0% Variable Remuneration

The Company has not offered share options or any other equity-linked remuneration to the members of the Executive Management Team during 2021.

The fixed remuneration and the pension plan allow the Company to offer its senior executives a competitive salary compared to similar companies, while the variable remuneration incentivizes delivery of the Company's strategic objectives and ensures a clear link with value creation.

Comparison of remuneration, Group performance and average remuneration of other employees

The table below shows the change in total remuneration paid to the members of the Executive Management Team for the years 2017 until 2021, compared with the performance of the Company and the average remuneration of employees (on a full-time equivalent basis):

USD 000

Changes in total remuneration from previous years								
Name	2021 vs 2020		2020 vs 2019		2019 vs 2018		2018 vs 2017	
	USD	%	USD	%	USD	%	USD	%
Polycarpus Protopapas	7	12%	52	1,040%	5	-	-	-
Solve Nilsen	7	3%	107	109%	10	11%	3	4%
Pierre Godec	(8)	(100%)	(86)	(91%)	(5)	(5%)	4	4%
Demos Demou	(24)	(100%)	(33)	(58%)	(3)	(5%)	2	3%

The large deviation from 2019 to 2020 for the remuneration of Mr. Polycarpus Protopapas is due to the fact that he was elected as a director of the company on 27/11/2019 and his salary was a pro-rata on the yearly salary.

In regards to the large deviation from 2019 to 2020 for the remuneration of Mr. Sølve Nilsen, this was due to the fact that up to 31/12/2019, he was a part-time employee (50%) and since 01/01/2020 he became the group's finance manager and employed on a full-time basis.

The deviations for Mr. Pierre Godec and Mr. Demos Demou between 2019 and 2020 are due to the fact that they stepped down from their positions as Managing Director and Finance Manager respectively during 2020.

Other small deviations are mainly due to foreign exchange differences between NOK/USD and EUR/USD.

USD 000

Changes in average number of employees and performance from previous years								
Name	2021 vs 2020		2020 vs 2019		2019 vs 2018		2018 vs 2017	
	USD	%	USD	%	USD	%	USD	%
Operating result, Group	3,236	212%	(5,385)	(78%)	(2,466)	(26%)	19,867	189%
Result for the year, Group	(960)	457%	(174)	483%	(3,532)	(101%)	11,102	146%
Average number of employees, Group	(34)	(14%)	(25)	(9%)	53	24%	36	19%
Total salary costs, Group	2,665	25%	(3,873)	(26%)	1,559	12%	1,799	16%
Average salary, Group	19	44%	(10)	(19%)	(6)	(10%)	(2)	(3%)
Average number of employees, Parent	0	0%	(2)	(33%)	(1)	(14%)	0	0%
Total salary costs, Parent	(70)	(11%)	124	23%	2	0%	(73)	(12%)
Average salary, Parent	(18)	(11%)	76	85%	13	17%	(10)	(12%)

DEROGATIONS AND DEVIATIONS FROM THE REMUNERATION POLICY AND THE PROCEDURE FOR

IMPLEMENTATION OF THE REMUNERATION POLICY

The Company has not deviated from the guidelines set out in the Remuneration Policy in connection with remuneration granted in 2021.

CONSIDERATION AT THE ANNUAL GENERAL MEETING

This Report will be presented to the Company's annual general meeting, to be held on 31 May 2022, and will be subject to an advisory vote at such general meeting.