

Form 51-103F4
Information Circular

PART 1 INSTRUCTIONS

1.1 Defined Terms

Refer to Sample Instrument 51-103 *Ongoing Governance and Disclosure Requirements for Venture Issuers* for terms that are used in this Form that are not defined in this Form. If not defined in that Instrument, refer to securities legislation and National Instrument 14-101 *Definitions*.

This Form also uses accounting terms that are defined, or referred to, in Canadian GAAP. See the Guidance at the end of Part 1 of Sample Instrument 51-103 *Ongoing Governance and Disclosure Requirements for Venture Issuers*.

1.1 Incorporating Information by Reference

If information required by this Form has already been provided by the Venture Issuer in another filed document, it may be incorporated by reference into an Information Circular by stating the name and date of that other document and that it is available on SEDAR at www.sedar.com. Also include a statement in the Information Circular that the applicable disclosure is incorporated by reference into the Information Circular. If the other disclosure document is lengthy, identify the location of the relevant information in the other document.

1.3 Plain Language

Use plain, easy to understand language in drafting the Information Circular. Avoid technical terms but, if necessary, explain them in a clear and concise manner.

1.4 Format

The numbering, headings and ordering of the items included in this Form are guidelines only. To make the Information Circular easier to understand, present information in tables, where possible. State all amounts in figures.

1.5 Omitting Information

It is not necessary to respond to an item in this Form if it is not applicable to the Venture Issuer. Information may be omitted if (a) it is not known to the person or company on whose behalf the Solicitation is made, (b) it is not reasonably within the power of such person or company to obtain, and (c) the Information Circular briefly states the circumstances that make the information unavailable.

PART 2 INTRODUCTORY CONTENTS OF INFORMATION CIRCULAR

2.1 Date

Date the Information Circular with a date that is not more than thirty days before the date the Information Circular is first sent to any securityholder of the Venture Issuer. Unless otherwise required by this Form, all information in the Information Circular must be current to that date.

2.2 Solicitation

- (1) Indicate who is making or on whose behalf the Solicitation is being made. State who will pay the costs of Solicitation.
- (2) If the Solicitation is to be made other than by mail, describe the method to be used. If specially engaged employees or soliciting agents will make the Solicitation describe the Material terms of the engagement including the parties and the cost.

2.3 Opposition by a Director

If a director has informed management that he or she intends to oppose any action intended to be taken by management at the meeting, state this and indicate the action that he or she has indicated an intention to oppose.

2.4 Record Date Establishing Securityholders Who Can Vote

- (1) State the record date for determining which securityholders of record are entitled to vote at the meeting or, if applicable, the particulars as to the closing of the security transfer register.
- (2) If the right to vote is not limited to securityholders of record as of a specified record date, state the conditions under which securityholders are entitled to vote.

2.5 Outstanding Voting Securities

- (1) For each class of voting securities of the Venture Issuer entitled to be voted at the meeting, state the number of securities outstanding and describe the voting rights.
- (2) If the Venture Issuer has outstanding Restricted Securities, or securities that are directly or indirectly convertible into or exercisable into or exchangeable for Restricted Securities or securities that will, when issued, result in an existing class of outstanding securities being considered Restricted Securities, provide a cross-reference to the disclosure in the Annual Report which complies with Part 10 of National Instrument 51-102 *Continuous Disclosure Obligations*.

PART 3 ELECTION OF DIRECTORS

3.1 Biographies of and Securities Held by Proposed Directors

This section only applies if directors are to be elected at the meeting.

- (1) List each of the individuals who are to be nominated for election as a director and each other individual whose term as a director will continue following the meeting, including the expiry date of such individual's term.
- (2) If an individual, not currently a director, is to be nominated for election as a director (a "Proposed New Director"), provide the following information in respect of that individual:
 - (a) name, municipality and country of residence;
 - (b) principal occupation, business or employment for the prior five years, including the name and principal business of any Company in which any such employment is carried on;
 - (c) the number of securities of each class of the Venture Issuer and any of its Subsidiaries beneficially owned, or controlled or directed, directly or indirectly;
 - (d) if an individual is a director or Executive Officer of another reporting issuer or an entity that is subject to reporting obligations in a foreign jurisdiction, the name of that entity and the position held with that other entity;
 - (e) if the Proposed New Director, alone or together with his or her associates or Affiliated Entities is a Principal Holder of the Venture Issuer's securities,
 - (i) disclose the number of securities of each class beneficially owned, or controlled or directed, directly or indirectly, by the Proposed New Director and his or her associates or Affiliated Entities, and
 - (ii) state the names of each associate or Affiliated Entities of the Proposed New Director who is a Principal Holder; and
 - (f) if the Proposed New Director owes or since the start of the last completed financial year owed a debt to the Venture Issuer or any of its Subsidiaries or is or was during the last completed financial year a beneficiary of a guarantee to a third party, a support agreement, letter of credit or similar arrangement or understanding provided by the Venture Issuer, provide the disclosure specified by section 6.1 of Form 51-103F1 *Annual and Mid-Year Report*.
- (3) For each proposed director who is not a Proposed New Director, provide a cross-reference to the disclosure in the most recent Annual Report that is comparable to the disclosure required by this section for a Proposed New Director or, if such disclosure has not been made or the information disclosed has changed Materially, provide the disclosure for the proposed director that is required by this section for a Proposed New Director.

3.2 Special Voting Rights and Arrangements

- (1) If directors are to be elected and any class of securityholder has the right to elect a specified number of directors or have cumulative or similar voting rights, describe those rights and how they may be exercised.
- (2) If a proposed director is to be elected under any arrangement or understanding with any other person or company name the other person or company and briefly describe the arrangement or understanding. It is not necessary to describe an arrangement with the directors or Executive Officers of the Venture Issuer acting on behalf of the Venture Issuer.

3.3 Cease Trade Orders, Penalties, Sanctions and Bankruptcies of Proposed New Directors

- (1) If a Proposed New Director of the Venture Issuer is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director or Executive Officer of any entity (including the Venture Issuer) that, while that individual was acting in that capacity,
 - (a) was the subject of a cease trade or similar order, including a management cease trade, or an order that denied the relevant entity access to any exemption under securities legislation, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect,
 - (b) was subject to an event that resulted, after the director or Executive Officer ceased to be a director or Executive Officer, in the entity being the subject of a cease trade or similar order, including a management cease trade, or an order that denied the relevant entity access to any exemption under securities legislation, for a period of more than 30 consecutive days, state the fact and describe the basis on which the order was made and whether the order is still in effect, or
 - (c) within a year of that individual 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, state the fact.
- (2) If a Proposed New Director or a personal holding Company of the Proposed New Director has, within the 10 years before the date of the Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the Proposed New Director or personal holding Company, as applicable, state the fact.
- (3) If a Proposed New Director or a personal holding Company of a Proposed New Director has been subject to any penalties or sanctions, other than a late filing fee,

- (a) imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or
- (b) imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a Proposed New Director

describe the penalties or sanctions imposed and the grounds on which they were imposed, or the terms of the settlement agreement and the circumstances that gave rise to the settlement agreement.

- (4) Disclosure of settlement agreements entered into before December 31, 2000 are not required unless they are Material.
- (5) For each proposed director, other than a Proposed New Director, provide a cross-reference to the disclosure in the last Annual Report or other filed document that is comparable to the disclosure required by this section for a Proposed New Director. If such disclosure is no longer accurate, provide current disclosure for the proposed director as required by this section for a Proposed New Director.

PART 4 APPOINTMENT OF AUDITOR

4.1 Current Auditor

- (1) Name the current auditor of the Venture Issuer and if the auditor was first appointed within the last five years, state the date when the auditor was first appointed.
- (2) Indicate who is recommending appointment of the auditor for the ensuing financial year.
- (3) If action is to be taken to replace an auditor, provide the information required under section 4.11 of National Instrument 51-102 *Continuous Disclosure Obligations*.

PART 5 PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

5.1 General Description

- (1) If securityholders will be asked to vote at the meeting on any matter other than the approval of financial statements, the election of directors or the appointment of the auditor, describe the matter they will be asked to vote on (and any related groups of matters) in sufficient detail to allow a reasonable securityholder to form a reasoned judgment on how to vote.

Guidance: Examples of such matters include:

- *alterations of share capital, such as stock splits, consolidations and creation or amendment of classes of shares;*
- *amendments to constating documents and by-laws;*

- *adoption or amendment of equity compensation plans and shareholders' rights plans;*
- *Significant Transactions or Combination Transactions related to Material property acquisitions or dispositions;*
- *Reverse Takeovers;*
- *amalgamations, mergers, arrangements or reorganizations; and*
- *other similar transactions.*

- (2) If the Venture Issuer is not legally required to obtain securityholder approval of the matter, explain why the Venture Issuer is asking securityholders to vote on it. Also state what management intends to do if securityholders vote against the matter.

5.2 Additional Disclosure for an Entity Involved in a Significant Transaction

- (1) For the purposes of this section:

“Acquisition” includes an acquisition of an interest in a Business that is consolidated for accounting purposes or accounted for by another method such as the equity method, but excludes transactions that are accounted for by the cost method; and

“Acquisition Date” means the date as determined in accordance with the Issuer’s GAAP.

- (2) If securityholders are asked to vote on a Significant Transaction, include the disclosure, to the extent known or reasonably ascertainable, that would be required for the transaction under Form 51-103F2 Report of Material Change or Disclosable Event.
- (3) Subject to section 5.3, if securityholders are asked to vote on a Significant Transaction that is a Combination Transaction involving the acquisition of a Business or Related Businesses, include the following financial statements for each Business or Related Business:
- (a) an statement of comprehensive income a statement of changes in equity and a statement of cash flows for the following periods
 - (i) if the Business has completed one financial year
 - A. the most recently completed financial year ended on or before the Acquisition Date
 - B. the financial year immediately preceding the most recently completed financial year, if any,
 - (ii) if the Business has not completed one financial year, the financial period commencing on the date of formation and ending on a date not more than 45 days before the Acquisition Date

- (iii) the most recently completed Mid-Year Period or other period that started the day after the date of the statement of financial position specified in paragraph (b) and ended
 - A. in the case of a Mid-Year Period, before the Acquisition Date, or
 - B. in the case of a period other than a Mid-Year Period, after the Mid-Year Period referred to in clause A. and on or before the Acquisition Date,
- (iv) the period comparable to the period in subparagraph (iii) in the preceding financial year of the Business or each of the Related Businesses,
- (b) a statement of financial position as at the end of each of the periods specified in subparagraph(a)(i) or the period specified in subparagraph (a)(ii),
- (c) a statement of financial position as at the end of each of the periods specified in subparagraph (a)(iii) and at the financial year end, and
- (d) notes to the financial statements referred to above.
- (4) The most recently completed financial period referred to in subparagraph (3)(a)(i) or (ii) must be audited.

5.3 Financial Statement Exemptions for an Entity Involved in a Significant Transaction that is a Combination Transaction

- (1) For the purposes of this section, “Operating Income” means gross revenue less royalty expenses and production costs
- (2) A Venture Issuer is exempt from the requirements of subsection 5.2(3) if
 - (a) the acquisition is, or will be, of an Equity Investee,
 - (b) the Information Circular includes disclosure for the periods for which financial statements are otherwise required under subsection 5.2(3) that summarizes financial information of the Equity Investee, including the aggregated amounts of assets, liabilities, revenue and profit or loss,
 - (c) the financial information provided under paragraph (b) for the most recently completed financial year has been
 - (i) derived from audited financial statements of the Equity Investee, or
 - (ii) audited, and
 - (d) the Information Circular
 - (i) identifies the financial statements referred to in subparagraph (c)(i) from which disclosure provided under paragraph (b) has been derived, or

- (ii) discloses that the financial information provided under paragraph (b), if not derived from audited financial statements, has been audited, and
 - (iii) discloses that the audit opinion with respect to the financial statements referred to in subparagraph (i), or the financial information referred to in subparagraph (ii) was issued without a modified opinion.
- (3) If under section 5.2 a Venture Issuer is required to provide financial statements for a Business acquired and the Business changed its financial year end during either of the financial years required to be included, the Venture Issuer may include financial statements for the transition year in satisfaction of the financial statements for one of the years, provided that the transition year is at least nine months.
- (4) A Venture Issuer is not required to provide comparative information for Mid-Year Financial Statements required under subparagraph 5.2(3)(a)(iii) for a business acquired if
 - (a) it is reasonably impracticable to present prior-period information on a basis consistent with the most recently completed Mid-Year Period of the acquired Business,
 - (b) the prior-period information that is available is presented, and
 - (c) the notes to the Mid-Year Financial Statements disclose the fact that the prior-period information has not been prepared on a basis consistent with the most recent Mid-Year Period financial information.
- (5) A Venture Issuer is exempt from the requirements of section 5.2(3) with respect to an acquisition of a Business that is an interest in an oil and gas property or Related Businesses that are interests in oil and gas properties that are not acquisitions of securities of another issuer if
 - (a) the Venture Issuer is unable to provide the financial statements in respect of the acquisition otherwise required under this Part because those financial statements do not exist or because the Venture Issuer does not have access to those financial statements,
 - (b) the acquisition does not constitute a Reverse Takeover,
 - (c) subject to subsection (5), in respect of the Business or Related Businesses, for each of the financial periods for which financial statements would, but for this section, be required under section 5.2, the Information Circular includes
 - (i) an operating statement presenting for the Business or Related Businesses at least the following
 - A. gross revenue,
 - B. royalty expenses, and

- C. production costs,
- D. operating income,
- (ii) a description of the property or properties and the interest acquired by the Venture Issuer, and
- (iii) disclosure of the annual oil and gas production volumes from the Business or Related Businesses,
- (d) the operating statement for the most recently completed financial period referred to in subparagraph 5.2(3)(a)(i) or (ii) is audited, and
- (e) the Information Circular discloses
 - (i) the estimated reserves and related future net revenues attributable to the Business or Related Businesses, the material assumptions used in preparing the estimates and the identity and relationship to the Venture Issuer or to the vendor of the person who prepared the estimates, and
 - (ii) the estimated oil and gas production volumes from the Business or Related Businesses for the first year reflected in the estimates disclosed under subparagraph (i).
- (6) A Venture Issuer is exempt from the requirements of subparagraphs (5)(c)(i) and (iii) if
 - (a) production, gross revenue, royalty expenses, production costs and operating income were nil for the Business or Related Businesses for each financial period, and
 - (b) the Information Circular discloses this fact.
- (7) Despite subsection 5.2(3), a Venture Issuer is exempt from the requirements to file financial statements for an acquired Business if the Venture Issuer has made multiple investments in the acquired Business and the acquired Business has been consolidated in the Venture Issuer's most recent annual financial statements that have been filed.

5.4 Additional Disclosure for an Entity Involved in a Combination Transaction

In addition to the requirements of section 5.1, if securityholders are asked to vote on a Combination Transaction, other than one referred to in section 5.2(3), under which securities are to be or have been changed, exchanged, issued or distributed, include for each of the following entities, the disclosure, including financial statements and consents, required by securities legislation for a prospectus involving a distribution of securities that the entity would have been eligible to use immediately prior to the closing of the Combination Transaction:

- (a) the Venture Issuer, if the Venture Issuer has not filed all documents required under Sample Instrument 51-103 *Ongoing Governance and Disclosure Requirements for Venture Issuers*,

- (b) each entity, other than the Venture Issuer, whose securities are being or have been changed, exchanged, issued or distributed if the Venture Issuer's securityholders prior to the Combination Transaction will have or have an interest in that other entity after the Combination Transaction is completed, and
- (c) each entity that would result or has resulted from the Combination Transaction, if the Venture Issuer's securityholders will have or have an interest in that entity after the Combination Transaction is completed.

5.5 Other Exemptions from Disclosure

- (1) If a person or company, other than management of a Venture Issuer, Solicits proxies, the disclosure requirements of this Part do not apply to the Information Circular (a "dissident circular"), unless the sender of the dissident circular is proposing a Combination Transaction involving the Venture Issuer and the sender, under which securities of the sender, or an Affiliated Entity of the sender, are to be distributed or transferred to securityholders of the Venture Issuer.
- (2) An Information Circular or filing statement (prepared in accordance with TSX Venture Exchange requirements) prepared in connection with a "Qualifying Transaction" by a "CPC" Venture Issuer, or in connection with a "Reverse Take-Over", is exempt from the disclosure requirements of this Part if the Venture Issuer complies with the policies and requirements of the TSX Venture Exchange in respect of that Qualifying Transaction or Reverse Take-Over, as applicable.
- (3) For the purpose of subsection 5.5(2) only, the terms "Qualifying Transaction", "CPC" and "Reverse Take-Over" have the meanings provided in the TSX Venture Exchange Corporate Finance Manual.

5.6 Financial Statements for Related Businesses

If a Venture Issuer is required under this Part to include financial statements for more than one business because the acquisition involves an acquisition of Related Businesses, the financial statements required must be presented separately for each Business, except for the periods during which the Businesses have been under common control or management, in which case the Venture Issuer may present the financial statements of the Businesses on a combined basis.

5.7 Restricted Securities

In addition to the disclosure required by this Part, if securityholders will be asked to vote on a transaction that would have the effect of converting or subdividing, in whole or in part, existing securities into Restricted Securities, or creating new Restricted Securities, the Information Circular must also include, a description of:

- (a) the rights, including voting rights attached to the Restricted Securities that are the subject of the transaction or that will result from the transaction either directly or following a conversion, exchange or exercise;
- (b) the voting rights, if any, attached to the securities of any other class of securities of the Venture Issuer that are the same or greater on a per security basis than those attached to

the Restricted Securities that are the subject of the transaction or that will result from the transaction either directly or following a conversion, exchange or exercise;

- (c) the percentage of the aggregate voting rights attached to the Venture Issuer's securities that are represented by the class of Restricted Securities;
- (d) any significant provisions under applicable corporate and securities law, in particular whether the Restricted Securities may or may not be tendered in any takeover bid for securities of the Venture Issuer having voting rights superior to those attached to the restricted securities, that do not apply to the holders of the restricted securities that are the subject of the transaction or that will result from the transaction either directly or following a conversion, exchange or exercise, but do apply to the holders of another class of equity securities, and the extent of any rights provided in the constating documents or otherwise for the protection of holders of the Restricted Securities; and
- (e) any rights under applicable corporate law, in the constating documents or otherwise, of holders of Restricted Securities that are the subject of the transaction either directly or following a conversion, exchange or exercise, to attend, in person or by proxy, meetings of holders of equity securities of the Venture Issuer and to speak at the meetings to the same extent that holders of equity securities are entitled.

PART 6 INTERESTS OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE VOTED ON

6.1 Disclosure of Material Interests

Briefly describe any Material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of each of the following persons or companies in any matter to be voted on, other than the election of directors or the appointment of auditors:

- (a) if the Solicitation is made by or on behalf of the Venture Issuer's management, each individual who has been a director or Executive Officer of the Venture Issuer at any time since the beginning of the Venture Issuer's last financial year;
- (b) if the Solicitation is made by or on behalf of anyone other than the Venture Issuer's management, each person or company by whom, or on whose behalf, directly or indirectly, the Solicitation is made;
- (c) each Proposed New Director of the Venture Issuer; and
- (d) each associate or Affiliated Entity of any of the persons or companies listed in paragraphs (a) to (c).

6.2 Interpretation

- (1) For the purpose of section 6.1, the following persons and companies are deemed to be persons or companies by whom or on whose behalf the Solicitation is made (collectively, "Solicitors" or individually a "Solicitor"):

- (a) any member of a committee or group that Solicits proxies, and any person or company whether or not named as a member who, acting alone or with one or more other persons or companies, directly or indirectly takes the initiative or engages in organizing, directing or financing any such committee or group;
 - (b) any person or company who contributes, or joins with another to contribute, more than \$250 to finance the Solicitation of proxies; or
 - (c) any person or company who lends money, provides credit, or enters into any other arrangements, under any contract or understanding with a Solicitor, for the purpose of financing or otherwise inducing the purchase, sale, holding or voting of securities of the Venture Issuer but not including a bank or other lending institution or a dealer that, in the ordinary course of business, lends money or executes orders for the purchase or sale of securities.
- (2) Subject to subsection (1), the following persons and companies are deemed not to be Solicitors:
- (a) any person or company retained or employed by a Solicitor to Solicit proxies or any person or company who merely transmits proxy-Soliciting material or performs ministerial or clerical duties;
 - (b) any person or company employed or retained by a Solicitor in the capacity of lawyer, accountant, or advertising, public relations, investor relations or financial advisor and whose activities are limited to the performance of their duties in the course of the employment or retainer;
 - (c) any person or company regularly employed as an Executive Officer or employee of the Venture Issuer or any of its Affiliated Entities; or
 - (d) any Executive Officer or director of, or any person or company regularly employed by, any Solicitor.

PART 7 ADDITIONAL INFORMATION

- (1) State that additional information relating to the Venture Issuer is available on SEDAR at www.sedar.com
- (2) State that financial information regarding the Venture Issuer can be found in the Annual Report for its most recently completed financial year and in the most recently filed Mid-Year Report.
- (3) Identify and disclose in bold-face type the most recently filed Annual Report or other document in which disclosure was provided relating to
 - (a) director and Executive Officer compensation,
 - (b) indebtedness of directors and Executive Officers,
 - (c) governance of the Venture Issuer by the Board of Directors, and

(d) fees paid to the auditor,

and state that information relating to each of those matters can be found in the applicable document(s) and that the document(s) is/are available on the SEDAR website at www.sedar.com.

- (4) If a Venture Issuer has not filed an Annual Report for its last completed financial year prior to the date of the Information Circular, the Information Circular must include the disclosure required to be included in an Annual Report under Parts 2, 3, 4, 5, 6 and 7 of Form 51-103F1 *Annual and Mid-Year Reports*.
- (5) Disclose how a securityholder may contact the Venture Issuer to request a copy of its most recent Annual Report and Mid-Year Report.