



MODERN SLAVERY REPORT

2023 ANNUAL REPORT

**Fighting Against Forced Labour
and Child Labour in Supply Chains Act**

Modern Slavery Report 2023

New Star Energy Ltd.

1. Introduction

This report ("Report") is made on behalf of New Star Energy Ltd., (BN 827767500RT0001) ("New Star") pursuant to Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Act"). This Report constitutes our first report pursuant to the Act, includes our forced labour and child labour reporting statement for the financial year ending December 31, 2023 and sets out the steps taken to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by New Star or in goods or services utilized by New Star. New Star is managed and operated by Long Run Exploration Ltd. ("Long Run"). Where this Report refers to the "Company", "we", "us" or "our", it is a reference to New Star.

New Star does not tolerate child labour, forced labour or any other form of modern slavery. We are dedicated to upholding and respecting human rights, firmly opposing all forms of modern slavery. We recognize the critical role this plays in human rights protection and strive to avoid causing or contributing to any adverse human rights impacts.

2. Structure, Activities and Supply Chain

New Star is a Calgary based oil and natural gas company, with focused operations in the Highvale field located 60 kilometers west of the capital city of Edmonton. New Star is focused on safe operations and we are committed to maintaining good relationships in our area of operations and adhering to the environmental and safety regulations that govern our industry.

New Star has no employees. As of April 1, 2018, Long Run performs all management services, and directs the day to day business operations and affairs on behalf of New Star.

New Star is committed to managing and operating our business in a safe and environmentally responsible manner. In 2023, we procured various goods and services from a wide range of goods and services suppliers and contractors ("Suppliers"), including for engineering, environmental, and maintenance. The majority of our Suppliers are located in Canada, although we recognize that many of our Suppliers supply us with goods that may originate in other jurisdictions, and each have their own supply chains. New Star is committed to ensuring our activities are done in compliance with applicable law and our corporate policies recognizing and protecting human rights.

3. New Star Policies and Due Diligence

New Star is committed to ensuring a healthy and safe work environment and we value honesty and integrity in every aspect of our business and every level of our organization. New Star does not currently have policies and/or due diligence processes in place relating specifically to forced labour and/or child labour. However, Long Run's Code of Business Conduct and Ethics, Disclosure and Transparency (Whistleblower) Policy and procurement practices and policies govern New Star's day to day business operations by virtue of the management arrangement between Long Run and New Star. As outlined below, New Star does have corporate policies and due diligence processes in place that outline the principles of conduct and ethics to be adhered to by New Star and its directors, officers, and Suppliers.

Code of Business Conduct and Ethics

Long Run's Code of Business Conduct and Ethics ("Code of Conduct") requires the highest standards of professional and ethical conduct from, and sets out the expected behavior of, Long Run's directors, officers, employees and Suppliers. The Code of Conduct reflects a commitment to a culture of honesty, integrity and accountability and outlines the basic principles and policies with which all employees are expected to comply. The Code of Conduct expressly requires that all directors, officers, employees and Suppliers comply with all applicable Federal and Provincial laws and regulations. Employees are encouraged to talk to supervisors, managers, or other appropriate personnel when in doubt about the best course of action in a particular situation and to report violations of laws, rules, regulations or of the Code of Conduct.

Disclosure and Transparency (Whistleblower) Policy

In addition to the Code of Conduct, Long Run's Disclosure and Transparency, (Whistleblower) Policy encourages and protects employees in bringing complaints forward for any improper conduct or for a suspected violation of law or of New Star and Long Run policies, including any suspected cases of forced labour or child labour in our supply chain. The Whistleblower Policy establishes several reporting channels for the disclosure of violations or concerns and underscores a commitment to preventing any fear of retaliation against those making good-faith reports.

Procurement Policy

New Star is also committed to upholding our procurement on goods and services. Long Run, in its management capacity, ensures that all New Star Suppliers are registered with a third party agency that adheres to all applicable laws and regulations. Relying on a third party agency allows us to source out prequalified Suppliers and ensure standards are maintained. This allows us complete visibility of our third party related business to reduce associated procurement risk.

4. Assessing and Managing New Star's Risk

With our operations being limited to Alberta and the fact that our Suppliers are located in Canada, we consider the overall risk of forced labour and child labour to be low.

Risk Management Strategy

New Star does not utilize forced or compulsory labour. New Star has no employees. New star has inquired with Long Run, as manager, and understands all of its employees are above the legal employment age and are recruited and provided with working conditions and the payment of wages and benefits that comply with applicable laws and regulations.

New Star will continue to follow our procurement policy and will strive to ensure that only those Suppliers that remain in compliance with our procurement policy are considered for regular business activities. New Star will consider in the future, additional ways to monitor and improve interactions with its Suppliers, especially those in sectors potentially at higher risk of labour exploitation.

5. Remediation of Forced or Child Labour and Loss of Income

In 2023, New Star did not identify any instances of forced labour or child labour in our operations or supply chain. As a result, we have not had to take any measures to remediate any forced labour or child labour. Long Run's corporate policies, including the Code of Conduct and Disclosure and Transparency (Whistleblower) Policy, provides for effective reporting of any actual or potential breach of applicable law, rules regulations or violations of our Code of Conduct.

New Star understands that efforts to prevent and reduced forced labour and child labour can

unintentionally impact the income of vulnerable families. In 2023, there were no identified or reported instances where our measures to eliminate forced or child labour led to income loss for vulnerable families within our supply chains.

6. Future Training and Improvements

New Star has no employees and therefore did not provide specific training to employees on forced labour and/or child labour in 2023. However, New Star understands that Long Run, as manager of New Star, will in 2024 and forward, raise awareness and provide training to personnel regarding the Act and the strategies that Long Run will be undertaking to prevent and reduce forced labour and child labour risks. When onboarding, all Long Run employees are provided with the policies with a review and discussion regarding their contents. Long Run policies are renewed and approved by Long Run's Board of Directors on an annual basis and all our staff are expected to review such policies annually and sign a Statement of Compliance for each year. New Star is committed to improving the capacity of any future directors, officers or employees to understand, identify and manage the risks of modern slavery in our operations and across our supply chains.

7. Assessing New Star's Effectiveness

New Star does not currently have specific policies and procedures in place to assess its effectiveness in ensuring that forced labour and child labour are not being used in its activities and supply chains. New Star will continue to assess our internal policies to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods used or acquired by New Star.

In our assessment of existing policies and procedures, New Star believes that our current practices are effective in mitigating the risk of forced labour and child labour. As an oil and gas operator in Alberta, our evaluations have consistently shown that these risks are minimal. New Star's commitment to maintaining the highest standards of professional and ethical conduct reinforces this low risk within our operations and supply chains. New Star understands the risks associated with forced labour and child labour are nuanced and continually changing. We also recognize the importance of ongoing vigilance and are dedicated to continuously evaluating and refining our policies and processes to address the risks of forced labour and child labour over the long term.

8. Approval of Report

This Report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of New Star Energy Ltd. and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our company website at <https://www.newstarenergy.com/>.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for New Star. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the 2023 reporting year.

Wendy Barber
Interim Chief Executive Officer

May 30, 2024

"I have the authority to bind New Star Energy Ltd."