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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): April 19, 2018

**Petrolia Energy Corporation**

(Exact name of registrant as specified in its charter)

**Texas**  
(State or other jurisdiction of incorporation)

**000-52690**  
(Commission File Number)

**86-1061005**  
(I.R.S. Employer Identification No.)

**710 N. Post Oak Rd., Ste. 512, Houston, Texas**  
(Address of principal executive offices)

**77024**  
(Zip Code)

Registrant's telephone number, including area code: **832-941-0011**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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### **Item 1.01 Entry into a Material Definitive Agreement.**

On April 19, 2018, Petrolia Energy Corporation (the “Company”) entered into a Separation and Release Agreement with James E. Burns, its then President (the “Separation Agreement”). Pursuant to the Separation Agreement, Mr. Burns and the Company agreed:

- (a) that Mr. Burns would resign as President of the Company, effective May 1, 2018;
- (b) that the Company would pay Mr. Burns \$33,000 in cash, issue him a warrant to purchase 3,000,000 shares of common stock (the “Separation Warrants” (which have a term of three years and an exercise price of \$0.10 per share)) and issue him 2,000,000 shares of restricted common stock (the “Separation Shares”);
- (c) that Mr. Burns would release the Company from any further obligations under his prior employment agreement and release the Company from any other liabilities or claims; and
- (d) that Mr. Burns would refrain from using the Company’s confidential information, pursuant to the terms of the Separation Agreement.

The description of the Separation Agreement and warrants described above is qualified in all respects by the actual terms, conditions and provisions of the Separation Agreement and Warrant to Purchase Common Stock, which are filed herewith as Exhibits 10.1 and 10.3, and incorporated by reference into this Item 1.01.

### **Item 3.02 Unregistered Sales of Equity Securities.**

We claim an exemption from registration pursuant to Section 4(a)(2) and/or Rule 506(b) of Regulation D of the Securities Act of 1933, as amended (the “Securities Act”), and the rules and regulations promulgated thereunder in connection with the issuance and grant of the Separation Warrants and Separation Shares, described above, and the Letter Warrants and Letter Shares, described below, since the foregoing issuances and grants did not involve a public offering, the recipient was (a) an “accredited investor”, and/or (b) had access to similar documentation and information as would be required in a Registration Statement under the Securities Act. With respect to the transaction described above, no general solicitation was made either by us or by any person acting on our behalf. The transaction was privately negotiated, and did not involve any kind of public solicitation. No underwriters or agents were involved in the foregoing issuance and we paid no underwriting discounts or commissions.

### **Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory**

Effective on May 1, 2018, the Board of Directors of the Company (a) appointed Zel C. Khan (the current Chief Executive Officer and Director of the Company) as President of the Company; and (b) appointed James E. Burns, the Company’s President prior to May 1, 2018, as Chairman of the Board of Directors of the Company.

On April 26, 2018, and effective May 1, 2018, the Company entered into a letter agreement with Mr. Burns dated April 20, 2018, pursuant to which, he agreed to serve as Chairman of the Company and the Company agreed to pay him (a) \$500 per month as an automobile allowance, (b) up to \$25,000 per year for he and his family’s health insurance, (c) \$65,000 per year for compensation as Chairman (provided that such compensation is accrued until the Company has sufficient available capital to pay such amounts in cash and Mr. Burns is to receive 1-for-1 warrant coverage, with a \$0.10 per share exercise price, for all accrued salary, issuable at the end of each calendar quarter), (d) 500,000 shares of the Company’s restricted common stock (the “Letter Shares”), (e) warrants to purchase 2,000,000 shares of the Company’s common stock, vesting at the rate of 750,000 of such warrants per quarter, upon completing and filing of each of the following four periodic filings with the Securities and Exchange Commission, having a term of 36 months, and an exercise price of \$0.10 per share (the “Letter Warrants”), and (f) the right to earn bonuses as approved by the Board of Directors in its discretion from time to time. The letter agreement has a term through April 30, 2019, provided that Mr. Burn’s position as Chairman and/or director can be terminated at any time if he is not re-nominated to serve as Chairman/director, at which time the Company is required to pay the compensation due to Mr. Burns pursuant to the terms of the agreement for the lesser of three months and until the end of the term.

The description of the letter agreement and warrants described herein is qualified in all respects by the actual terms, conditions and provisions of the letter agreement and Warrant to Purchase Common Stock, which are filed herewith as Exhibits 10.2 and 10.3, and incorporated by reference into this Item 1.01.

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### Item 8.01 Other Events

On May 1, 2018, the Company released a press release disclosing the items described in Item 1.01 and 5.02 above, a copy of which is furnished herewith as Exhibit 99.1.

### Item 9.01 Financial Statements and Exhibits

(d) *Exhibits*

<u>Exhibit No.</u>	<u>Description</u>
10.1*	Separation and Release Agreement dated April 19, 2018, by and between James E. Burns and Petrolia Energy Corporation
10.2*	Chairman Offer Letter dated April 20, 2018, by and between James E. Burns and Petrolia Energy Corporation
10.3*	Warrant to Purchase Common Stock, evidencing warrants to purchase 5,000,000 shares of common stock granted to James E. Burns on April 19, 2018
99.1**	Press Release dated May 1, 2018

\* Filed herewith.

\*\* Furnished herewith.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**Petrolia Energy Corporation**

*/s/ Tariq Chaudhary*

Tariq Chaudhary  
CFO

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Date: May 1, 2018

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## EXHIBIT INDEX

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\* Filed herewith.

\*\* Furnished herewith.

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**SEPARATION AND RELEASE AGREEMENT**

This Separation and Release Agreement (this "**Agreement and Release**" or "**Agreement**") dated April 19, 2018, is made by and between James E. Burns ("**Mr. Burns**") and Petrolia Energy Corporation, a Texas corporation ("**Petrolia**" or "**the Company**") (collectively referred to as the "**Parties**" or individually referred to as a "**Party**").

**RECITALS**

**WHEREAS**, Petrolia and Mr. Burns agreed on the terms of an Offer of Employment letter dated April 18, 2017 (the "**Employment Agreement**"), pursuant to which Mr. Burns agreed to serve as an employee of the Petrolia;

**WHEREAS**, Mr. Burns has been employed by Petrolia as President of Petrolia since April 19, 2017;

**WHEREAS**, Mr. Burns' employment with the Petrolia is hereby concluded effective April 19, 2018 (the "**Separation Date**"); and

**WHEREAS**, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that the Mr. Burns may have against Petrolia and any of the Released Parties as defined below, limited to any and all claims arising out of or in any way related to Mr. Burns' employment with or separation from Petrolia.

**NOW, THEREFORE**, in consideration of the mutual promises made herein and the Separation Payment (defined below), the receipt and sufficiency of which is acknowledge and confirmed, Petrolia and Mr. Burns hereby agree as follows:

1. **Separation Payment.** Subject to Mr. Burns' compliance with the terms and conditions of this Agreement and Release, Petrolia agrees to pay Mr. Burns the remaining compensation due including any outstanding warrants and stocks, the sum of \$33,000 in cash to be paid within 90 days of execution of this Agreement, and promptly following the Effective Date (as defined below) grant Mr. Burns a warrant (in the form of Exhibit A hereto) to purchase up to 3,000,000 shares of the Petrolia's common stock at an exercise price of \$0.10 per share and issue Mr. Burns 2,000,000 shares of restricted common stock of Petrolia (collectively, the "**Separation Payment**").

2. **Release of Further Payments.** The consideration set forth in **Paragraph 1** is inclusive of any and all amounts, including but not limited to attorneys' fees, that may be claimed by Mr. Burns or on Mr. Burns' behalf against Petrolia. In furtherance of the above, and without limiting any other term or condition of this Agreement and Release, the Mr. Burns agrees to release any rights he may have to, and to waive all rights of Petrolia to pay, any Separation fees set forth in the Employment Agreement, any bonus, reimbursement for unused vacation days or other benefits, in connection with separation pay or otherwise, any stock compensation, and further acknowledges that he is not owed any funds from Petrolia in connection with unreimbursed business expenses as of the date of this Agreement and Release and/or any other amounts due under the Employment Agreement. As per the terms of this agreement, Mr. Burns further agrees that he has been paid what he is owed by Petrolia, if anything, for any vacation time, sick time, paid time off or paid leave of absence, or in connection with any separation or deferred compensation plan, if eligible, and that he has been given all time off to which he was entitled under any policy or law, including but not limited to leave under the Family and Medical Leave Act. Notwithstanding any other term or condition of this Agreement and Release, Mr. Burns may elect to continue health insurance coverage, following the Separation Date, in accordance with the provisions of COBRA regardless of whether Mr. Burns enters into this Agreement and Release.



3. No Further Payments. Except as described in Paragraph 1, Mr. Burns acknowledges and agrees that he is not entitled to any other compensation, separation, benefits, stock compensation, separation pay, or other payments in connection with his engagement by, or employment or positions with, Petrolia or the termination thereof, or pursuant to the Employment Agreement or the termination thereof.

4. Mr. Burns Acknowledgements. By entering into this Agreement and Release, the Mr. Burns confirms and acknowledges the Separation Date and that Mr. Burns shall be deemed to have voluntarily resigned from employment with Petrolia as of the Separation Date. Mr. Burns further acknowledges and confirms that Mr. Burns has been paid any salary, wages, incentives, bonuses, commissions and any other type of compensation due to Mr. Burns, for work performed through and including Separation Date. Mr. Burns further acknowledges that, as of the date of Mr. Burns' signing of this Agreement and Release, Mr. Burns has sustained no injury or illness related in any way to Mr. Burns' employment with Petrolia for which a worker's compensation claim has not already been filed. Following the Separation Date, and for no additional consideration, Mr. Burns shall provide reasonable assistance and information to Petrolia in connection with requests for information, responses and questions provided to Petrolia by any governmental entities and self-regulatory organizations. The terms of this Agreement shall have no effect on the Confidentiality Agreement that Mr. Burns entered into in connection with his employment with Petrolia, and Mr. Burns shall continue to be bound by such confidentiality obligations pursuant to the terms of such Confidentiality Agreement.

5. Mr. Burns' General Release. In return for Petrolia's agreement to provide Mr. Burns with the consideration referred to in Paragraph 1, Mr. Burns agrees to the following, in addition to the other terms and conditions of this Agreement and Release:

a. General Release. Mr. Burns, for Mr. Burns and Mr. Burns' heirs, beneficiaries, devisees, privies, executors, administrators, attorneys, representatives, and agents, and Mr. Burns' and his assigns, successors and predecessors, hereby release and forever discharge Petrolia, and its subsidiaries and affiliates, and each of their officers, directors, shareholders, employees, members, agents, attorneys, predecessors, successors and assigns of each of the foregoing entities (collectively, the "Released Parties") from any and all actions, causes of action, suits, debts, claims, complaints, charges, contracts, controversies, agreements, promises, damages, counterclaims, cross-claims, claims for costs and/or attorneys' fees, judgments and demands whatsoever, in law or equity, known or unknown, Mr. Burns ever had, now has, or may have against the Released Parties as of the date of Mr. Burns' signing of this Agreement and Release. This release includes, but is not limited to, any claims for separation pay, restricted stock, stock or option compensation, any claims alleging breach of express or implied contract, wrongful discharge, constructive discharge, breach of an implied covenant of good faith and fair dealing, negligent or intentional infliction of emotional distress, negligent supervision or retention, violation of the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, Older Workers Benefit Protection Act of 1990, the Rehabilitation Act of 1973, the Civil Rights Act of 1866, Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Employee Retirement Income Security Act of 1974, the Equal Pay Act of 1963, the Family and Medical Leave Act of 1993, the Fair Labor Standards Act of 1938, the Older Workers Benefit Protection Act of 1990, the Occupational Safety and Health Act of 1970, the Worker Adjustment and Retraining Notification Act of 1989, claims pursuant to any other federal, state or local law regarding discrimination, harassment or retaliation based on age, race, sex, religion, national origin, marital status, disability, sexual orientation or any other unlawful basis or protected status or activity, and claims for alleged violation of any other local, state or federal law, regulation, ordinance, public policy or common-law duty having any bearing whatsoever upon the terms and conditions of, and/or the cessation of Mr. Burns' employment with and by Petrolia and/or the termination of the Employment Agreement. Along with such release, all benefits to Mr. Burns from Petrolia (i.e., health insurance coverage, 401(k) plans and life insurance (if any)) will be concluded. Mr. Burns agrees that, if any portion of this Agreement is found to be unenforceable, the remainder of the Agreement will



remain enforceable. This Agreement does not include claims that may not be released under applicable law.

b. Specific Release. Mr. Burns agrees not only to release and discharge the Released Parties from any and all claims against the Released Parties that Mr. Burns could make on Mr. Burns' own behalf, but also those which may have been or may be made by any other person or organization on Mr. Burns' behalf. Mr. Burns specifically waives any right to become, and promises not to become, a member of any class in a case in which any claim or claims are asserted against any of the Released Parties based on any acts or omissions occurring on or before the date of Mr. Burns' signing of this Agreement and Release. If Mr. Burns is asserted to be a member of a class in a case against any of the Released Parties based on any acts or omissions occurring on or before the date of Mr. Burns' signing of this Agreement and Release, Mr. Burns shall immediately withdraw with prejudice in writing from said class, if permitted by law to do so. Mr. Burns agrees that Mr. Burns will not encourage or assist any person in filing or pursuing any proceeding, action, charge, complaint, or claim against the Released Parties, except as required by law.

6. Nonwaivable Claims. This Agreement and Release is not intended to interfere with Mr. Burns' exercise of any protected, nonwaivable right, including Mr. Burns' right to file a charge with the Equal Employment Opportunity Commission or other government agency. By entering into this Agreement and Release, however, Mr. Burns acknowledges that the consideration set forth herein is in settlement to any amounts Petrolia owes Mr. Burns under the Employment Agreement, that Petrolia would not have agreed to pay such amounts to Mr. Burns if not for Mr. Burns agreeing to the terms of this Agreement, such amount is in full satisfaction of any amounts to which Mr. Burns might be entitled and Mr. Burns is forever discharging the Released Parties from any liability to Mr. Burns for any acts or omissions occurring on or before the date of Mr. Burns' signing of this Agreement and Release. This Agreement and Release is also not intended to diminish any right of indemnity that Mr. Burns may enjoy in respect of his actions or inactions during his tenure as an employee of Petrolia.

7. No Admission. Neither this Agreement and Release, nor anything contained herein, shall be construed as an admission by the Released Parties of any liability or unlawful conduct whatsoever. The Parties hereto agree and understand that the consideration set forth in Paragraph 1 is in excess of that which Petrolia is obligated to provide to Mr. Burns, and that it is provided solely in consideration of Mr. Burns' execution of this Agreement and Release. Petrolia and Mr. Burns agree that the consideration set forth in Paragraph 1 is sufficient consideration for the release being given by Mr. Burns in Paragraph 5, and for Mr. Burns' other promises herein, including, but not limited to in Paragraphs 8 and 9 hereof.

8. Return of Petrolia's Property. Mr. Burns' signature below constitutes Mr. Burns' agreement to return any originals and all copies of all files, notes, programs, intellectual property, documents, slides, computer disks, printouts, reports, lists of Petrolia's clients or leads or referrals to prospective clients, and other media or property in Mr. Burns' possession or control which contain or pertain to Confidential Information (as defined below) and other items provided to Mr. Burns by Petrolia, developed or obtained by Mr. Burns in connection with Mr. Burns' employment with Petrolia, or otherwise belonging to Petrolia, including all property of Petrolia, such as supplies, keys, access devices, books, identification cards, computers, cell phones, laptops, PDAs, telephones, and other equipment, and that Mr. Burns has not supplied any such Confidential Information to any person, except as was required to carry out his duties. Furthermore, Mr. Burns has provided Petrolia all login ids and passwords relating to Petrolia and any websites, programs or software associated with Petrolia or Mr. Burns' prior services performed on behalf of Petrolia. Mr. Burns shall immediately delete all files, programs, source code, notes, documents, slides, computer disks, electronically stored information, physically stored information, printouts and other media or property in Mr. Burns' possession or control which contain or pertain to Confidential Information, to the extent not delivered as discussed above unless Mr. Burns is retained in any capacity by Petrolia within 48 hours after the Effective Date.



9. Restrictive Covenants:

a. Confidential Information. Mr. Burns understands and agrees that Mr. Burns may have learned or had access to, or assisted in the development of, highly confidential and sensitive information and trade secrets about Petrolia, its operations and its clients, and that providing its clients with appropriate assurances that their confidences will be protected is crucial to Petrolia's ability to obtain clients, maintain good client relations, and conform to contractual obligations. "Confidential Information" means any non-public information that relates to the actual or anticipated business or research and development of Petrolia, technical data, trade secrets or know-how, and includes, but is not limited to: (i) financial and business information related to Petrolia, such as strategies and plans for future business, new business, product or other development, potential acquisitions or divestitures, and new marketing ideas; (ii) product and technical information related to Petrolia, such as product formulations, intellectual property, patented technology, patent pending technology, and technology which may be patented in the future, new and innovative product ideas, methods, procedures, devices, equipment, machines, data processing programs, software, software codes, source codes, computer models, and research and development projects; (iii) client information, such as the identity of Petrolia's clients, the names of representatives of Petrolia's clients responsible for entering into contracts with Petrolia, the amounts paid by such clients to Petrolia, specific client needs and requirements, and leads and referrals to prospective clients; (iv) personnel information, such as the identity and number of Petrolia's other employees, their salaries, bonuses, benefits, skills, qualifications, and abilities; (v) any and all information in whatever form relating to any client or client of Petrolia, including but not limited to its business, employees, operations, systems, assets, liabilities, finances, products, and marketing, selling, and operating practices; (vi) any information not included in (i) or (ii) above which Mr. Burns knows or should know is subject to a restriction on disclosure or which Mr. Burns knows or should know is considered by Petrolia or Petrolia's clients or prospective clients to be confidential, sensitive, proprietary, or a trade secret or is not readily available to the public; (vii) intellectual property, including inventions and copyrightable works. Confidential Information is not generally known or available to the general public, but has been developed, compiled or acquired by Petrolia at its great effort and expense. Confidential Information can be in any form: oral, written, or machine readable, including electronic files; and (viii) any information related to any governmental investigations.

b. Confidentiality Requirements. Mr. Burns acknowledges and agrees that Petrolia is engaged in a highly competitive business and that its competitive position depends upon its ability to maintain the confidentiality of the Confidential Information, which was developed, compiled and acquired by Petrolia at its great effort and expense. Mr. Burns further acknowledges and agrees that any disclosing, divulging, revealing or using of any of the Confidential Information, other than as specifically authorized by Petrolia, will be highly detrimental to Petrolia and will cause it to suffer serious loss of business, pecuniary damage and irreparable harm. Accordingly, Mr. Burns agrees that Mr. Burns will not, for any purpose whatsoever, directly or indirectly use, disseminate, or disclose to any person, organization, or entity Confidential Information, except as expressly authorized by the highest executive officer of Petrolia or by order of a court of competent jurisdiction after providing Petrolia with sufficient notice to contest such order (the "Confidentiality Requirements").

c. Non-Use of Confidential Information. Mr. Burns agrees not to use, disclose to others, or permit anyone access to any of Petrolia's trade secrets or confidential or proprietary information without Petrolia's express written consent, and to return immediately to Petrolia all Petrolia's property, including all files related to Petrolia, upon termination of Mr. Burns' employment. Mr. Burns shall not retain any copy or other reproduction whatsoever of any



Petrolia property after the termination of Mr. Burns' employment unless Mr. Burns is retained in any capacity by Petrolia within 48 hours of the Effective Date.

d. Mutual Non-Disparagement. Petrolia, Mr. Burns and Released Parties agree not to say, write or cause to be said, disseminated, published, issued, communicated or written, any statement that may be considered defamatory, derogatory, or disparaging of each other concerning Mr. Burns, Petrolia or any Released Party, Mr. Burns' employment with Petrolia, acts occurring before the signing of this Agreement and Release or relating to this Agreement and Release and the matters covered hereby, or any other matter whatsoever, provided that nothing shall prohibit Mr. Burns from communicating any concerns about potential violations of law, rule or regulation to the Securities and Exchange Commission or any other government authority or self-regulatory agency (collectively, "Agencies"), or prohibit Mr. Burns from discussing any such matters with any Agency (collectively, the "Non-Disparagement Requirements").

e. Non-Interference. For a period of one (1) year from the Separation Date (the "Non-Solicitation Period"), Mr. Burns agrees to not interfere with Petrolia's and any of its affiliates' business relationships with their employees, consultants, representatives, customers, researchers or suppliers by directly and actively soliciting, recruiting or encouraging same for employment with Mr. Burns or to leave the service of Petrolia or its affiliate(s).

f. Reasonableness. Mr. Burns acknowledges and agrees that the restrictions set forth in this Paragraph 9 (which shall survive the termination of the employment of Mr. Burns and the transactions contemplated by this Agreement and Release) are critical and necessary to protect Petrolia's legitimate business interests (including the protection of its Confidential Information); are reasonably drawn to this end with respect to duration, scope, and otherwise; are not unduly burdensome; are not injurious to the public interest; and are supported by adequate consideration. Mr. Burns also acknowledges and agrees that Petrolia would be irreparably damaged if Mr. Burns were to breach the covenants set forth in this Paragraph 9 and in the event that Mr. Burns breaches any of the provisions in Paragraph 9, Petrolia will be entitled to injunctive relief, in addition to any other damages to which it may be entitled as well as the costs and attorneys' fees it incurs in enforcing its rights under this section. Mr. Burns further acknowledges that any breach or claimed breach of the provisions set forth in this Agreement will not be a defense to enforcement of the restrictions set forth in this Paragraph 9.

g. Invalid or Unenforceable Provisions. Each word, phrase, sentence, paragraph or provision (each a "Provision") of this Paragraph 9 is severable. If any Provision of this Paragraph 9 is invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining Provisions of this Agreement and Release or this Paragraph 9. If any Provision is deemed invalid or unenforceable for any reason, it is the Parties' intention that such covenants be equitably reformed, stricken or modified to the extent necessary to render them valid and enforceable in all respects. In the event that the time period and/or geographic scope referenced above is deemed unreasonable, overbroad, or otherwise invalid, it is the Parties' intention that the enforcing court reduce or modify the time period and/or geographic scope to the extent necessary to render such covenants reasonable, valid, and enforceable in all respects.

10. Assistance Following Termination. Mr. Burns agrees that, following the Separation Date, he will cooperate fully with Petrolia upon request in all matters relating to the completion of his pending work on behalf of Petrolia and in connection with the orderly transition of such work to such other employees as Petrolia may designate. Mr. Burns further agrees that following the Separation Date he will cooperate fully with Petrolia upon request as to any and all claims, controversies, disputes, or complaints



of which he has any knowledge or that may relate to him or his employment with Petrolia, unless he is an adverse party. Petrolia will reimburse Mr. Burns for any reasonable out-of-pocket expenses incurred pursuant to his duties after the Separation Date. Such cooperation includes but is not limited to providing Petrolia with all information known to him related to such claims, controversies, disputes, or complaints and appearing and giving testimony in any forum.

11. Requests for References. Mr. Burns will direct all requests for references to the Chief Executive Officer of Petrolia who will confirm Mr. Burns' job title, dates of employment and, with written authorization from Mr. Burns, salary disclosures.

12. Non-Disclosure. Mr. Burns agrees and promises not to disclose, either directly or indirectly, in any manner whatsoever, any information regarding the existence or terms of this Agreement and Release, to any person or entity, except to members of Mr. Burns' immediate family, attorney and accountant and/or financial advisor, provided that such persons agree to keep this information confidential, and except as may be required by law.

13. Costs and Fees Incurred. Each Party shall bear its own costs and attorneys' fees, if any, incurred in connection with this Agreement and Release.

14. Modifications. This Agreement and Release contains the full agreement of the Parties and may not be modified, altered, changed or concluded except upon the express prior written consent of Petrolia and Mr. Burns or their authorized agents.

15. Acknowledgements. Mr. Burns acknowledges and agrees that: (a) no promise or inducement for this Agreement and Release has been made except as set forth in this Agreement and Release; (b) this Agreement and Release is executed without reliance upon any statement or representation by Petrolia except as set forth herein; (c) Mr. Burns is legally competent to execute this Agreement and Release and to accept full responsibility therefor; (d) Mr. Burns has been given sufficient time to consider this Agreement and Release; (e) Mr. Burns has used all or as much of that period as deemed necessary to consider fully this Agreement and Release and, Mr. Burns waives that period not used; (f) Mr. Burns has read and fully understands the meaning of each provision of this Agreement and Release; (g) Mr. Burns knowingly, freely and voluntarily enters into this Agreement and Release; and (h) no fact, evidence, event, or transaction currently unknown to Mr. Burns but which may hereafter become known to Mr. Burns shall affect in any manner the final and unconditional nature of the release stated above.

16. Effective Date. This Agreement and Release shall become effective and enforceable on the eighth (8<sup>th</sup>) day following execution hereof by Mr. Burns unless Mr. Burns revokes it by so advising Petrolia in writing before the end of the seventh (7<sup>th</sup>) day after its execution (the "**Effective Date**"). In the event this Agreement is revoked prior to the Effective Date, Mr. Burns shall immediately repay/return the Separation Payment (if paid prior to such date), and shall forfeit such Separation Payment.

17. Governing Law. This Agreement and Release shall be governed by and construed in accordance with the laws of the State of Texas.

18. Notices. Any notice or communication required or permitted to be given hereunder shall be in writing and deemed duly served on and given (i) when delivered personally; (ii) three (3) business days after having been sent by priority or certified mail, return receipt requested, postage prepaid; (iii) upon delivery by fax with written facsimile confirmation and electronically by email with written delivery receipt; or (iv) one (1) business day after deposit with a commercial overnight carrier, with written verification of receipt. Such notices shall be in writing and delivered to the address set forth below or to such other notice address as the other Party has provided by written notice:

If to Petrolia:

If to Mr. Burns:

Separation and Release Agreement

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Petrolia Energy Corporation  
710 N. Post Oak Rd., Ste. 512  
Houston, Texas 77024  
Email: zel@petroliaenergy.com

James E. Burns  
\_\_\_\_\_  
\_\_\_\_\_  
Email: james@burnscentral.net

19. Waiver. The waiver by a Party of a breach of any provision herein shall not operate or be construed as a waiver of any subsequent breach by the other Party.

20. Severability. The provisions of this Agreement and Release are severable. Should any provision herein be declared invalid by a court of competent jurisdiction, the remainder of this Agreement and Release will continue in force, and the Parties agree to renegotiate the invalidated provision in good faith to accomplish its objective to the extent permitted by law.

21. No Benefit for Others. The Parties acknowledge that the Mr. Burns' right to the separation pay described herein shall be determined exclusively under the provisions stated herein, and this Agreement and Release is not intended to, and does not, create rights for the benefit of any other employee or person.

22. No Wrongful Conduct. Mr. Burns represents, warrants and covenants to each of the Released Parties that at no time prior to or contemporaneous with its execution of this Agreement and Release has he (i) knowingly engaged in any wrongful conduct against, on behalf of or as the representative or agent of the Petrolia; (ii) breached any provision of the Employment Agreement; or (iii) violated any state, federal, local or other law, including any securities laws or regulations.

23. No Assignment or Transfer. Mr. Burns warrants and represents that the Mr. Burns has not heretofore assigned or transferred to any person not a party to this Agreement and Release any released matter or any part or portion thereof and he shall defend, indemnify and hold the Petrolia and each Released Party harmless from and against any claim (including the payment of attorneys' fees and costs actually incurred whether or not litigation is commenced) based on or in connection with or arising out of any such assignment or transfer made, purported or claimed.

24. Not Assignable. This Agreement and Release is personal to Mr. Burns and shall not, without the prior written consent of the Petrolia, be assignable by Mr. Burns. This Agreement and Release shall inure to the benefit of and be binding upon the Petrolia and its respective successors and assigns and any such successor or assignee shall be deemed substituted for Petrolia under the terms of this Agreement and Release for all purposes. As used herein, "successor" and "assignee" shall include any person, firm, corporation or other business entity which at any time, whether by purchase, merger, acquisition of assets, or otherwise, directly or indirectly acquires the ownership of Petrolia, acquires all or substantially all of Petrolia's assets, or to which Petrolia assigns this Agreement and Release by operation of law or otherwise.

25. Forfeiture of Separation Payment. Mr. Burns agrees that he will forfeit the Separation Payment payable by Petrolia pursuant to this Agreement and Release and the Employment Agreement upon Separation of Mr. Burns' employment with Petrolia (except for amounts which would have been due in the event the Employment Agreement was mutually voluntarily concluded by the Parties) if Mr. Burns challenges the validity of this Agreement and Release.

26. Counterparts. This Agreement and Release may be signed in counterparts, and each counterpart shall be considered an original agreement for all purposes.

[Remainder of page left intentionally blank. Signature page follows.]



IN WITNESS WHEREOF, the Parties have hereunto set their hands.

James E. Burns

Petrolia Energy Corporation

Signature: X James Edward Burns

Signature: Zai

Printed Name: James Edward Burns

Printed Name: Zel C. Khan

Title: CEO

4/26/18  
Date

4/25/2018  
Date



April 20, 2018

RE: Offer of Chairman of the Board position

Dear Mr. Burns:

We are pleased to offer you a new position with Petrolia Energy Corporation, a Texas Corporation (the "Company"), as its Chairman of the Board. This letter serves to conclude our agreement of April 20<sup>th</sup>, 2018, as set forth by the *Separation and Release Agreement* (Attached Ex. A)(the "*Separation Agreement*") and offer you to serve as the Chairman of the Board, pursuant to the following terms and conditions:

1. **Position.** Your new role as Chairman of the Board begins on the later of (a) May 1, 2018 (subject to your prior acceptance of the terms of, and execution of, the Separation Agreement); and (b) the effective date of the Separation Agreement (the "*Effective Date*"), and will be confirmed by the Board during a special Board meeting to be held by or before May 1, 2018. You will have the duties and responsibilities customarily associated with such position and otherwise assigned to you by the Board. By signing this letter, you confirm to the Company that you are under no contractual or other legal obligations that would prohibit you from performing your duties for the Company. You will serve the needs of the shareholders of the Company and report to the Board directly.
2. **Compensation and Benefits.** *The Company will provide you with the following:*
  - \$500 per month car allowance, provided you maintain the auto insurance.
  - A maximum of \$25,000 per year for you and your family's health benefits (current year average was \$1,542.00/month Company contribution), which will be included in the Company's current health plan.
  - \$65,000 per year compensation paid through the Company's direct pay system (ie. ADP). *As per the Director's compensation deferment consensus, such compensation will accrue and be paid out at a time when the Company has cashflow deemed sufficient to carry Board compensation. Any carried amount will earn an additional 1:1 warrants @ \$0.10 exercise price calculated on a quarterly basis. For example, at the end of each quarter, the Company will calculate the deferred amount for that quarter and either pay that amount immediately in its entirety or issue 1:1 warrants against the deferred amount for that period. Such deferred amount would carry into the following quarter (without accruing any additional warrants) and so on until fully paid.*
  - A one-time signing bonus of **500,000 shares** of the Company's restricted common stock which will be issued to you on the Effective Date. An additional **500,000 shares** of the Company's restricted common stock will be issued to you upon successful up-listing of the Company's trading platform to either the NASDAQ or NYSE exchange.
  - **2,000,000** warrants at an exercise price of \$0.10 to be issued and vested immediately upon execution of this agreement, for an exercise period of 36 months. Options will be earned on a pro-rata basis (750,000 shares per quarter) upon successful completion of quarterly filings (10-Q and 10-K) after execution of this agreement and while you hold the position of Chairman of the Board of the Company. With the first quarter, 750,000 warrants being

710 N. Post Oak Rd., Suite 512, Houston, TX 77024

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earned immediately upon signing of this Agreement. These options may be exercised for a period of 36 months from each issuance date.

- Any annual bonus and any "milestone" bonus approved by the Board will be covered under the Directors and Executive Compensation Plan. Such plan will confirm that the starting base of the performance measure is \$0.10 per share.

3. **Withholding Taxes.** All forms of compensation referred to in this letter are subject to any applicable withholding and payroll taxes.

4. **Confidential Information and Limited Non-competition Agreement.** As a condition to you taking on the role of Chairman of the Board, you will be governed by the existing Company Non-Disclosure Agreement, a copy of which is enclosed with this letter.

5. **Relationship.**

(a) You will hold the position of Chairman of the Board for a one (1) year term, at the discretion of the Board. The terms of this agreement will expire at mid-night on April 30, 2019 (the period of time between the Effective Date and April 30, 2019, the "**Term**"), apart from any unexercised warrants/options granted during this term and any additional remaining compensation. In the event you are removed from the position of Chairman of the Board or are not nominated to serve as a member of the Board prior to April 30, 2019, for any reason other than cause (as determined in the reasonable discretion of the Board), the Company will continue to pay the car allowance, health benefits and salary due to you as provided above for the proceeding three months, if there is less than three months remaining on the Term, the compensation will continue until the Term is over. In the event you voluntarily resign as Chairman, die or are physically or mentally unable to continue in such position, the Company shall be required to pay your car allowance, health benefits and salary due to you as provided above until the date of such resignation, death or termination due to disability.

(b) This is an "at will" appointment. As a result, you are free to resign at any time, for any reason or no reason at all; we request, however, that in the event of resignation, you give the Company at least two-weeks prior notice. Nothing in this letter or any written or oral statement by the Company or any other person shall alter the "at will" nature of your appointment. If you resign from the appointment, there is no additional compensation due to you other than what has already been earned (ex. annual bonus, Performance Options, etc.).

(c) You will be expected to abide by all Company rules and regulations. Any contrary representations that may have been made to you are superseded by this offer. You shall devote as much of your professional time, attention, and efforts as necessary to promote and further the business of the Company.

(d) As a Chairman, you will have a once per week meeting at the Company office at a designated time as arranged between you and the Company Chief Executive Officer. The Company will accommodate a workplace for your visit and access to all Company staff and records.

A handwritten signature in black ink, appearing to be "JCB", is located in the bottom right corner of the page.



(e) The Company reserves the right to conduct background investigations, reference checks and/or drug or alcohol tests. This offer is contingent upon a clearance of such a background investigation, reference check and/or drug or alcohol tests, if any.

8. **Outside Activities.** During the term of your appointment, you agree that you will not engage in any employment, consulting or other business activity that would directly conflict with the Company's core business. While you render services to the Company, you also will not assist any person or entity in competing with the Company, in preparing to compete with the Company or in hiring any employees of the Company.

9. **Federal Immigration Law.** As required by federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States (including, without limitation a Form I-9 and a valid social security number). Such documentation must be provided to us within three (3) business days of your date of hire, or our relationship with you will be terminated.

10. **Governing Law.** This Agreement shall be governed by the laws of the State of Texas, without regard to Texas' conflicts of law rules. To the extent that any lawsuit is permitted under this Agreement or required to enforce any arbitration award, the parties hereby expressly consent to the personal and exclusive jurisdiction and venue of the state and federal courts located in Texas.

11. **Counterparts.** This Agreement and any signed agreement or instrument entered into in connection with this Agreement, and any amendments hereto or thereto, may be executed in one or more counterparts, all of which shall constitute one and the same instrument. Any such counterpart, to the extent delivered by means of a facsimile machine or by .pdf, .tif, .gif, .jpeg or similar attachment to electronic mail shall be treated in all manners and respects as an original executed counterpart and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

12. **Severability.** If a court or other body of competent jurisdiction determines any provision of this Agreement, or portion thereof, to be invalid or unenforceable, such provision will be enforced to the maximum extent permissible so as to effect the intent of the Parties, and the remainder of this Agreement will continue in full force and effect.

13. **ARBITRATION. IN THE EVENT OF ANY DISPUTE OR CLAIM RELATING TO OR ARISING OUT OF OUR RELATIONSHIP, YOU AND THE COMPANY AGREE THAT ALL SUCH DISPUTES SHALL BE FULLY AND FINALLY RESOLVED THROUGH THE ARBITRATION PROCESS WHICH WILL BE FULLY PAID FOR BY THE COMPANY. THE ARBITRATION SHALL BE CONDUCTED BY AN ARBITRATOR(S) PROVIDED BY AN IMPARTIAL THIRD-PARTY, AT AN ARBITRATION TO TAKE PLACE IN HOUSTON, TEXAS, PURSUANT TO THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION. BOTH PARTIES AGREE THAT THE ALTERNATE DISPUTE RESOLUTION PLAN SHALL NOT APPLY TO ANY DISPUTES OR CLAIMS RELATING TO OR ARISING OUT OF THE MISUSE OR MISAPPROPRIATION OF THE COMPANY'S TRADE SECRETS, PROPRIETARY INFORMATION OR OTHER PROPERTY.**

A handwritten signature in black ink, appearing to be "JCB", is located in the bottom right corner of the page.



14. **Entire Agreement.** This offer letter and the Confidential Information and Limited Non-competition Agreement set forth the terms of your relationship with the Company and supersedes and replaces any prior understandings or agreements, whether oral or written. This offer letter may not be modified or amended except by express written agreement that is signed by you and by the Chief Executive Officer and three representing Directors of the Company. **This offer, if not accepted, will expire at the close of business on Friday, April 27, 2018.**

We are very excited about your decision to join our team, and hope that you find the foregoing terms acceptable. To indicate your agreement with these terms and acceptance of our offer, please sign and date this letter, the Separation Agreement and the attached Confidential Information and Limited Non-competition Agreement in the spaces provided and return them to me. A duplicate original of this offer letter is enclosed for your records.

Sincerely,

PETROLIA ENERGY

By:   
Zel C. Khan, CEO

By:   
Director: Joel Oppenheim

By:   
Director: Leo Womack

By:   
Director: Quirten Beasley

**I HAVE READ AND HEREBY ACCEPT  
THIS OFFER:**

Signature:

X *James Edward Burns*

Dated: 4/26/2018

Enclosures:

Duplicate Original Letter  
Separation and Release Agreement  
Warrant Agreement

**THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR REGISTERED OR QUALIFIED UNDER ANY APPLICABLE STATE SECURITIES LAWS. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND REGISTRATION OR QUALIFICATION UNDER ANY APPLICABLE STATE SECURITIES LAWS OR (B) AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION AND QUALIFICATION ARE NOT REQUIRED PURSUANT TO AN EXEMPTION UNDER SUCH ACT AND SECURITIES LAWS.**

Warrant No. \_\_\_\_\_

Date: April 19, 2018

**PETROLIA ENERGY CORPORATION**

**WARRANT TO PURCHASE COMMON STOCK**

This Warrant to Purchase Common Stock (this "**Warrant**") is issued to James E. Burns, or assigns (the "**Holder**"), by Petrolia Energy Corporation, a Texas corporation (the "**Company**").

1. **Purchase of Shares.** Subject to the terms and conditions of this Warrant, the Holder is entitled, upon surrender of this Warrant at the principal office of the Company (or at such other place as the Company shall notify the Holder in writing), to purchase from the Company **5,000,000 shares** of the Company's Common Stock, \$0.001 par value per share (the "**Shares**"), subject to adjustment pursuant to **Section 8**.

2. **Purchase Price.** The purchase price for the Shares shall be **\$0.10 per share** of Common Stock, subject to adjustment pursuant to **Section 8** (such price, as adjusted from time to time, is herein referred to as the "**Exercise Price**").

3. **Exercise Period.** This Warrant shall be exercisable, in whole or in part, during the term commencing on the date of this Warrant and ending at 5:00 p.m. Houston, Texas time on April 19, 2021; provided, however, that in the event of (a) the closing of the Company's sale or transfer of all or substantially all of its assets, or (b) the closing of the acquisition of the Company by another entity by means of merger, consolidation or other transaction or series of related transactions, resulting in the exchange of the outstanding shares of the Company's capital stock such that the shareholders of the Company prior to such transaction own, directly or indirectly, less than 50% of the voting power of the surviving entity, this Warrant shall, on the date of such event, shall no longer be exercisable and become null and void. In the event of a proposed transaction of the kind described above, the Company shall notify the Holder of the Warrant at least 30 days prior to the consummation of such event or transaction.

4. Method of Exercise. While this Warrant remains outstanding and exercisable in accordance with Section 3, the Holder may exercise, in whole or in part, the purchase rights evidenced by this Warrant. Such exercise shall be affected by:

(a) the surrender of the Warrant, together with a duly executed copy of the form of subscription attached hereto, to the Secretary of the Company at its principal offices; and

(b) the payment to the Company of an amount equal to the aggregate Exercise Price for the number of Shares being purchased.

(c) Or, the Net Issue Exercise; In lieu of exercising this Warrant, the Holder may elect to receive Common Shares equal to the value of this Warrant (or the portion thereof being canceled) by surrender of this Warrant at the principal office of the Company together with notice of such election, in which event the Company shall issue to the Holder a number of Common Shares computed using the following formula:  $X=Y(A-B)/A$

Where:

- i.  $X$ =the number of the Common Shares to be issued to the Holder.
- ii.  $Y$ =the number of the Common Shares purchasable under this Warrant.
- iii.  $A$ =the fair market value of one Common Share on the date of determination.
- iv.  $B$ =the per share Exercise Price.
- v. For example, if the holder is using the Net Issue Exercise, exercising 100,000 Warrants with a per share exercise price of \$0.10 per share when the Common Stock's Fair Market Value per share is \$0.20 per share, then upon such Net Issue Exercise, the holder will receive 50,000 shares of Common Stock.

(d) Fair Market Value. For purposes of this Section 4c, the per share fair market value of the Warrant Shares shall mean:

(i) If the Company's Common Stock is publicly traded, the per share fair market value of shall be the average of the closing prices of the Common Stock as quoted on the Over-the-Counter Bulletin Board, or the principal exchange on which the Common Stock is listed, in each case for the ten trading days ending within five trading days prior to the date of determination of fair market value;

(ii) If the Company's Common Stock is not so publicly traded, the per share fair market value shall be such fair market value as is determined in good faith by the Board of Directors of the Company after taking into consideration factors it deems appropriate, including, without limitation, recent sale and offer prices of the capital stock of the Company in private transactions negotiated at arm's length.

5. Certificates for Shares. Upon the exercise of the purchase rights evidenced by this Warrant, one or more certificates for the number of Shares so purchased shall be issued as soon as practicable thereafter, and in any event within 30 days of the delivery of the subscription notice.

6. Issuance of Shares. Except as otherwise provided herein, the Company covenants that the Shares, when issued pursuant to the exercise of this Warrant, will be duly and validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issuance thereof.

7. Adjustment of Exercise Price and Number of Shares. The number of Shares purchasable upon exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time as follows:

(a) Subdivisions, Combinations and Other Issuances. If the Company shall at any time prior to the expiration of this Warrant subdivide its Common Stock, by split-up or otherwise, or combine its Common Stock, or issue additional shares of its Common Stock as a dividend with respect to any shares of its Common Stock, the number of Shares issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision stock dividend, or proportionately decreased in the case of a combination. Appropriate adjustments shall also be made to the Exercise Price payable per Share, but the aggregate Exercise Price payable for the total number of Shares purchasable under this Warrant (as adjusted) shall remain the same. Any adjustment under this Section 8(a) shall become effective at the close of business on the date the subdivision or combination becomes effective, or as of the record date of such dividend, or in the event that no record date is fixed, upon the making of such dividend.

(b) Reclassification, Reorganization, and Consolidation. In case of any reclassification, capital reorganization, or change in the capital stock of the Company (other than as a result of a subdivision, combination or stock dividend provided for in Section 8(a) or a sale, transfer or acquisition transaction specified in Section 3 above), then, as a condition of such reclassification, reorganization or change, lawful provision shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Holder, so that the Holder shall have the right at any time prior to the expiration of this Warrant to purchase, at a total price equal to that payable upon the exercise of this Warrant, the kind and amount of shares of stock and other securities or property receivable in connection with such reclassification, reorganization or change by a holder of the same number and type of securities as were purchasable as Shares by the Holder immediately prior to such reclassification, reorganization or change. In any such case, appropriate provisions shall be made with respect to the rights and interest of the Holder so that the provisions hereof shall thereafter be applicable with respect to any shares of stock or other securities or property deliverable upon exercise hereof, and appropriate adjustments shall be made to the Exercise Price per Share payable hereunder, provided the aggregate Exercise Price shall remain the same.

(c) Notice of Adjustment. When any adjustment is required to be made in the number or kind of shares purchasable upon exercise of this Warrant, or in the Exercise Price, the Company shall promptly notify the Holder of such event and of the number of Shares or other securities or property thereafter purchasable upon exercise of this Warrant.

8. No Fractional Shares or Scrip. No fractional Shares or scrip representing fractional Shares shall be issued upon the exercise of this Warrant, but in lieu of such fractional Shares the Company shall issue an additional share of common stock to the Holder or pay the Holder the fair market value of such fractional share, as determined in the reasonable discretion of the Board of Directors of the Company, in the Company's sole discretion.

9. No Shareholder Rights. Prior to exercise of this Warrant, the Holder shall not be entitled to any rights of a shareholder with respect to the Shares, including without limitation, the right to vote such Shares, receive dividends or other distributions thereon, exercise preemptive rights or be notified of shareholder meetings, and the Holder shall not be entitled to any notice or other communication concerning the business or affairs of the Company.

10. Successors and Assigns. Subject to the restrictions on transfer described in Section 11 below, the rights and obligations of the Company and the Holder shall be binding on and benefit the successors, assigns, heirs, administrators, and transferees of the parties.

11. Transfer of this Warrant or any Shares Issued on Conversion Hereof. The Holder shall not sell, assign, pledge, transfer or otherwise dispose of or encumber this Warrant or any Shares issued on exercise hereof (collectively, the "Securities"), except (i) pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), or (ii) pursuant to an available exemption from registration under the Securities Act and applicable state securities laws and, if requested by the Company, upon delivery by the Holder of an opinion of counsel satisfactory to the Company to the effect that the proposed transfer is exempt from registration under the Securities Act and applicable state securities laws. Any transfer or purported transfer of the Securities in violation of this Section 11 shall be voidable by the Company. The Company shall not register any transfer of the Securities in violation of this Section 11. The Company may, and may instruct any transfer agent for the Company, to place such stop transfer orders as may be required on the transfer books of the Company in order to ensure compliance with the provisions of this Section 11.

12. Amendments and Waivers. Any term of this Warrant may be amended and the observance of any term of this Warrant may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and the Holder. Any waiver or amendment effected in accordance with this Section 12 shall be binding upon the Holder of any Shares purchased under this Warrant at the time outstanding (including securities into which such Shares have been converted), each future holder of all such Shares and the Company.

13. Restrictions. By acceptance hereof, the Holder acknowledges that the Shares acquired upon the exercise of this Warrant have restrictions upon their resale imposed by state and federal securities laws.

14. Governing Law. This Warrant, and all related matters, whether in contracts or tort, in law or in equity, or otherwise, shall be governed by the laws of the State of Texas, without regard to choice of law or conflict of law principles that direct the application of the laws of a different state.

15. Venue. All disputes and controversies arising out of or in connection with this Warrant shall be resolved exclusively by the state and federal courts located in Harris County, Texas, and each party hereto agrees to submit to the jurisdiction of said courts and agrees that venue shall lie exclusively with such courts.

16. Waiver of Jury Trial. THE COMPANY AND THE HOLDER EACH HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS WARRANT.

*[Signature Page Follows]*

This Warrant is issued effective as of the date first set forth above.

PETROLIA ENERGY CORPORATION, a Texas  
corporation

By: Zaid

Name: Zel C Khan

Title: CEO

WARRANT SUBSCRIPTION

Petrolia Energy Corporation  
Attention: Corporate Secretary

The undersigned hereby elects to purchase, pursuant to the provisions of the Warrant to Purchase Common Stock issued by Petrolia Energy Corporation, a Texas corporation (the "**Company**") and held by the undersigned, **5,000,000 shares** of Common Stock of the Company. Payment of the Exercise Price per Share required under the Warrant accompanies this Subscription.

The undersigned hereby represents and warrants that the undersigned is acquiring such Shares for his own account for investment purposes only, and not for resale or with a view to distribution of such Shares or any part thereof.

Date: April 19, 2018

WARRANTHOLDER:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

Title

Address:

Name in which Shares should be registered:



**Petrolia Energy Welcomes a New Director and a New Chairman**

HOUSTON, TX – May 1, 2018 -- Petrolia Energy Corporation (OTCQB: BBL) (“Petrolia”, “Petrolia Energy” or the “Company”) is pleased to announce the appointment of Mr. Ivar Siem to its Board of Directors. Mr. Siem fills the vacancy left following the recent passing of Mr. Lee Lytton.

“Mr. Siem has a wealth of knowledge and experience, especially in the Permian Basin, and is a tremendous asset to the Company,” commented Mr. Zel C. Khan, CEO of Petrolia.

Ivar Siem is the Chairman of privately held American Resources Inc. ("American") and served as CEO of American from January 2013 until August 2017. Mr. Siem has broad experience from both the upstream and the service segments of the oil and gas industry. Mr. Siem previously served as the Chairman, CEO and Director of Blue Dolphin Energy (Nasdaq: BDCO) from January 1990 to May 2014. He has been the founder of several companies and involved in multiple roll-ups and restructuring processes throughout his career. These include Fred Olsen, Inc., Dolphin International, Inc., Blue Dolphin Energy, Seateam Technology ASA, DI Industries/Grey Wolf Drilling, American Resources Offshore, Inc., and Equimavenca SA. He has served on a number of public and private company boards including Frupor SA, Avenir ASA, Wellcem AS, and Siem Industries, Inc.

Mr. Siem holds a Bachelor of Science Degree in Mechanical Engineering from the University of California, Berkeley and an Executive MBA from the Amos Tuck School of Business, Dartmouth University.

The Company also announces that having served as Chairman of the Board since 2014, Mr. Leo Womack has decided to relinquish the Chairman’s position. Mr. Womack will continue to provide valuable leadership as a Director and head of the Audit Committee of the Company. Mr. James E. Burns has been selected as the new Chairman of the Board. Mr. Burns will resign as President to take on the role of Chairman effective May 1, 2018. Mr. Khan will take on the role of President in addition to his role as the CEO.

“Over the past 12 months, James has been an integral part of Petrolia’s expansion, and as we head towards our next growth phase, his leadership and experience in both the domestic and international arena will be essential as Chairman,” stated Mr. Leo Womack.

Mr. Burns is an experienced Executive and Board Director with a long career in the Energy field and in many senior corporate positions at Shell, Texaco and ARCO as well as Director and President roles in Transfuels and Fortress Energy Partners. Mr. Burns is a Senior Executive with year-after-year success achieving revenue, profit, and business growth objectives within start-up, turnaround, and rapid-change environments.

Mr. Burns has a BS in Business Administration from California State University and an Executive MBA from the University of Houston.

***About Petrolia Energy Corporation***

Petrolia Energy Corporation is headquartered in Houston, Texas, the energy capital of the world. With over 80 years of operational and management experience throughout the energy industry, the Company explores oil and gas development opportunities. Petrolia Energy’s core focus is on the utilization of new technology as well as the implementation of its own proprietary technologies in order to improve the recoverability of existing oil fields.

Petrolia Energy’s team of experts has an outstanding record of converting legacy oil fields into compliant, producing, and profitable entities. Petrolia Energy is committed to achieving these results by being a good neighbor and partner in the communities it operates in, as well as being excellent stewards of the environment. This can only be achieved long term with regulatory compliant operations that embrace the concepts of environmental stewardship.

Petrolia Energy’s primary goal is to locate undervalued assets, identify properties with resolvable environmental and mechanical issues and lowering lift costs resulting in increased shareholder value.

### ***Forward-looking Statements***

Certain information in this press release constitutes forward-looking statements within the meaning of applicable securities laws, including, but not limited to, statements regarding well production, use of proceeds, future drilling, operating expenses, and additional funding. Any statement that does not contain a historical fact may be deemed to be a forward-looking statement. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "should," "expect," "plan," "intend," "anticipate," "believe," "estimate," "predict," "potential," or "continue," the negative of such terms, or other comparable terminology, although not all forward-looking statements contain such identifying words.

Forward-looking statements are subject to a number of assumptions, risks, and uncertainties, many of which are beyond the Company's control, which may cause actual results to differ materially from those implied or expressed by the forward-looking statements. Such assumptions, risks, and uncertainties include, among others, those associated with exploration activities, oil and gas production, marketing and transportation, costs of operations, loss of markets, volatility of oil and gas prices, reserve and future production estimates, environmental risks, competition, inability to access sufficient capital from internal and external sources, general economic conditions, litigation, and changes in regulation and legislation. Readers are cautioned that the foregoing list is not exhaustive.

Additional information on these and other factors that could affect Petrolia's operations or financial results is available by contacting Petrolia and is included in the risk factors and other sections of Petrolia's most recent annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. The forward-looking statements contained in this press release are made as of the date of this press release, and Petrolia does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events, or otherwise, except as expressly required by applicable law. The Company's SEC filings are available at <http://www.sec.gov>.

#### **For more Information contact:**

Media Contact:  
[Press@PetroliaEnergy.com](mailto:Press@PetroliaEnergy.com)

Investor Relations Contact:  
[IR@PetroliaEnergy.com](mailto:IR@PetroliaEnergy.com)

[www.PetroliaEnergy.com](http://www.PetroliaEnergy.com)

Petrolia Energy Corporation (OTCQB: BBL5) trades on the OTCQB Venture Market for early stage and developing U.S. and international companies. Companies are current in their reporting and undergo an annual verification and management certification process. Investors can find Real-Time quotes and market information for the company on [www.otcm Markets.com](http://www.otcm Markets.com).

Source: Petrolia Energy Corporation