



Spartan Energy Corp.

**Notice of Annual General Meeting of Shareholders
to be held on June 20, 2014**

and

Management Information Circular

May 23, 2014

**SPARTAN ENERGY CORP.
NOTICE OF ANNUAL GENERAL MEETING
OF THE HOLDERS OF COMMON SHARES
TO BE HELD ON JUNE 20, 2014**

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) in the capital of Spartan Energy Corp. (the “**Corporation**”) will be held in the Shrum Liddle Hebenton Boardroom of McCarthy Tétrault LLP, Suite 4000, 421- 7th Avenue S.W., Calgary, Alberta, on June 20, 2014 at 2:00 p.m. (Calgary time), for the following purposes:

1. receive the financial statements for the fiscal year ended December 31, 2013 and the report of the auditors thereon;
2. fix the number of directors to be elected at six;
3. elect directors for the ensuing year;
4. appoint the auditors of the Corporation to hold office until the next annual meeting of the Shareholders and authorize the directors to fix their remuneration; and
5. transact such other business as may properly come before the meeting or any adjournments thereof.

Only Shareholders of record at the close of business on May 15, 2014 (the “**Record Date**”) are entitled to notice of and to attend the Meeting or any adjournment or adjournments thereof and to vote thereat, unless, after the Record Date, a holder of record transfers his or her Common Shares and the transferee, upon producing properly endorsed share certificates or otherwise establishing that he or she owns such Common Shares, requests, not later than 10 days before the Meeting, that the transferee’s name be included in the list of shareholders entitled to vote such Common Shares, in which case such transferee shall be entitled to vote such Common Shares, as the case may be, at the Meeting.

Shareholders may vote in person at the Meeting or any adjournment or adjournments thereof, or they may appoint another person (who need not be a Shareholder) as their proxy to attend and vote in their place.

Shareholders unable to be present at the Meeting are requested to date and sign the enclosed form of proxy and return it to the Corporation’s agent, Alliance Trust Company, 1010, 407 - 2nd Street S.W., Calgary, Alberta T2P 2Y3, in the enclosed envelope provided for that purpose. In order to be valid, proxies must be received by 4:00 p.m. on or prior to the second last business day preceding the day of the Meeting or any adjournment thereof or deposited with the Chairman of the Meeting on the day of the Meeting prior to the commencement of the Meeting.

A management information circular relating to the business to be conducted at the Meeting accompanies this Notice.

Calgary, Alberta
May 23, 2014

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “*Richard F. McHardy*”

Richard F. McHardy
Director, President and Chief Executive Officer

TABLE OF CONTENTS

PURPOSE OF SOLICITATION.....	1
RECORD DATE.....	1
PROXY INFORMATION	1
Solicitation of Proxies.....	1
Completion of Proxies.....	2
Appointment and Revocation of Proxies	2
Exercise of Discretion by Proxies.....	2
Advice to Beneficial Holders of Securities.....	3
INFORMATION CONCERNING THE CORPORATION	4
VOTING OF COMMON SHARES AND PRINCIPAL HOLDERS THEREOF	4
MATTERS TO BE ACTED UPON.....	5
FIXING NUMBER OF DIRECTORS.....	5
ELECTION OF DIRECTORS	5
Biographies.....	8
Corporate Cease Trade Orders or Bankruptcies	9
Personal Bankruptcies	10
Penalties and Sanctions	10
APPOINTMENT OF AUDITORS.....	10
OTHER MATTERS COMING BEFORE THE MEETING	10
EXECUTIVE COMPENSATION.....	10
Summary	10
Compensation Discussion and Analysis.....	12
Base Salaries.....	12
Bonuses.....	12
Stock Option Plan	12
Description of the Stock Option Plan.....	13
Compensation Governance	15
Risk Oversight	15
Hedging and Offsetting	16
Outstanding Option-Based and Share-Based Awards.....	16
Incentive Plan Awards - Value Vested or Earned During the Year	17
Pension Plan Benefits.....	17
Management Agreements, Consulting Contracts, Termination and Change of Control Payments	18
Summary of Directors' Compensation.....	18
Outstanding Option-Based and Share-Based Awards.....	19
Incentive Plan Awards - Value Vested or Earned During the Year	20
Directors' and Officers' Liability Insurance	20
EQUITY COMPENSATION PLAN INFORMATION.....	20
INDEBTEDNESS OF DIRECTORS AND OFFICERS.....	21
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	21
INTERESTS OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON	21

CORPORATE GOVERNANCE PRACTICES.....	21
Corporate Governance Committee	22
Independence of Members of Board	22
Board Oversight and Chairman.....	22
Participation of Directors in Other Reporting Issuers.....	22
Board Mandate	23
Position Descriptions	23
Orientation and Continuing Education.....	24
Ethical Business Conduct	24
Nomination of Directors	25
Compensation Committee.....	25
Audit Committee	26
Reserves and Environment Committee.....	26
Assessments	26
AUDIT COMMITTEE.....	27
ADDITIONAL INFORMATION	27
SCHEDULE "A" BOARD MANDATE	1

SPARTAN ENERGY CORP.
Suite 500, 850 – 2nd Street S.W.
Calgary, Alberta T2P 0R8

MANAGEMENT INFORMATION CIRCULAR

**FOR THE ANNUAL GENERAL MEETING OF THE HOLDERS OF COMMON SHARES
OF SPARTAN ENERGY CORP. TO BE HELD ON JUNE 20, 2014**

Dated: May 23, 2014

PURPOSE OF SOLICITATION

This management information circular (the “Information Circular”) is furnished in connection with the solicitation of proxies by or on behalf of the management of Spartan Energy Corp. (the “Corporation”) for use at the annual general meeting of the holders (the “Shareholders”) of the common shares (the “Common Shares”) in the capital of the Corporation to be held in the Shrum Liddle Heberton Boardroom of McCarthy Tétrault LLP, Suite 4000, 421- 7th Avenue S.W., Calgary, Alberta, on June 20, 2014 at 2:00 p.m. (Calgary time), and any adjournment or adjournments thereof (the “Meeting”) for the purposes set forth in the Notice of Annual General Meeting (the “Notice of Meeting”) accompanying this Information Circular.

RECORD DATE

The Shareholders of record on May 15, 2014 (the “Record Date”) are entitled to notice of, and to attend and vote at, the Meeting except to the extent that:

1. such person transfers his or her Common Shares after the Record Date; and
2. the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes his or her ownership to the Common Shares and makes a demand to the registrar and transfer agent of the Corporation, not later than 10 days before the Meeting, that his or her name be included on the shareholders’ list for the Meeting.

Any registered Shareholder of the Corporation at the close of business on the Record Date who either personally attends the Meeting or who completes and delivers a proxy will be entitled to vote or have his or her Common Shares voted at the Meeting. However, a person appointed under a form of proxy will be entitled to vote the Common Shares represented by that form only if it is effectively delivered in the manner set out under the heading “Completion of Proxies”.

PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies is made on behalf of the management of the Corporation. The costs incurred in the preparation of the enclosed form of proxy (the “Form of Proxy”), Notice of Meeting and this Information Circular and costs incurred in the solicitation of proxies will be borne by the Corporation. Solicitation of proxies will be primarily by mail, but may also be in person, by telephone or by electronic means. All currency amounts expressed herein, unless otherwise indicated, are expressed in Canadian dollars.

Completion of Proxies

The Form of Proxy affords Shareholders or intermediaries an opportunity to specify that the Common Shares registered in their name shall be voted for or against or withheld from voting in respect of certain matters as specified in the accompanying Notice of Meeting.

The persons named in the enclosed Form of Proxy are the President and Chief Executive Officer and the Vice President, Finance and Chief Financial Officer, respectively, of the Corporation.

A REGISTERED SHAREHOLDER OR AN INTERMEDIARY HOLDING COMMON SHARES ON BEHALF OF AN UNREGISTERED SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE A SHAREHOLDER, TO ATTEND AND ACT ON THEIR BEHALF AT THE MEETING, IN THE PLACE OF THE PERSONS DESIGNATED IN THE FORM OF PROXY FURNISHED BY THE CORPORATION. TO EXERCISE THIS RIGHT, THE SHAREHOLDER OR INTERMEDIARY SHOULD STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE FORM OF PROXY AND INSERT THE NAME OF THEIR NOMINEE IN THE BLANK SPACE PROVIDED, OR SUBMIT ANOTHER APPROPRIATE PROXY.

A proxy must be dated and signed by the registered Shareholder or by his attorney authorized in writing or by the intermediary. In the case of a Shareholder that is a corporation, the proxy must be executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation with proof of authority accompanying the proxy.

In order to be effective, the proxy, together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof, must be mailed so as to be deposited at the office of the Corporation's agent, Alliance Trust Company, Suite 1010, 407 - 2nd Street S.W., Calgary, Alberta T2P 2Y3, not later than 4:00 p.m. (Calgary time) on the second last business day preceding the day of the Meeting or any adjournment thereof or deposited with the Chairman of the Meeting on the day of the Meeting prior to the commencement of the Meeting. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. If a proxy is not dated, it will be deemed to bear the date on which it was mailed by management of the Corporation.

Appointment and Revocation of Proxies

A Shareholder or intermediary who has submitted a proxy may revoke it by instrument in writing executed by the Shareholder or intermediary or his or her attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal and executed by a director, officer or attorney thereof duly authorized, and deposited either with the Corporation at its offices as aforesaid at any time prior to the close of business on the second last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting, and upon such deposit the previous proxy is revoked.

Exercise of Discretion by Proxies

A Shareholder or intermediary may indicate the manner in which the persons named in the enclosed Form of Proxy are to vote with respect to any matter by checking the appropriate space. On any poll, those persons will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the directions, if any, given in the Form of Proxy. If the Shareholder or intermediary wishes to confer a discretionary authority with respect to any matter, the space should be left blank. **IN SUCH INSTANCE, THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY INTEND TO VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF THE MOTION.**

The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing of this Information Circular, management of the Corporation knows of no such amendment, variation or other matter. However, if any other matters which are not now known to management should properly come before the Meeting, the proxies in favour of management nominees will be voted on such matters in accordance with the best judgment of the management nominees.

Advice to Beneficial Holders of Securities

The information set forth in this section is of significant importance to many investors who do not own Common Shares in their own name ("**Beneficial Shareholders**"). Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for their clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate individuals.

In accordance with applicable securities law requirements, the Corporation will have distributed copies of the Notice of Meeting, Form of Proxy and this Information Circular (the "**Meeting Materials**") to the intermediaries for distribution to Beneficial Shareholders. Intermediaries are required to forward the Meeting Materials to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Beneficial Shareholders. Please note that the Corporation's management does not intend to pay for intermediaries to forward the Meeting Materials and voting instruction request forms to those Beneficial Shareholders who have objected to their intermediary disclosing ownership information about them pursuant to Canadian securities legislation ("**Objecting Beneficial Shareholders**"). Consequently, if you are an Objecting Beneficial Shareholder, you will not receive these materials unless the intermediary holding Common Shares on your account assumes the cost of delivery.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of securityholders meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of that broker) is typically similar to the Form of Proxy provided to registered Shareholders by the Corporation. However, the purpose of the broker's form of proxy is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically asks Beneficial Shareholders to return voting instruction forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that voting instruction form to vote Common Shares directly at**

the Meeting. The Broadridge voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of the Beneficial Shareholder's broker (or agent of the broker), a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote such Common Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

If you have any questions respecting the voting of Common Shares held through an intermediary, please contact that intermediary for assistance.

INFORMATION CONCERNING THE CORPORATION

The Corporation was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) (the "**ABCA**") on December 12, 1988 as "394537 Alberta Ltd.". The Corporation changed its name to "Petro-Reef Resources Ltd." on February 23, 1989. On January 1, 2000, the Corporation amalgamated with twenty private Alberta numbered companies to form "Petro-Reef Resources Ltd.". The Corporation changed its name to "Alexander Energy Ltd." on September 9, 2012, and to "Spartan Energy Corp." on February 28, 2014. On March 31, 2014, Spartan completed a plan of arrangement with Renegade Petroleum Ltd. ("**Renegade**") which included the amalgamation of the Corporation and Renegade to form "Spartan Energy Corp.".

The Corporation is a reporting issuer in British Columbia, Alberta and Ontario. The Common Shares are listed on the TSXV under the trading symbol "SPE". The Common Shares have been conditionally approved for listing on the Toronto Stock Exchange ("**TSX**") and as such the Corporation is required to satisfy the governance requirements of the TSX. The listing of the Common Shares on the TSX is subject to the Corporation satisfying the conditions of the TSX as outlined in their conditional approval.

VOTING OF COMMON SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares. As at the date hereof, there are 222,324,764 fully paid and non-assessable Common Shares and no preferred shares issued and outstanding. The holders of the Common Shares are entitled to receive notice of all meetings of shareholders and to attend and vote the Common Shares at all such meetings. Each Common Share carries with it the right to one vote.

The articles of the Corporation provide that if two persons holding not less than 15% of the issued Common Shares entitled to vote are present in person or are represented by proxy, a quorum for the purposes of conducting a shareholders meeting is constituted.

Any registered Shareholder at the close of business on May 15, 2014 who either personally attends the Meeting or who completes and delivers a proxy will be entitled to vote or have his or her Common Shares voted at the Meeting. However, a person appointed under a form of proxy will be entitled to vote the Common Shares represented by that form only if it is effectively delivered in the manner set out in the heading "*Completion of Proxies*".

To the best of the knowledge of the directors and officers of the Corporation, as of the date of this Information Circular, there are no persons who beneficially own, directly or indirectly, or exercises control or direction over 10% or more of the issued and outstanding Common Shares.

MATTERS TO BE ACTED UPON

The Shareholders of the Corporation will be asked to consider and, if deemed appropriate:

- (a) by ordinary resolution, fix the board of directors of the Corporation (the “**Board**”) at six members;
- (b) by ordinary resolution, elect the directors of the Corporation;
- (c) by ordinary resolution, appoint auditors for the ensuing year and to authorize the directors of the Corporation to fix their remuneration; and
- (d) to transact such other business as may properly come before the Meeting or any adjournments thereof.

Additional detail regarding each of the matters to be acted on at the Meeting is contained below.

FIXING NUMBER OF DIRECTORS

At the Meeting, it is proposed that the number of directors to be elected at the Meeting to hold office until the next annual meeting or until their successors are elected or appointed, subject to the articles of the Corporation, be set at six. **Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of setting the number of directors to be elected at the Meeting at six.**

ELECTION OF DIRECTORS

Action is to be taken at the Meeting with respect to the election of directors. The Shareholders will be asked to pass an ordinary resolution at the Meeting to elect, as directors, the nominees whose names are set forth in the table below. Voting for the election of nominees will be conducted on an individual, and not on a slate, basis. Each nominee elected will hold office until the next annual meeting of the Shareholders, or until his successor is duly elected or appointed, unless his office is vacated earlier in accordance with the Corporation’s articles. The Corporation is required by applicable corporate legislation to have an Audit Committee comprised of members of the Board that are considered “financially literate” and a majority of which are considered “independent”, as such terms are defined in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). The Corporation has also established a Compensation Committee, Corporate Governance Committee, and a Reserves and Environment Committee, each comprised of members of the Board. Please see discussion under “*Corporate Governance Practices.*” The present members of the Audit Committee, Compensation Committee, Corporate Governance Committee and Reserves and Environment Committee of the Board are identified in the table below.

The Corporation has adopted a majority voting policy with respect to the election of directors. Pursuant to this policy, if a director receives more withheld votes than for votes, he will immediately tender to the Board an offer to resign. The Corporate Governance Committee will consider the director’s offer to resign and make a recommendation to the Board to: (i) accept the resignation; (ii) ask the director to continue serving but address the issue; or (iii) reject the resignation. The director will not participate in any Board or Board committee deliberations on the matter. If the Board accepts the director’s resignation, it can appoint a new

director to fill the vacancy. The Board must promptly disclose its final decision regarding the directors offer to resign in a press release.

The following information relating to the nominees as directors is based partly on the records of the Corporation and partly on information received by the Corporation from said nominees, and sets forth the name and municipality of residence of the persons proposed to be nominated for election as directors, all other positions and offices within the Corporation now held by them, their principal occupations or employments, the periods during which they have served as directors of the Corporation and the approximate number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as at December 31, 2013.

<u>Name</u>	<u>Positions Presently Held</u>	<u>Director Since⁽⁵⁾</u>	<u>Principal Occupation for Previous Five Years</u>	<u>Number and Percentage of Common Shares Beneficially Owned or Over Which Control or Direction, Directly or Indirectly, is Exercised</u>
Richard F. McHardy <i>Calgary, Alberta</i>	Director, President and Chief Executive Officer	December 10, 2013	President and Chief Executive Officer of Spartan Oil Corp. from March 2011 to January 2013. Prior to that, President and Chief Executive Officer of Spartan Exploration Ltd., a public oil and gas exploration company, from January 2008 to June 2011. Prior to that, President of Titan Exploration Ltd., a public oil and gas exploration company, from June 2007 to December 2007. Vice President, Finance and Chief Financial Officer of Titan Exploration Ltd. from August 2004 to June 2007.	6,974,377 (3.14%)

Name	Positions Presently Held	Director Since ⁽⁵⁾	Principal Occupation for Previous Five Years	Number and Percentage of Common Shares Beneficially Owned or Over Which Control or Direction, Directly or Indirectly, is Exercised
Reginald J. Greenslade ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ <i>Calgary, Alberta</i>	Director	December 10, 2013	Director of Spartan Oil Corp. from June 2011 to January 2013 and President, Chief Executive Officer and director of Tuscany International Drilling Inc., an oilfield services company, from April 2010 to February 2013. Independent Businessman from March 2006 to April 2010. Chairman, Enterra Energy Trust, an oil and gas income trust, from August 2001 to March 2006. President and Chief Executive Officer of Enterra Energy Trust from January 2005 to June 2005. President and Chief Executive Officer of JED Oil Inc., an exploration and production company, from November 2003 to January 2005.	1,737,917 (0.78%)
Grant W. Greenslade ⁽²⁾⁽³⁾ <i>Shaunavon, Saskatchewan</i>	Director	December 10, 2013	Director of Spartan Oil Corp. from June 2011 to January 2013. Independent Businessman. President of Greenslade Consulting Ltd., a private oil and gas consulting company.	1,737,916 (0.78%)
Michael J. Stark ⁽¹⁾⁽²⁾⁽⁴⁾ <i>Calgary, Alberta</i>	Director	December 10, 2013	Chairman of Spartan Oil Corp. from June 2011 to January 2013. Independent Businessman since 2006. Prior to that, Chairman of Spartan Exploration Ltd. from January 2008 to June 2011. Prior to that, Chairman of Titan Exploration Ltd. from August 2004 to December 2007.	1,737,917 (0.78%)

Name	Positions Presently Held	Director Since ⁽⁵⁾	Principal Occupation for Previous Five Years	Number and Percentage of Common Shares Beneficially Owned or Over Which Control or Direction, Directly or Indirectly, is Exercised
Donald Archibald ⁽¹⁾⁽³⁾⁽⁴⁾ <i>Calgary, Alberta</i>	Director	December 10, 2013	Director of Spartan Oil Corp. from June 2011 to January 2013. President of Cypress Energy Corp., a private investment company, since March 2008. Prior to that, Chairman and Chief Executive Officer of Cyries Energy Inc. from July 2004 to March 2008.	1,737,917 (0.78%)
Thomas Budd <i>Calgary, Alberta</i>	Director	March 31, 2014	Independent businessman since July 2008. Director of Whitehall Energy Inc., Waldron Energy Corporation and Toscana Energy Income Corporation. Prior to that, President and Vice Chairman, Head of Investment Banking at Griffiths McBurney & Partners, GMP Capital Corp.	Nil

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Reserves and Environment Committee.
- (3) Member of the Corporate Governance Committee.
- (4) Member of the Compensation Committee.
- (5) All directors of the Corporation are elected to hold office until the next annual meeting of shareholders, or until his successor is duly elected or appointed, unless his office is vacated earlier in accordance with the Corporation's articles.

Biographies

Richard F. McHardy has over 18 years' experience in all aspects of securities and M&A transactions and the oil and gas industry. Prior to joining the Corporation, Mr. McHardy was most recently a founder and the President and CEO of Spartan Oil Corp. before its sale to Bonterra Energy Corp. in January 2013. Prior thereto, Mr. McHardy was a founder and the President and CEO of Spartan Exploration Ltd. before being acquired by Penn West Petroleum Ltd. in June 2011. Prior thereto, Mr. McHardy was a founder and President of Titan Exploration Ltd. ("**Titan**"), which began as a blind pool in mid-2004 and grew to over 2,000 Boe/d in 2007 when it was acquired by Canetic Energy Trust. Prior to founding Titan, Mr. McHardy was a partner in the Calgary office of the law firm of McCarthy Tétrault LLP.

Reginald J. Greenslade is a professional engineer with over 20 years of experience in the oil and gas industry. Mr. Greenslade is the former President and Chief Executive Officer of Tuscany International Drilling Inc. Mr. Greenslade is the former Chairman, President and CEO of Big Horn Resources Ltd. and Enterra Energy Corp. and was the Chairman of Enterra Energy Trust until March, 2006. Mr. Greenslade is also a director of Perco International Energy Inc., an Alberta private company with oil and gas interests offshore Vietnam.

Grant W. Greenslade is an independent businessman with over 18 years of experience in the oil and gas industry. Mr. Greenslade continues to be the President of Greenslade Consulting Ltd., an oil and gas consulting business in Saskatchewan.

Michael J. Stark is an independent businessman and certified financial planner. Mr. Stark was the Chairman of the board of directors of Spartan Oil Corp. from March 2011 to January 2013, and the Chairman of the board of directors of Spartan Exploration Ltd. from January 2008 to June 2011. Mr. Stark was the Chairman of the board of directors of Titan Exploration Ltd. from August 2004 until December 2007.

Donald Archibald has over 15 years' experience in the oil and gas industry. From March 2008 to present, Mr. Archibald has been an independent businessman. Mr. Archibald is currently the Chairman of the Board of Directors of Cequence Energy Ltd., a public oil and gas company listed on the facilities of the TSX. Prior thereto, from June 2004 to March 2008, Mr. Archibald was the Chairman of the Board of Directors and the Chief Executive Officer of Cyries Energy Inc. Prior thereto, from January 2002 to June 2004, Mr. Archibald was the President and Chief Executive Officer of Cequel Energy Ltd.

Thomas Budd is a Certified Management Accountant (non-active) with the Society of Management Accountants of Alberta and holds a Masters of Business Administration from the University of Toronto. Mr. Budd is an independent investor and has many years of experience providing mergers and acquisitions and financial advice on a significant number of Canada's oil and gas transactions.

Corporate Cease Trade Orders or Bankruptcies

None of the above proposed directors are, or have, within 10 years prior to the date of this Information Circular, been directors or chief executive officer or chief financial officer of any other companies that, while such person was acting in that capacity was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation for a period, of more than 30 consecutive days.

None of the above proposed directors are, or have, within 10 years prior to the date of this Information Circular, after ceasing to be a director, chief executive officer or chief financial officer of any other companies was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation for a period, of more than 30 consecutive days, resulting from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

None of the above proposed directors are, or have, within 10 years prior to the date of this Information Circular, while acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

None of the above proposed directors, or a personal holding company thereof, have, within 10 years prior to the date of this Information Circular, become bankrupt, made a proposal under any bankruptcy or insolvency legislation, been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

Penalties and Sanctions

None of the above proposed directors, within 10 years prior to the date of this Information Circular, have been subject to any penalties or sanctions imposed by a court relating to securities legislation, or by a securities regulatory authority, or have entered into a settlement agreement with a securities regulatory authority.

In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of the election to the Board of those persons designated above as nominees for election as directors. The Board does not contemplate that any of such nominees will be unable to serve as a director. However, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee in their discretion, unless the Shareholder has specified in his proxy that his Common Shares are to be withheld from voting on the election of directors.

APPOINTMENT OF AUDITORS

The Shareholders will be asked to pass an ordinary resolution at the Meeting to appoint PricewaterhouseCoopers LLP as auditors of the Corporation, to hold office until the next annual meeting of the Shareholders, at such remuneration to be determined by the Board. PricewaterhouseCoopers LLP was first appointed as the Corporation's auditors on March 19, 2014.

In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of the appointment of PricewaterhouseCoopers LLP as auditors of the Corporation.

OTHER MATTERS COMING BEFORE THE MEETING

The Board knows of no other matters to come before the Meeting other than as referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by proxy solicited hereby will be voted on such matters in accordance with the best judgement of the person voting such proxy.

EXECUTIVE COMPENSATION

Summary

Securities legislation requires the disclosure of the compensation received by each "Named Executive Officer" ("**Named Executive Officer**") of the Corporation for the most recently completed financial year. "Named Executive Officer" is defined by securities legislation to mean: (i) a Chief Executive Officer of the Corporation; (ii) a Chief Financial Officer of the Corporation; (iii) each of the Corporation's three most highly compensated executive officers or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently

completed financial year and whose total compensation was, individually, more than \$150,000 for that financial year; and (iv) each individual who would be a “Named Executive Officer” under paragraph (iii) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year.

For the fiscal year ended December 31, 2013, the Corporation had five Named Executive Officers. The following table and notes thereto provide a summary of the compensation paid to each Named Executive Officer of the Corporation for fiscal year ended December 31, 2013.

Name and Principal Positions	Year	Salary (\$)	Bonus (\$)	Share-based Awards (\$)	Option-based Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation			All Other Compensation (\$)	Total Compensation (\$)
						Annual Incentive Plans	Long-Term Incentive Plans	Pension Value (\$)		
Richard F. McHardy, President and Chief Executive Officer ⁽²⁾	2013	- ⁽⁸⁾	-	-	7,324	-	-	-	-	7,324
Michelle Wiggins, Chief Financial Officer ⁽³⁾	2013	- ⁽⁸⁾	-	-	7,324	-	-	-	-	7,324
James Sanden, Former Chief Executive Officer ⁽⁴⁾	2013 2012	- 140,000	- -	- -	- -	- -	- -	- -	50,000 2,250	50,000 16,250
Hugh M. Thomson, Former Vice President, Finance and Chief Financial Officer ⁽⁵⁾	2013 2012 2011	160,000 160,000 140,000	- - -	- - -	- - -	- - -	- - -	- - -	70,000 ⁽⁹⁾ 40,000 10,000	230,000 200,000 150,000
Dan Wilson, Former Chief Executive Officer ⁽⁶⁾	2013	-	-	-	-	-	-	-	105,000 ⁽¹⁰⁾	105,000
Ron Peshke, Former Chief Operating Officer ⁽⁷⁾	2013	-	-	-	-	-	-	-	105,000 ⁽¹¹⁾	105,000

Notes:

- (1) The amounts disclosed herein for the option based awards are calculated based on the fair value of the options granted during the year based on their fair value of each grant as at the grant date using the Black-Scholes model using the following assumptions on the grant date: the grant price, risk free interest rate and the volatility of the Common Shares up to the grant date. The information is disclosed in the audited financial statements of the Corporation as at December 31, 2013.
- (2) Mr. McHardy was appointed President and Chief Executive Officer on December 10, 2013. None of the compensation paid to Mr. McHardy was compensation for his role as a director of the Corporation.
- (3) Ms. Wiggins was appointed Vice President, Finance and Chief Financial Officer on December 10, 2013.
- (4) Mr. Sanden was appointed Chief Executive Officer on September 7, 2012, pursuant to a consulting arrangement whereby Mr. Sanden received an hourly fee of \$125.00 for services as Chief Executive Officer. Mr. Sanden resigned as Chief Executive Officer on June 19, 2013.
- (5) Mr. Thomson resigned as Vice President, Finance and Chief Financial Officer on December 10, 2013.
- (6) Mr. Wilson was appointed Chief Executive Officer on June 19, 2013 and resigned on December 10, 2013.
- (7) Mr. Peshke was appointed Chief Operating Officer on July 5, 2013 and resigned on December 10, 2013.
- (8) No salary was paid in respect of the period from December 10, 2013 to December 31, 2013.
- (9) Includes \$70,000 paid in connection with Mr. Thomson’s resignation on December 10, 2013.
- (10) Includes \$105,000 paid in connection with Mr. Wilson’s resignation on December 10, 2013.
- (11) Includes \$105,000 paid in connection with Mr. Peshke’s resignation on December 10, 2013.

Compensation Discussion and Analysis

The Board has established a Compensation Committee, which determines the compensation payable to the executives and directors of the Corporation and, in doing so, ensures that the total compensation payable is fair and reasonable and is consistent with the Corporation's compensation philosophy.

The objective of the Corporation's compensation program is to attract, motivate, reward and retain highly talented and experienced executive officers. The compensation program is structured to ensure that compensation is competitive with other similarly situated companies and is reflective of the experience, performance, and contribution of the individuals involved and the overall performance of the Corporation. The Corporation's compensation philosophy is designed to align the interests of executive officers with shareholders' interests and with the execution of the Corporation's business strategy.

The Compensation Committee provides recommendations to the Board with respect to the compensation of executive officers of the Corporation, such compensation to include a base salary, the payment of cash bonuses, if applicable, and participation in the Corporation's stock option plan (the "**Stock Option Plan**"). In addition, executive officers are entitled to broad-based benefit programs. The Compensation Committee believes that the combination of fixed and variable compensation elements will motivate executives to achieve corporate goals and enhance Shareholder value.

Base Salaries

The Compensation Committee recognizes that the size of the Corporation prohibits base salary compensation for officers from matching those of larger companies in the petroleum and natural gas industry. The Compensation Committee does believe, however, that performance-based compensation plans are an important element in the compensation packages for the Corporation's officers, and that long-term equity interests, in the form of options, compensate for lower base salaries. This compensation strategy is similar to the strategies of many other companies in the Corporation's peer group.

Base salaries for officers, including the Chief Executive Officer, will be established by the Compensation Committee at levels comparable to base salaries paid by the Corporation's industry peer group. In assessing comparability, the Corporation will rely upon a review of base salary amounts as disclosed by industry peers in their public disclosure documents. Consideration will be given to the time period evaluated in industry surveys and public data and to the business climate applicable at the time with respect to industry demand for experienced personnel. Salaries of officers, including that of the Chief Executive Officer, will be reviewed annually.

Bonuses

The Corporation does not have a formalized bonus plan for its executive officers and employees, however, the Corporation's executive officers and employees may receive a bonus as and when declared by the Board, after review and recommendation by the Compensation Committee. The determination of the payment and amount of bonus entitlements, if applicable, is expected to be based upon a number of factors, including growth in reserves, production and cash flow per debt adjusted share and the overall financial performance of the Corporation for the applicable period. Bonuses are expected to be reviewed annually by the Compensation Committee and the Board.

Stock Option Plan

Pursuant to the policies of the TSX, the Corporation is permitted to maintain a "rolling 10%" stock option plan. On February 18, 2014, the Shareholders approved the Stock Option Plan, pursuant to which options

to purchase Common Shares may be granted. As of the date of this Information Circular, the Corporation has 9,197,500 options granted under the Stock Option Plan, representing 4.14% of the issued and outstanding Common Shares.

The TSX requires all listed companies with security based compensation arrangements to disclose the terms of such arrangements on an annual basis.

Description of the Stock Option Plan

The purpose of the Stock Option Plan is to provide directors, officers, employees and consultants of the Corporation an incentive to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

Eligibility

The Stock Option Plan provides for the granting of stock options to purchase Common Shares to directors, officers, employees and consultants of the Corporation.

Administration

The Stock Option Plan is administered by the Board and the Board may, subject to applicable law, delegate its powers to administer the Stock Option Plan to a committee of the Board. Options may be granted at the discretion of the Board, in such number that may be determined at the time of grant, subject to the limits set out in the Stock Option Plan.

Exercise Price

The exercise price of stock options granted under the Stock Option Plan will be fixed by the Board at the time of grant, provided that the exercise price shall be not less than the volume weighted average trading price of the Common Shares for the five trading days ending immediately prior to the time of grant. The exercise price is intended to be the fair market value of the Common Shares at the date of grant and, subject to the approval of the Board, the TSX and the shareholders of the Corporation (where required), the exercise price may be adjusted if necessary to achieve that result.

Maximum Percentage of Common Shares Reserved

The aggregate number of Common Shares that may be issued pursuant to the exercise of options awarded under the Stock Option Plan and all other share compensation arrangements of the Corporation is 10% of the Common Shares outstanding from time to time, subject to the following limitations:

1. the aggregate number of Common Shares issued to insiders (as defined in the Stock Option Plan) under the Stock Option Plan, together with all other share compensation arrangements of the Corporation, within a 12-month period, must not exceed 10% of the outstanding issue of Common Shares (on a non-diluted basis); and
2. the aggregate number of Common Shares issuable to insiders (as defined in the Stock Option Plan) under the Stock Option Plan, together with all other share compensation arrangements of the Corporation, must not exceed 10% of the outstanding issue of Common Shares.

Transferability

The stock options are not assignable or transferable by an optionee, except for a limited right of assignment in the event of the death of the optionee.

Term and Vesting

The term of the options granted shall be determined by the Board in its discretion, to a maximum of five years from the date of the grant of the option. The vesting period or periods within this period during which an option or a portion thereof may be exercised shall be determined by the Board. In the absence of any determination by the Board as to vesting, and subject to the policies of the TSX, vesting shall be as to one-third on each of the first, second and third anniversaries of the date of grant. Further, the Board may, in its sole discretion at any time or in the agreement in respect of any stock options granted, accelerate, or provide for the acceleration of, vesting of stock options previously granted.

Early Expiration

Unless otherwise provided in an agreement evidencing the grant of stock options, options shall terminate at the earlier of: (i) the close of business 30 days after the optionee ceasing (other than by reason of death but including termination with or without cause) to be at least one of an officer, director, employee (in active employment carrying out regular and normal duties) or consultant of the Corporation or a Subsidiary (as defined in the Stock Option Plan) of the Corporation, as the case may be; (ii) the close of 30 business days after the optionee has been provided with written notice of dismissal related to (i) above; and (iii) the expiry date of the stock option. If before the expiry of an option in accordance with the terms thereof a participant ceases to be an employee, officer, director or consultant by reason of the death of the participant, any unvested portion of such stock option shall immediately vest. In addition, such option may, subject to the terms thereof and any other terms of the Stock Option Plan, be exercised by the legal personal representative(s) of the participant's estate at any time before 4:00 p.m. (Calgary time) up to six months after the date of death of the participant, or until the expiry date of the option, if earlier.

Change of Control

In the event of a Change of Control (as defined in the Stock Option Plan) occurring, all stock options which have not otherwise vested in accordance with their terms shall immediately vest and be exercisable, notwithstanding the other terms of the stock options for a period of time ending on the earlier of the expiry time of the stock option or the 30th day following the Change of Control.

Voluntary Black-Out Periods

The Corporation has adopted a policy on trading in the securities of the Corporation which results in the imposition of self-imposed black-out periods from time to time, preventing officers, directors, employees and consultants from exercising options. For example, these black-out periods would be imposed prior to the release of financial statements and when the Corporation is considering various possible transactions or is completing material operations that could, if consummated or successfully completed, have a significant effect on the trading price or value of the Corporation's securities. This policy will be adopted as part of Corporation's approach to responsible governance. However, the imposition of voluntary black-out periods can penalize the Corporation, and its insiders and employees where their stock options have not been exercised prior to the voluntary black-out period and such stock options would expire during such period.

Pursuant to the Stock Option Plan, the expiration of the term of any stock options that would fall during any black-out period or within 10 business days following the termination of any black-out period will be

extended for a period of 10 business days following the expiry of such black-out period, such that all optionees will always have a maximum of 10 business days following a voluntary black-out period to exercise stock options. This provision applies to all optionees.

Amendments to Options

The Board may amend or discontinue the Stock Option Plan at any time without the approval of shareholders of the Corporation, provided that such amendment shall not alter or impair any stock option previously granted under the Stock Option Plan, except as permitted by the provisions of the Stock Option Plan, and provided that such amendment or discontinuance has been approved, if required, by the TSX.

Compensation Governance

Further information on the composition and function and mandate of the Compensation Committee is set out under the heading “*Corporate Governance Practices – Compensation Committee.*”

Risk Oversight

In carrying out its mandate, the Compensation Committee reviews from time to time the risk implications of the Corporation’s compensation policies and practices, including those applicable to the Corporation’s executives. This review of the risk implications ensures that compensation plans, in their design, structures and application have a clear link between pay and performance and do not encourage excessive risk taking. Key considerations regarding risk management include the following:

- design of the compensation program to ensure all executives are compensated equally based on the same or, depending on the mandate and term of appointment of that particular executive, substantially equivalent performance goals;
- balance of short-term performance incentives with equity-based awards that vest over time;
- ensuring overall expense to the Corporation of the compensation program does not represent a disproportionate percentage of the Corporation’s revenues, after giving consideration to the development stage of the Corporation; and
- utilizing compensation policies that do not rely solely on the accomplishment of specific tasks without consideration to longer term risks and objectives.

For the reasons set forth below, the Compensation Committee believes that the Corporation’s current executive compensation policies and practices achieve an appropriate balance in relation to the Corporation’s overall business strategy and do not encourage executives to expose the Corporation to inappropriate or excessive risks.

While a significant feature of the Corporation’s current executive compensation practice is the awarding of stock options under the Stock Option Plan, and while such compensation is “at risk” (i.e. not guaranteed), the Corporation’s long-term incentive plans are designed such that stock options vest over a three year period and therefore encourage sustainable Common Share price appreciation and reduce the risk of actions which may have short-term advantages. Additionally, the granting of options is in accordance with the terms and provisions of the Stock Option Plan.

The base salaries set for the Corporation’s executives are intended to provide a steady income regardless of Common Share price performance, allowing executives to focus on both near-term and long-term goals

and objectives without undue reliance on short term Common Share price performance or market fluctuations.

Compensation payable in the form of bonuses is overseen by the Compensation Committee and the Board. The Board does not consider the applicable periods set for bonus purposes to be heavily weighed to the short-term and believes it has struck an appropriate balance between short-term performance incentives and long-term awards that vest over time.

Hedging and Offsetting

At present, the Corporation does not have a formal policy prohibiting its directors and officers from engaging in short sales of securities of the Corporation or buying or selling puts, calls or other derivatives that are designed to hedge or offset a decrease in the market value of securities of the Corporation.

Currently, in the absence of such a policy, the directors and officers of the Corporation are expected to act at all times transparently, with integrity and with a view to the best interests of the Corporation and the Shareholders in their securities trading activities.

It should be noted that any transactions of this nature are subject to insider reporting requirements and are reported on the System for Electronic Disclosure by Insiders (SEDI).

Outstanding Option-Based and Share-Based Awards

The following table sets forth all option-based outstanding at the end of the most recent fiscal year ended December 31, 2013, for the Named Executive Officers of the Corporation. The Corporation did not have any outstanding share-based awards at the end of the most recent fiscal year ended December 31, 2013:

Name	Option-Based Awards			
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-Money Options (\$) ⁽¹⁾
Richard F. McHardy, President and Chief Executive Officer ⁽²⁾	250,000	2.40	December 18, 2018	-
Michelle Wiggins, Chief Financial Officer ⁽³⁾	250,000	2.40	December 18, 2018	-
James Sanden, Former Chief Executive Officer ⁽⁴⁾	-	-	-	-
Hugh M. Thomson, Former Vice President, Finance and Chief Financial Officer ⁽⁵⁾	-	-	-	-
Dan Wilson, Former Chief Executive Officer ⁽⁶⁾	-	-	-	-
Ron Peshke, Former Chief Operating Officer ⁽⁷⁾	-	-	-	-

Notes:

- (1) The amounts disclosed herein for the option based awards are calculated based on the fair value of the options granted during the year based on their fair value of each grant as at the grant date using the Black-Scholes model using the following assumptions on the grant date: the grant price, risk free interest rate and the volatility of the Common Shares up to the grant date. The information is disclosed in the audited financial statements of the Corporation as at December 31, 2013.
- (2) Mr. McHardy was appointed President and Chief Executive Officer on December 10, 2013. None of the compensation paid to Mr. McHardy was compensation for his role as a director of the Corporation.
- (3) Ms. Wiggins was appointed Vice President, Finance and Chief Financial Officer on December 10, 2013.
- (4) Mr. Sanden was appointed Chief Executive Officer on September 7, 2012, pursuant to a consulting arrangement whereby Mr. Sanden received an hourly fee of \$125.00 for services as Chief Executive Officer. Mr. Sanden resigned as Chief Executive Officer on June 19, 2013.
- (5) Mr. Thomson resigned as Vice President, Finance and Chief Financial Officer on December 10, 2013.
- (6) Mr. Wilson was appointed Chief Executive Officer on June 19, 2013 and resigned on December 10, 2013.
- (7) Mr. Peshke was appointed Chief Operating Officer on July 5, 2013 and resigned on December 10, 2013.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth information in respect of the value vested or earned during the Corporation's most recent fiscal year ended December 31, 2013, in respect of option-based awards for the Named Executive Officers of the Corporation. The Corporation did not have any share-based awards outstanding at any point during the fiscal year ended December 31, 2013:

Name	Option-Based Awards - Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation - Value Earned During the Year ⁽¹⁾ (\$)
Richard F. McHardy, President and Chief Executive Officer ⁽²⁾	-	-
Michelle Wiggins, Chief Financial Officer ⁽³⁾	-	-
James Sanden, Former Chief Executive Officer ⁽⁴⁾	-	-
Hugh M. Thomson, Former Vice President, Finance and Chief Financial Officer ⁽⁵⁾	-	-
Dan Wilson, Former Chief Executive Officer ⁽⁶⁾	-	-
Ron Peshke, Former Chief Operating Officer ⁽⁷⁾	-	-

Notes:

- (1) The amounts disclosed herein for the option based awards are calculated based on the fair value of the options granted during the year based on their fair value of each grant as at the grant date using the Black-Scholes model using the following assumptions on the grant date: the grant price, risk free interest rate and the volatility of the Common Shares up to the grant date. The information is disclosed in the audited financial statements of the Corporation as at December 31, 2013.
- (2) Mr. McHardy was appointed President and Chief Executive Officer on December 10, 2013. None of the compensation paid to Mr. McHardy was compensation for his role as a director of the Corporation.
- (3) Ms. Wiggins was appointed Vice President, Finance and Chief Financial Officer on December 10, 2013.
- (4) Mr. Sanden was appointed Chief Executive Officer on September 7, 2012, pursuant to a consulting arrangement whereby Mr. Sanden received an hourly fee of \$125.00 for services as Chief Executive Officer. Mr. Sanden resigned as Chief Executive Officer on June 19, 2013.
- (5) Mr. Thomson resigned as Vice President, Finance and Chief Financial Officer on December 10, 2013.
- (6) Mr. Wilson was appointed Chief Executive Officer on June 19, 2013 and resigned on December 10, 2013.
- (7) Mr. Peshke was appointed Chief Operating Officer on July 5, 2013 and resigned on December 10, 2013.

Pension Plan Benefits

The Corporation does not have a pension plan or provide any benefits following or in connection with retirement. In addition, the Corporation does not have a deferred compensation plan.

Management Agreements, Consulting Contracts, Termination and Change of Control Payments

There are currently no employment contracts or other compensation plans or arrangements with regard to any of the Named Executive Officers which provide for specific compensation in the event of resignation, retirement, other termination of employment or from a change of control of the Corporation or from a change in an officer's responsibilities following a change of control.

Summary of Directors' Compensation

The Corporation's directors do not have service contracts with respect to their roles as directors and are not provided with cash remuneration for their service to the Corporation as directors. All directors are reimbursed for reasonable expenses incurred by them in their capacity as directors, including travel and other out of pocket expenses incurred in connection with meetings of the Board or any committee of the Board. In addition, the directors are entitled to participate in the Stock Option Plan. See discussion under "Executive Compensation".

The following table sets forth for each of the Corporation's directors, other than directors who are also Named Executive Officers, all amounts of compensation for the Corporation's most recently completed fiscal year ended December 31, 2013:

Name	Fees Earned (\$)	Share-Based Awards (\$)⁽¹⁾	Option-Based Awards (\$)⁽²⁾	Non-Equity Incentive Plan Compensation (\$)⁽¹⁾	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Reginald J. Greenslade	-	-	3,780	-	-	-	3,780
Grant W. Greenslade	-	-	7,324	-	-	-	7,324
Michael J. Stark	-	-	3,780	-	-	-	3,780
Donald Archibald	-	-	3,780	-	-	-	3,780
Peter A. Lubey ⁽³⁾	-	-	-	-	-	-	-
Allan Rasmuson ⁽⁴⁾	-	-	-	-	-	-	-
J. Paul Lawrence ⁽⁵⁾	17,394	-	-	-	-	31,500 ⁽¹⁰⁾	48,894
Doran Flock ⁽⁶⁾	49,149	-	-	-	-	50,000 ⁽¹⁰⁾	99,149
William C. McDonald ⁽⁷⁾	2,250	-	-	-	-	105,000 ⁽¹⁰⁾	107,250
David Mackie ⁽⁸⁾	-	-	-	-	-	-	-
James Sanden ⁽⁹⁾	53,965	-	-	-	-	50,000 ⁽¹⁰⁾	103,965

Notes:

- (1) The Corporation currently has no share-based or non-equity incentive plans.
- (2) The amounts disclosed herein for the option based awards are calculated based on the fair value of the options granted during the year based on their fair value of each grant as at the grant date using the Black-Scholes model using the following assumptions on the grant date: the grant price, risk free interest rate and the volatility of the Common Shares up to the grant date. The information is disclosed in the audited financial statements of the Corporation as at December 31, 2013.
- (3) Mr. Lubey ceased to be a director of the Corporation effective June 19, 2013.
- (4) Mr. Rasmuson ceased to be a director of the Corporation effective June 19, 2013.
- (5) Mr. Lawrence ceased to be a director of the Corporation effective December 10, 2013.
- (6) Mr. Flock ceased to be a director of the Corporation effective December 10, 2013.
- (7) Mr. McDonald was appointed as a director on June 19, 2013 and ceased to be a director of the Corporation effective December 10, 2013.
- (8) Mr. Mackie was elected as a director on August 14, 2013 and ceased to be a director effective September 10, 2013.
- (9) Mr. Sanden ceased to be a director effective December 10, 2013.
- (10) Includes payments made in connection with the director's resignation on December 10, 2013.

Outstanding Option-Based and Share-Based Awards

The following table sets forth all option-based outstanding at the end of the most recent fiscal year ended December 31, 2013, for the directors of the Corporation other than directors who are also Named Executive Officers. The Corporation did not have any outstanding share-based awards at the end of the most recent fiscal year ended December 31, 2013:

Name	Option-Based Awards			
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-Money Options (\$)
Reginald J. Greenslade	125,000	2.40	December 18, 2018	-
Grant W. Greenslade	250,000	2.40	December 18, 2018	-
Michael J. Stark	125,000	2.40	December 18, 2018	-
Donald Archibald	125,000	2.40	December 18, 2018	-
Peter A. Lubey ⁽³⁾	-	-	-	-
Allan Rasmuson ⁽⁴⁾	-	-	-	-
J. Paul Lawrence ⁽⁵⁾	-	-	-	-
Doran Flock ⁽⁶⁾	-	-	-	-
William C. McDonald ⁽⁷⁾	-	-	-	-
David Mackie ⁽⁸⁾	-	-	-	-
James Sanden ⁽⁹⁾	-	-	-	-

Notes:

- (1) The Corporation currently has no share-based or non-equity incentive plans, nor did the Corporation have such incentive plans during the year ended December 31, 2013.
- (2) The amounts disclosed herein for the option based awards are calculated based on the fair value of the options granted during the year based on their fair value of each grant as at the grant date using the Black-Scholes model using the following assumptions on the grant date: the grant price, risk free interest rate and the volatility of the Common Shares up to the grant date. The information is disclosed in the audited financial statements of the Corporation as at December 31, 2013.
- (3) Mr. Lubey ceased to be a director of the Corporation effective June 19, 2013.
- (4) Mr. Rasmuson ceased to be a director of the Corporation effective June 19, 2013.
- (5) Mr. Lawrence ceased to be a director of the Corporation effective December 10, 2013.
- (6) Mr. Flock ceased to be a director of the Corporation effective December 10, 2013.
- (7) Mr. McDonald was appointed as a director on June 19, 2013 and ceased to be a director of the Corporation effective December 10, 2013.
- (8) Mr. Mackie was elected as a director on August 14, 2013 and ceased to be a director effective September 10, 2013.
- (9) Mr. Sanden ceased to be a director effective December 10, 2013.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth information in respect of the value vested or earned during the Corporation's fiscal year ended December 31, 2013, in respect of option-based awards and share-based awards for the directors of the Corporation, other than directors who are also Named Executive Officers. The Corporation did not have any share-based awards outstanding during the fiscal year ended December 31, 2013:

Name	Option-Based Awards - Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation - Value Earned During the Year \$(⁽¹⁾)
Reginald J. Greenslade	Nil	-
Grant W. Greenslade	Nil	-
Michael J. Stark	Nil	-
Donald Archibald	Nil	-
Peter A. Lubey ⁽³⁾	-	-
Allan Rasmuson ⁽⁴⁾	-	-
J. Paul Lawrence ⁽⁵⁾	-	-
Doran Flock ⁽⁶⁾	-	-
William C. McDonald ⁽⁷⁾	-	-
David Mackie ⁽⁸⁾	-	-
James Sanden ⁽⁹⁾	-	-

Notes:

- (1) The Corporation currently has no share-based or non-equity incentive plans, nor did the Corporation have such incentive plans during the year ended December 31, 2013.
- (2) The amounts disclosed herein for the option based awards are calculated based on the fair value of the options granted during the year based on their fair value of each grant as at the grant date using the Black-Scholes model using the following assumptions on the grant date: the grant price, risk free interest rate and the volatility of the Common Shares up to the grant date. The information is disclosed in the Audited Financial Statements of the Corporation as at December 31, 2013.
- (3) Mr. Lubey ceased to be a director of the Corporation effective June 19, 2013.
- (4) Mr. Rasmuson ceased to be a director of the Corporation effective June 19, 2013.
- (5) Mr. Lawrence ceased to be a director of the Corporation effective December 10, 2013.
- (6) Mr. Flock ceased to be a director of the Corporation effective December 10, 2013.
- (7) Mr. McDonald was appointed as a director on June 19, 2013 and ceased to be a director of the Corporation effective December 10, 2013.
- (8) Mr. Mackie was elected as a director on August 14, 2013 and ceased to be a director effective September 10, 2013.
- (9) Mr. Sanden ceased to be a director effective December 10, 2013.

Directors' and Officers' Liability Insurance

The Corporation carries directors' and officers' liability insurance for its directors and officers.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information with respect to compensation plans under which equity securities are authorized for issuance as at December 31, 2013, aggregated for all compensation plans previously approved by the Shareholders and all compensation plans not previously approved by the Shareholders:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity Compensation Plans Approved by Securityholders	2,307,500	\$2.40	19,868,801

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity Compensation Plans Not Approved by Securityholders	-	-	-
Total	<u>2,307,500</u>	<u>\$2.40</u>	<u>19,868,801</u>

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director or executive officer of the Corporation, nor any of their associates or affiliates, nor any employee of the Corporation is or has been indebted to the Corporation since the beginning of the most recently completed fiscal year of the Corporation, nor is, or at any time since the beginning of the most recently completed fiscal year of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of directors, executive officers of the Corporation or any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares or any known associate or affiliate of such persons, in any transaction since the commencement of the Corporation's most recently completed financial year.

INTERESTS OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Other than as disclosed in this Information Circular, management of the Corporation is not aware of any material interest of any director or nominee for director or senior officer or anyone who has held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting.

CORPORATE GOVERNANCE PRACTICES

In accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”), issuers are to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. The Corporation is also subject to NI 52-110, which has been adopted in each of the Canadian provinces and territories and which prescribes certain requirements in relation to audit committees.

The Board is responsible for the governance of the Corporation. The Board and the Corporation's management consider good corporate governance to be central to the effective and efficient operation of the Corporation. Below is a discussion of the Corporation's approach to corporate governance.

Corporate Governance Committee

The Board has established a Corporate Governance Committee. The members of the Corporate Governance Committee are Reginald J. Greenslade, Grant W. Greenslade and Donald Archibald. The Corporation's Corporate Governance Committee is responsible for proposing new director nominees to the Board and for assessing current directors on an ongoing basis. The Committee is also responsible for the Corporation's response to and implementation of the guidelines set forth from time to time by any applicable regulatory authorities. The Corporate Governance Committee is comprised entirely of non-management members of the Board and is required to convene at least annually.

Independence of Members of Board

The Board currently consists of six directors, five of whom are independent based upon the tests for independence set forth in National Instrument 52-110 – *Audit Committees* ("N1 52-110"). Messrs. R. Greenslade, G. Greenslade, M. Stark, D. Archibald and T. Budd are independent. Mr. McHardy is not independent by virtue of serving as President and Chief Executive Officer of the Corporation.

Board Oversight and Chairman

The Board exercises its independent supervision over the Corporation's management through a combination of formal meetings of the Board as well as informal discussions amongst the Board members. The independent directors can also hold scheduled meetings at which non-independent directors and members of management are not in attendance. Where matters arise at Board meetings which require decision making and evaluation that is independent of management and interested directors, the meeting breaks into an *in camera* session among the independent and disinterested directors.

The Chairman of the Board is Michael J. Stark, an independent director. The role of the Chairman of the Board is to enhance the Board's effectiveness by ensuring that the responsibilities of the Board are understood by the Board members and management, and ensuring the Board has adequate resources to support its decision-making requirements. The Chairman ensures there is a process in place for monitoring legislation and best practices, and to assess the effectiveness of the Board, the Board committees and individual directors on a regular basis. The Chairman also prepares agendas for Board meetings, consults with the Board on the effectiveness of Board committees, ensures that the independent directors have adequate opportunities to meet and discuss issues without management present, chairs meetings of the Board and communicates to other members of management as appropriate the results of private discussions among independent directors. The Chairman presides at meetings of the Board, provides leadership to the Board, assists the Board in reviewing and monitoring the strategy, goals, objectives and policies of the Corporation and conducts quarterly meetings where the Board meets to review and discuss operational and financial information presented to the Board by management.

Participation of Directors in Other Reporting Issuers

The participation of the directors in other reporting issuers is described in the table below:

Name of Director	Name of Other Reporting Issuer
Richard F. McHardy	None
Reginald J. Greenslade	None
Grant W. Greenslade	None
Michael J. Stark	None

<u>Name of Director</u>	<u>Name of Other Reporting Issuer</u>
Donald Archibald	Cequence Energy Ltd. Chinook Energy Inc.
Thomas Budd	Waldron Energy Corporation Toscana Energy Income Corporation Waldron Energy Corporation

Board Mandate

The Board has adopted a written mandate, attached hereto as Schedule “A”, that summarizes, among other things, the Board’s duties and responsibilities. The Board is responsible for the overall stewardship of the Corporation and dealing with issues which are pivotal to determining the Corporation’s strategy and direction. The Board has directly, and through the appointment of certain committees, put in place an effective system for monitoring the implementation of corporate strategies. The Board is not involved in the day to day operations of the Corporation, as these operations are conducted by the Corporation’s management. The Board meets regularly to consider and approve the strategic objectives of the Corporation and management plans designed to accomplish those objectives. Where appropriate, key management personnel and professional advisors are invited to attend Board meetings to speak to these issues. The Board also meets as necessary to consider specific developments and opportunities as they arise, including asset acquisitions and dispositions and financing proposals. The Board approves, among other things, all issuances of securities of the Corporation, the appointment of officers, the entering into of lines of credit or other significant borrowing activities and all significant transactions. The Board considers, but has no formal policies, concerning management development and succession, risk management and communications.

Essential to strategic planning is assessing and understanding business risks and related control systems. The Board helps set limits with respect to business risks, to the extent they can be managed, and approves strategies for minimizing risks. Implementations of these strategies are then monitored by the Board. The Board, through the Audit Committee, requires management of the Corporation to put into place systems to address financial risks and to periodically report to the Board on these systems and risks.

Management has implemented procedures to provide reasonable assurance of effective communication with the Corporation’s shareholders and the public. The Corporation’s management is responsible for the issuance of press releases and communications with the financial community. The Board reviews and approves all principal continuous disclosure documents, the release of interim and annual financial statements, the annual information form, prospectuses and information circulars.

The Corporate Governance Committee is responsible for monitoring the governance systems of the Corporation with a view to ongoing improvements, reviewing the composition of the Board and developing criteria for new Board appointments. The Corporate Governance Committee also acts as a nominating committee for new directors, oversees and approves the Corporation’s compensation plans and evaluates the overall Board effectiveness.

Position Descriptions

The Board has developed written position descriptions for the Chairman of the Board and the Chief Executive Officer of the Corporation, but has not developed a written position description for the Chairman of the Audit Committee.

The Chair of the Board presides at meetings of the Board and the shareholders of the Corporation, provides leadership to the Board and assists the Board in reviewing and monitoring the strategy, goals, objectives and policies of the Corporation, schedules meetings of the Board and organizes and presents agendas for regular or special Board meetings and communicates with the Board to keep it current on all

material developments. The Chair of each committee of the Board schedules meetings of the committee and organizes and presents agendas for such meetings.

The Board, in conjunction with management, sets the Corporation's annual objectives which become the objectives against which the Chief Executive Officer's performance is measured. The Board has plenary power; any responsibility which is not delegated to management or a Board committee remains with the Board.

Orientation and Continuing Education

While the Corporation does not have a formal orientation and training program, new members of the Board are provided with:

- (a) a copy of the policies and mandates of the Board and its committees and copies of the Corporation's corporate governance policies, which provides information respecting the functioning of the Board;
- (b) access to recent, publicly filed documents of the Corporation;
- (c) access to management; and
- (d) access to legal counsel in the event of any questions relating to the Corporation's compliance and other obligations.

Members of the Board are encouraged to communicate with management, legal counsel and, where applicable, auditors and technical consultants of the Corporation; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Corporation's operations. Board members have full access to the Corporation's records.

Ethical Business Conduct

In establishing its corporate governance practices, the Board has been guided by applicable Canadian securities legislation and the guidelines of the TSX for effective corporate governance, including NP 58-201. The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interests of its Shareholders, but that it also promotes effective decision making at the Board level.

Additionally, in order to encourage and promote a culture of ethical business conduct, the Board has adopted a Code of Business Conduct and Ethics (the "**Code**") wherein directors, officers and employees of the Corporation and others are provided with a mechanism by which they can raise complaints regarding financial and regulatory reporting, internal accounting controls, auditing or health, safety and environmental matters or any other matters and raise concerns about any violations of the Code in a confidential and, if deemed necessary, anonymous process. Interested Shareholders may obtain a copy of the Code upon request by contacting the Corporation at Suite 500, 850 - 2nd Street S.W., Calgary, Alberta, T2P 0R8.

The Board has instructed its management and employees to abide by the Code and to bring any breaches of the Code to the attention of the Corporate Governance Committee. Compliance with the Code is monitored primarily through the reporting process within the Corporation's organizational structure.

It is a requirement of applicable corporate law that directors who have an interest in a transaction or agreement with the Corporation promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and abstain from discussions and voting in respect to same if the interest is material. The Code imposes a similar disclosure requirement on all non-director representatives of the Corporation and requires such persons to report such conflict to the executive officer to whom that person reports in the course of his employment responsibilities, or, in the case of a senior executive officer, to the Corporate Governance Committee and fully inform such person or the committee, as applicable, of the facts and circumstances related to the conflict or potential conflict. The representative is prohibited from taking any further action in respect of the matter or transaction giving rise to such conflict or potential conflict unless and until he is authorized to do so by his reporting officer, or the Corporate Governance Committee.

Nomination of Directors

The Corporate Governance Committee has responsibility for identifying potential Board candidates. The Corporate Governance Committee assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the oil and gas industry are consulted for possible candidates. The Board has adopted a written charter setting forth the responsibilities, powers and operations of the Corporate Governance Committee, which include considering what competencies and skills the Board, as a whole, should possess, the appropriate size of the Board in order to facilitate effective decision making and assessing the same on a periodic basis, making recommendations to the Board with respect to filling vacancies, evaluating the performance of individual directors and making recommendations as to their further nomination, reviewing proposed shareholder nominees and making recommendations to the Board regarding resignations of directors. The Corporate Governance Committee has the power to retain outside advisors as it considers necessary for the proper functioning of the committee, at the Corporation's expense. The Corporate Governance Committee meets at least once annually and otherwise as requested by the Board or considered desirable by the Chair of the Corporate Governance Committee.

Compensation Committee

The members of the Compensation Committee are independent and have the responsibility for determining compensation for the directors and senior management. See "*Executive Compensation*" above.

The members of the Compensation Committee are Reginald J. Greenslade, Michael J. Stark and Donald Archibald. The Corporation's Compensation Committee reviews and makes recommendations to the Board concerning the compensation of the Corporation's directors, officers and employees, which includes the review of the Corporation's executive compensation and other human resource philosophies and policies, the review and administration of the Corporation's bonuses, stock options and any share purchase plan, the review of and recommendations regarding the performance of the Chief Executive Officer of the Corporation and preparing and submitting a report for inclusion in annual continuous disclosure documents as required. All members of the Compensation Committee have previously served on compensation committees of other companies and have experience in this role.

The Board has adopted a written charter that sets forth the responsibilities, powers and operations of the Compensation Committee, which include: reviewing the adequacy and form of any compensation program for executive officers, reviewing the adequacy and form of non-employee directors' compensation, reviewing and creating a position description for the Chief Executive Officer, evaluating the Chief Executive Officer's performance in light of corporate goals and objectives and making recommendations to the Board with respect to the Chief Executive Officer's compensation. The Compensation Committee has the power to retain independent legal, accounting or other relevant advisors as it may deem necessary or appropriate to

allow it to discharge its responsibilities, at the expense of the Corporation. The Compensation Committee meets at least once annually and otherwise as requested by the Board or considered desirable by the Chair of the committee.

Audit Committee

Please see the discussion under “*Audit Committee.*”

Reserves and Environment Committee

The members of the Reserves and Environment Committee are Reginald J. Greenslade, Grant W. Greenslade and Thomas Budd. Reginald Greenslade is the Chairman of the Reserves and Environment Committee. The Reserves and Environment Committee’s responsibilities include, but are not limited to: (i) reviewing management’s recommendations for the appointment of independent engineers; (ii) reviewing the independent engineering reports and considering the principal assumptions upon which such reports are based; (iii) reviewing management’s input into the independent engineering report and key assumptions used; (iv) reviewing the reserve additions and reserve revisions which occur from one report to the next and seeking the independent engineer’s input and management’s input with respect to why these revisions have occurred; (v) reviewing the information supplied to the independent engineers with respect to the constant price case, operating costs, royalty burdens, required capital expenditures, recovery rates, decline rates and other matters; (vi) annually reviewing the appropriateness of, and updating, the Corporation’s environmental policies, management systems and programs and reporting to the Board thereon; (vii) ensuring that the Corporation has the necessary tools to measure its business units’ environmental performance and compliance with applicable regulatory standards; (viii) reviewing the environmental performance and, whenever relevant, any non-compliance situation of the Corporation’s business units, to recommend the required corrective measures; (ix) ensuring that environmental risk management procedures and emergency response measures are in place and are periodically updated and distributed within the Corporation; (x) assessing the environmental risks and emergency situations brought to its attention to recommend the required corrective measures; (xi) immediately communicating any incident giving rise to significant environmental risks to the Board; (xii) recommending to the Board that the Corporation exercise due diligence with respect to non-compliance situations, environmental risks or emergency situations brought to its attention; (xiii) reviewing and reporting to the Board on all legal notices or civil, penal and/or criminal prosecutions brought to its attention; (xiv) recommending to the Board measures, including necessary investments, taking into account available technologies and economic and financial restraints, to ensure compliance with regulatory standards and the Corporation’s environmental policies and programs; (xv) analyzing all environmental matters brought to its attention and deemed relevant or that the Board specifically asks the Committee to review; and (xvi) reporting to the Board on the Corporation’s environmental policies, programs and situation and make appropriate recommendations.

Assessments

The Board is responsible to assess, on an ongoing basis, its overall performance and that of its committees. The objective of this review is to contribute to a process of continuous improvement in the Board’s execution of its responsibilities. The review will identify any areas where the directors of the Corporation or management believe that the Board could make a better collective contribution to overseeing the affairs of the Corporation. The Board is also responsible for regularly assessing the effectiveness and contribution of each director, having regard to the competencies and skills each director is expected to bring to the Board.

AUDIT COMMITTEE

The purpose of the Corporation's Audit Committee is to provide assistance to the Board in fulfilling its legal fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Corporation. It is the objective of the Audit Committee to maintain free and open means of communications among the Board, the independent auditors and the financial and senior management of the Corporation.

In connection with Audit Committee disclosure required under NI 52-110, please see "*Audit Committee*" in the Corporation's Annual Information Form filed on SEDAR at www.sedar.com.

Since the date of the Corporation's Annual Information Form, Thomas Budd has replaced Reginald Greenslade as a member of the Audit Committee. Mr. Budd is independent and financially literate (as such terms are defined in NI 52-110). Mr. Budd is a Certified Management Accountant (non-active) with the Society of Management Accountants of Alberta and holds a Masters of Business Administration from the University of Toronto. Mr. Budd is an independent investor and has many years of experience providing mergers and acquisitions and financial advice on a significant number of Canada's oil and gas transaction.

ADDITIONAL INFORMATION

Financial information of the Corporation is provided in the Corporation's financial statements and management's discussion and analysis for its most recently completed financial year. A copy of these documents may be obtained by contacting the Corporation's Chief Financial Officer at Suite 500, 850 - 2nd Street S.W., Calgary, Alberta, T2P 0R8.

Copies of these documents as well as additional information relating to the Corporation contained in documents filed by the Corporation with the Canadian securities regulatory authorities may also be accessed through the SEDAR website at www.sedar.com.

SCHEDULE "A"
BOARD MANDATE

SPARTAN ENERGY CORP.
BOARD OF DIRECTORS MANDATE

1. GENERAL

The Board of Directors (the "**Board**") of Spartan Energy Corp. (the "**Company**") is responsible for the stewardship of the Company's affairs and the activities of management of the Company in the conduct of day to day business, all for the benefit of its shareholders.

The primary responsibilities of the Board are:

- (a) to maximize long term shareholder value;
- (b) to approve the strategic plan of the Company;
- (c) to ensure that processes, controls and systems are in place for the management of the business and affairs of the Company and to address applicable legal and regulatory compliance matters;
- (d) to maintain the composition of the Board in a way that provides an effective mix of skills and experience to provide for the overall stewardship of the Company;
- (e) to ensure that the Company meets its obligations on an ongoing basis and operates in a safe and reliable manner; and
- (f) to monitor the performance of the management of the Company to ensure that it meets its duties and responsibilities to the shareholders.

2. COMPOSITION AND OPERATION

The number of directors shall be not less than the minimum and not more than the maximum number specified in the Company's articles and shall be set from time to time within such limits by resolutions of the shareholders or of the Board as may be permitted by law. Directors are elected to hold office for a term of one year. At least 25 percent of the directors must be Canadian residents. The Board will analyze the application of the "independent" standard as such term is referred to in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, to individual members of the Board on an annual basis and disclose that analysis. The Board will in each year appoint a chairman of the Board (the "**Chairman**").

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility of managing its own affairs including selecting its Chairman, nominating candidates for election to the Board, constituting committees of the Board and determining compensation for the directors. Subject to the articles and by-laws of the Company and the *Business Corporations Act* (Alberta) (the "**ABCA**"), the Board may constitute, seek the advice of, and delegate certain powers, duties and responsibilities to, committees of the Board.

3. MEETINGS

The Board shall have a minimum of four regularly scheduled meetings per year. The meetings shall ordinarily take place in March, May, August and November. Special meetings are called as necessary. Occasional Board trips are scheduled, if possible, in conjunction with regular Board meetings, to offer directors the opportunity to visit sites and facilities at different operational locations. A quorum for a meeting of the Board shall consist of a simple majority of the members of the Board.

The Board will schedule executive sessions where directors meet with or without management participation at each regularly-scheduled meeting of the Board.

4. SPECIFIC DUTIES

(a) Oversight and Overall Responsibility

In fulfilling its responsibility for the stewardship of the affairs of the Company, the Board shall be specifically responsible for:

- (i) providing leadership and direction to the Company and management with the view to maximizing shareholder value. Directors are expected to provide creative vision, initiative and experience in the course of fulfilling their leadership role;
- (ii) satisfying itself as to the integrity of the Chief Executive Officer (the "**CEO**") and other senior officers of the Company and ensuring that a culture of integrity is maintained throughout the Company;
- (iii) approving the significant policies and procedures by which the Company is operated and monitoring compliance with such policies and procedures, and, in particular, compliance by all directors, officers and employees with the provisions of the Code of Business Conduct and Ethics;
- (iv) reviewing and approving material transactions involving the Company, including the acquisitions and dispositions of material assets by the Company and material capital expenditures by the Company;
- (v) approving budgets, monitoring operating performance and ensuring that the Board has the necessary information, including key business and competitive indicators, to enable it to discharge this duty and take any remedial action necessary;
- (vi) establishing methods by which interested parties may communicate directly with the Chairman or with the independent directors as a group and cause such methods to be disclosed;
- (vii) developing written position descriptions for the Chairman and for the chair of each Board committee; and
- (viii) making regular assessments of the Board and its individual members, as well as the effectiveness and contributions of each Board committee.

(b) Legal Requirements

- (i) The Board has the oversight responsibility for meeting the Company's legal requirements and for properly preparing, approving and maintaining the Company's documents and records.
- (ii) The Board has the statutory responsibility to:
 - A. manage the business and affairs of the Company;
 - B. act honestly and in good faith with a view to the best interests of the Company;
 - C. exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and
 - D. act in accordance with its obligations contained in the ABCA and the regulations thereto, the articles and by-laws of the Company, and other relevant legislation and regulations.
- (iii) The Board has the statutory responsibility for considering the following matters as a full Board which in law may not be delegated to management or to a committee of the Board:
 - A. any submission to the shareholders of a question or matter requiring the approval of the shareholders;
 - B. the filling of a vacancy among the directors or in the office of auditor;
 - C. the appointment of additional directors;
 - D. the issuance of securities except in the manner and on the terms authorized by the Board;
 - E. the declaration of dividends;
 - F. the purchase, redemption or any other form of acquisition of shares issued by the Company, except in the manner and on the terms authorized by the Board;
 - G. the payment of a commission to any person in consideration of such person's purchasing or agreeing to purchase shares of the Company from the Company or from any other person, or procuring or agreeing to procure purchasers for any shares of the Company;
 - H. the approval of management proxy circulars;
 - I. the approval of any financial statements to be placed before the shareholders of the Company at an annual general meeting; and
 - J. the adoption, amendment or repeal of any by-laws of the Company.

(c) Independence

The Board shall have the responsibility to:

- (i) implement appropriate structures and procedures to permit the Board to function independently of management (including, without limitation, through the holding of meetings at which non-independent directors and management are not in attendance, if and when appropriate);
- (ii) implement a system which enables an individual director to engage an outside advisor at the expense of the Company in appropriate circumstances; and
- (iii) provide an orientation and education program for newly appointed members of the Board.

(d) Strategy Determination

The Board shall:

- (i) adopt and annually review a strategic planning process and approve the corporate strategic plan, which takes into account, among other things, the opportunities and risks of the Company's business; and
- (ii) annually review operating and financial performance results relative to established strategy, budgets and objectives.

(e) Managing Risk

The Board has the responsibility to identify and understand the principal risks of the Company's business, to achieve a proper balance between risks incurred and the potential return to shareholders, and to ensure that appropriate systems are in place which effectively monitor and manage those risks with a view to the long-term viability of the Company.

(f) Appointment, Training and Monitoring of Senior Management

The Board shall:

- (i) appoint the CEO and other senior officers of the Company, approve (upon recommendations from the Corporate Governance and Compensation Committees) their compensation, and monitor and assess the CEO's performance against a set of mutually agreed corporate objectives directed at maximizing shareholder value;
- (ii) ensure that a process is established that adequately provides for succession planning including the appointment, training and monitoring of senior management;
- (iii) establish limits of authority delegated to management; and
- (iv) develop a written position description for the CEO.

(g) Reporting and Communication

The Board has the responsibility to:

- (i) verify that the Company has in place policies and programs to enable the Company to communicate effectively with its shareholders, other stakeholders and the public generally;
- (ii) verify that the financial performance of the Company is reported to shareholders, other security holders and regulators on a timely and regular basis;
- (iii) verify that the financial results of the Company are reported fairly and in accordance with International Financial Reporting Standards from time to time;
- (iv) verify the timely reporting of any other developments that have a significant and material impact on the value of the Company;
- (v) report annually to shareholders on its stewardship of the affairs of the Company for the preceding year; and
- (vi) develop appropriate measures for receiving stakeholder feedback.

(h) Monitoring and Acting

The Board has the responsibility to:

- (i) review and approve the Company's financial statements and oversee the Company's compliance with applicable audit, accounting and reporting requirements;
- (ii) verify that the Company operates at all time within applicable laws and regulations to the highest ethical and moral standards;
- (iii) approve and monitor compliance with significant policies and procedures by which the Company operates;
- (iv) monitor the Company's progress towards its goals and objectives and to work with management to revise and alter its direction in response to changing circumstances;
- (v) take such action as it determines appropriate when the Company's performance falls short of its goals and objectives or when other special circumstances warrant; and
- (vi) verify that the Company has implemented appropriate internal control and management information systems.

(i) Other Activities

The Board may perform any other activities consistent with this mandate, the articles and by-laws of the Company and any other governing laws as the Board deems necessary or appropriate including, but not limited to:

- (i) preparing and distributing the schedule of Board meetings for each upcoming year;
- (ii) calling meetings of the Board at such time and such place and providing notice of such meetings to all members of the Board in accordance with the by-laws of the Company; and
- (iii) ensuring that all regularly-scheduled Board meetings and committee meetings are properly attended by directors. Directors may participate in such meetings by conference call if attendance in person is not possible.

(j) Code of Business Conduct and Ethics

The Board shall be responsible to adopt a "Code of Business Conduct and Ethics" for the Company which shall address:

- (i) conflicts of interest;
- (ii) the protection and proper use of the Company's assets and opportunities;
- (iii) the confidentiality of information;
- (iv) fair dealing with various stakeholders of the Company;
- (v) compliance with laws, rules and regulations; and
- (vi) the reporting of any illegal or unethical behaviour.

5. BOARD COMMITTEES

The Board shall at all times maintain (a) an Audit Committee, (b) a Reserves Committee, (c) a Corporate Governance Committee, and (d) a Compensation Committee, each of which must report to the Board. Each such committee must operate in accordance with the by-laws, applicable law, its committee charter and the applicable rules of any stock exchange on which the shares are traded. The Board may also establish such other committees as it deems appropriate and delegate to such committees such authority permitted by its by-laws and applicable law, and as the Board sees fit. The purpose of the Board committees is to assist the Board in discharging its responsibilities. Notwithstanding the delegation of responsibilities to a Board committee, the Board is ultimately responsible for matters assigned to the committees for determination. Except as may be explicitly provided in the charter of a particular committee or a resolution of the Board, the role of a Board committee is to review and make recommendations to the Board with respect to the approval of matters considered by the committee.

6. DIRECTOR ACCESS TO MANAGEMENT

The Company shall provide each director with complete access to the management of the Company, subject to reasonable advance notice to the Company and reasonable efforts to avoid disruption to the Company's management, business and operations.

7. DIRECTOR COMPENSATION

The Board, upon recommendation of the Compensation Committee, will determine and review the form and amount of compensation to directors.