

TERRACE ENERGY CORP.

PO Box 21546
1424 Commercial Drive, Vancouver, BC V5L 5G2

NOTICE OF ANNUAL GENERAL MEETING
AND
NOTICE THAT PROXY MATERIALS AVAILABLE ONLINE

NOTICE IS HEREBY GIVEN that the 2019 Annual General Meeting (the "**Meeting**") of the shareholders of Terrace Energy Corp. (the "**Company**") will be held at 10th Floor, 595 Howe Street, Vancouver, BC, on Wednesday, October 16, 2019 at 9:00 a.m. (Pacific Time) for the following purposes:

1. to receive the audited annual financial statements of the Company for its financial year ended January 31, 2019 together with the auditors' report thereon;
2. to elect directors for the ensuing year;
3. to appoint Smythe LLP, Chartered Accountants, as the Company's auditors for the ensuing fiscal year;
4. to consider and, if thought fit, to pass an ordinary resolution ratifying and approving the existing 10% "rolling" stock option plan of the Company, as more particularly described in the information circular accompanying this notice of meeting; and
5. to approve the transaction of such other business as may properly come before the Meeting and any adjournment(s) or postponement(s) thereof.

The information circular with respect to the Meeting is available online, as further described below. It provides additional information about the matters to be dealt with at the Meeting and is deemed to form part of this notice. Disclosure regarding the election of directors may be found in the section of the information circular entitled "Election of Directors", disclosure regarding the appointment of Smythe LLP may be found in the section of the information circular entitled "Appointment of Auditors" and disclosure regarding the approval of the Company's 10% rolling stock option plan may be found in the section of the information circular entitled "Particulars of Other Matters to be Acted Upon".

The information circular has been prepared to help you make an informed decision on each of the matters to be voted on at the Meeting. Please review the information circular carefully before voting.

The Meeting materials, including the information circular, are available on the Company's website at http://terraceenergy.net/investors/agm_2019/ and will remain on the website for at least one full year from the date of this Notice of Meeting. The Meeting materials are also available under the Company's profile on SEDAR at www.sedar.com.

A shareholder may contact the Company at the contact number or address above to request and receive a copy of the Company's financial statements and MD&A.

All shareholders are invited to attend the Meeting. Only shareholders at the close of business on September 11, 2019 are entitled to receive notice of and vote at the Meeting. If you are a registered shareholder, you will have received this Notice of Meeting and a form of proxy. Registered shareholders who are unable to attend the Meeting are requested to read the notes included in the form of proxy enclosed and then to complete, date, sign and mail the enclosed form of proxy, or to complete the proxy by telephone or the internet, in accordance with the instructions set out in the proxy. Completed proxies must be received by 9:00 a.m. (Pacific Time) on October 11, 2019, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

For non-registered shareholders, use the enclosed voting instruction form to provide voting instructions. The voting instruction form contains instructions on how to complete the form, where to return it and the deadline for returning it. It is important to read and follow the instructions on the voting instruction form in order to have your vote count.

DATED this 11th day of September, 2019.

BY ORDER OF THE BOARD

"Daniel Carriere"

Daniel Carriere, Chairman of the Board