

2025 Parallax Energy Operating Inc. Modern Slavery Report

Introduction

Parallax Energy Operating Inc. (“**Parallax**”, “**we**”, “**us**” or “**our**”) has created this report (the “**Report**”) to meet our requirements pursuant to *Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Modern Slavery Act**”). This Report constitutes our forced labour and child labour reporting statement for the financial year ending December 31, 2025 (the “**Reporting Period**”).

Forced labour and child labour (each as defined in the Modern Slavery Act and hereinafter together referred to as “**modern slavery**”) are violations of fundamental human rights and are occurring across the globe. As a Canadian exploration and production company, we recognize the responsibility we have to ensure our operations and the supply chains that support our operations adhere to the highest ethical standards which includes the identification and prevention of modern slavery in our business or supply chains.

Parallax takes modern slavery and our reporting requirements seriously and we are committed to ensuring that we adhere to such requirements. We will continue to evaluate and assess our processes with respect to modern slavery in our business over time to ensure we are meeting all applicable reporting requirements and other legislation relating to modern slavery.

Steps to Prevent and Reduce Risks of Modern Slavery

Parallax took the following steps during the Reporting Period to prevent and reduce the risk of modern slavery in our business and supply chains:

- reviewed existing frameworks for management of modern slavery risks, and similar frameworks, applied by Canadian and international peers;
- conducted a review and analysis of current Parallax mandates, policies, and procedures as they relate to risks and responsibilities associated with modern slavery;
- Confirmed the current Parallax policies and procedures adequately address risks and responsibilities associated with forced and child labour, and
- continued to implement our standard vendors contract obligations that reinforce requirements concerning forced labour in supply chains.

We intend to continue to evaluate our reporting processes, ensure that our reporting with respect to modern slavery meets the statutory requirements and assess our policies, due

diligence activities and overall business regarding the identification and prevention of modern slavery.

Structure, Activities, and Supply Chains

Operations

Parallax is a private energy company headquartered in Calgary, Alberta. Our operations are associated with the exploration and development of conventional oil and natural gas properties. Our operations are located in Central Alberta and focused on the development of our Duvernay land within the Joffre and Sylvan Lake operating areas.

Structure

Parallax has approximately 52 employees and 27 contractors (collectively, "**Staff**"), all of whom are located within Alberta, Canada. Our Staff largely consists of oil and gas professionals, operators in upstream functions, and corporate knowledge workers, including engineering, and other corporate and administrative professionals.

Supply Chains

We do business with a wide range of suppliers, which source materials locally and globally. Parallax strives to work with direct (tier 1) suppliers ("**Suppliers**") who operate legally, ethically and responsibly, using risk-based qualification criteria to assess whether they are aligned with our safety and operational integrity requirements, and to protect us from potential legal and reputational risks. Our prequalification assessment includes health, safety, environmental, technical compliance, and financial considerations, among other supply chain metrics.

During the Reporting Period, we procured goods and services from a wide network of Suppliers. Nearly all our Suppliers were domiciled in North America, with over 99% of Suppliers in Canada and the United States. Other Suppliers utilized in 2025 were based in Norway and Ireland.

Policies and Due Diligence

This section addresses Parallax's policies and due diligence processes in relation to modern slavery.

Policies

Parallax recognizes that modern slavery is a critical issue, and we stand strongly against this exploitation. Our Staff and Suppliers all play a role in ensuring that we carry out our business activities in an ethical, legal and responsible manner. As part of our commitment to the policies and standards set by the Parallax Board of Directors (the "**Board**") and management,

Parallax seeks to work with Staff and Suppliers who share our commitment. We have an expectation that they will uphold our corporate values.

The following policies and standards guide our commitment to upholding ethical responsibilities with specific human rights language noted:

Code of Business Conduct and Ethics

We are committed to conducting our business in a lawful and ethical manner. Our Code of Business Conduct and Ethics (“**Code**”) is the foundation of our corporate policies and applies to all Board, Staff, and Suppliers in all jurisdictions in which we operate. The Code provides guidelines of how Parallax expects to conduct business and serves to:

- emphasize Parallax’s commitment to ethics and the basic standards of ethical behaviour;
- establish expectations with respect to compliance with local, provincial and federal laws;
- provide reporting mechanisms for known or suspected ethical or legal violations; and
- help prevent and detect wrongdoing.

Parallax’s Whistleblower program described within the Code is available to the Board, Staff, Suppliers, and members of the public to raise concerns anonymously through a third-party operated hotline and provides the mechanisms in which concerns are reviewed, addressed, and investigated, if necessary.

Human Rights Policy

The Human Rights Policy applies to the Board, Staff, and Suppliers in all jurisdictions in which we operate. The Human Rights Policy sets out our commitment to high ethical standards, including respect for human rights. Respect for human rights is an integral part of our commitment to sustainability.

In addition to the above, we intend to regularly evaluate our approach with respect to modern slavery to ensure the effectiveness of our methodology, including amending existing policies and implementing new policies, as necessary, to prevent modern slavery from occurring in our business.

Due Diligence

Parallax expects our Board, Staff, and Suppliers to adhere to ethical and lawful business practices.

To ensure we are not unknowingly engaged in business with any entities engaged in modern slavery, our Supplier due diligence includes the following steps:

- Engaging with Canadian-based companies, which are subject to local laws including employment and labour laws, to the fullest extent reasonable;
- Collecting sufficiently detailed supplier information prior to engaging in business; and
- Monitoring and evaluating supply chains and business relationships.

Parallax provides access to our Code of Business Conduct and Ethics Policy and Human Rights Policy to all our new and existing employees, contractors, and Suppliers.

Activity and Supply Chain Risks

Risks with respect to modern slavery exist across all industries and sectors. Given that our workforce is comprised of office workers and skilled oil and gas workers based in central Alberta, Canada, we consider that there is low risk of modern slavery within our direct operations. Parallax has determined that our most significant risks with respect to modern slavery are from sourcing specific products and services originating from global regions with high prevalence of modern slavery identified on external databases. Though all our Suppliers are domiciled in countries with low prevalence and vulnerability to modern slavery, we appreciate that many of our Suppliers supply us with products that originate from other jurisdictions, and all have their own global supply chains, and additional work is required to assess and understand this risk.

Remediation Measures

In 2025, Parallax did not identify any instances of modern slavery in our operations or supply chain. As a result, we have not had to take any measures to remediate any modern slavery or to remediate the loss of income to the most vulnerable families that resulted from any measure taken from any of Parallax's actions.

Training

When onboarding new Staff, we provide training regarding our safety commitments, the *Code of Business Conduct & Ethics*, and the *Human Rights Policy*. We require mandatory review and acknowledgement of our *Code of Business Conduct & Ethics* and will provide additional targeted training as necessary to Staff. Our policies are easily accessible to Staff, and as our policies change, we provide training opportunities to ensure Staff is aware and understands their obligations under the respective policies.

Assessing Our Effectiveness

Based on the review of our existing policies and practices which address modern slavery risks, Parallax believes that our operational modern slavery risk is low. We apply due

diligence processes to our Suppliers that provide good and services, who are also required to comply with domestic and international laws. We continue to be guided by our policies and principles in our relationships with our partners, including working with reputable companies, who are required to comply with domestic and international laws.

Looking Forward

Preventing and addressing modern slavery risks in our operations and supply chains is an ongoing process that requires continued monitoring and evaluation. Parallax is committed to conducting its business in a manner that prohibits modern slavery. We expect all Board, Staff, and Suppliers working on our behalf to adhere to these principles. Parallax will continue to respect human rights and act with integrity in our operations and business dealings.

Approval and Attestation

This Report was approved by Parallax's Board pursuant to paragraph 11(4)(a) of the Modern Slavery Act.



Dustin Hoffman
Chief Executive Officer

May 22, 2026

I have the authority to bind Parallax Energy Operating Inc.

Cautionary Note Regarding Forward-Looking Information

This report contains certain statements that may constitute forward-looking statements and information within the meaning of applicable securities laws. Forward-looking statements may be identified by words like "intends", "may", "could", "should", "would", "plans", "will", "seek" and similar expressions. This information includes, but is not limited to, Parallax's intentions to continue to evaluate and assess our processes with respect to modern slavery, including our reporting process, due diligence activities and policies. Such statements reflect the current views of management of Parallax with respect to future events and are subject to certain risks, uncertainties and assumptions that could cause results to differ materially from those expressed in the forward-looking statements. Although Parallax believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Parallax can give no assurance that they will prove to be correct.

The forward-looking statements contained in this report are made as of the date hereof and Parallax undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.