



PETRO VIKING ENERGY INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF THE SHAREHOLDERS OF PETRO VIKING ENERGY INC.

- and -

MANAGEMENT INFORMATION CIRCULAR and PROXY STATEMENT

Meeting to be held on May 30, 2012

Circular dated April 27, 2012

The TSX Venture Exchange has not in any way passed upon the merits of the transactions described herein and any representation to the contrary is an offence.

PETRO VIKING ENERGY INC.
NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (“**Shares**”) of Petro Viking Energy Inc. (“**Petro Viking**” or the “**Corporation**”) will be held at Suite 730, 1015 - 4th Street SW, Calgary, Alberta T2R 1J4 on Wednesday, May 30, 2012 at 1:00 p.m. (Calgary time) for the following purposes:

1. to receive the audited financial statements of Petro Viking for the financial year ended December 31, 2011, together with the auditors' report thereon;
2. to appoint MacKay LLP, Chartered Accountants, as auditors and to authorize the board of directors to fix the auditors' remuneration;
3. to fix the size of the board of directors at six (6) members and to elect the board of directors to serve until the next annual meeting of the Shareholders or until their successors are duly elected or appointed;
4. to ratify the Corporation's Stock Option Plan; and
5. to transact such other business as may properly be brought before the Meeting, or any adjournment(s) thereof.

Specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular, which accompanies this Notice.

Each person who is a Shareholder of record at the close of business on April 27, 2012 (the “**Record Date**”), will be entitled to notice of, and to attend and vote at, the Meeting provided that, to the extent a Shareholder as of the Record Date transfers the ownership of any Shares after such date and the transferee of those Shares establishes that the transferee owns the Shares and demands, not later than 10 days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Shares at the Meeting.

Calgary, Alberta
April 27, 2012

By Order of the Board Of Directors
(Signed) "**Giovanni DeFrancesco**"
President, Chief Executive Officer

*Shareholders who are unable to attend the Meeting in person are requested to **COMPLETE AND SIGN THE ACCOMPANYING FORM OF PROXY** and forward it in the enclosed envelope to Olympia Trust Company, Suite 2300, 125 - 9th Avenue SE, Calgary, Alberta T2G 0P6 or by fax to (403)265-1455 not later than 1:00 p.m. on **Monday, May 28, 2012**, or 48 hours (excluding Saturdays, Sundays and holidays) prior to the commencement or any adjournment of the Meeting, in order for such proxy to be used at the Meeting, or any adjournment(s) thereof.*

TABLE OF CONTENTS

GLOSSARY OF TERMS	4
INTRODUCTION.....	5
GENERAL PROXY MATERIALS	5
Solicitation of Proxies.....	5
Appointment and Revocation of Proxies	5
Persons Making the Solicitation	6
Exercise of Discretion by Proxy	6
Voting of Shares – Advice to Beneficial Holders of Securities.....	6
INFORMATION CONCERNING THE CORPORATION.....	6
INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON.....	7
VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES.....	7
EXECUTIVE COMPENSATION AND REMUNERATION OF DIRECTORS.....	7
Administration by the Compensation Committee.....	7
Executive Compensation, Discussion and Analysis	8
Summary Compensation Table.....	10
Outstanding Share-Based Awards and Option-Based Awards	11
Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year-End	11
Termination Benefits	12
Change of Control Benefits	12
Compensation of Directors	12
AUDIT COMMITTEE.....	14
Audit Committee Charter.....	14
Composition of the Audit Committee.....	14
Relevant Education and Experience	14
Audit Committee Oversight.....	15
Reliance on Certain Exemptions.....	15
Pre-Approval Policies and Procedures.....	15
External Auditor Service Fees (By Category)	15
Exemption.....	15
CORPORATE GOVERNANCE.....	16
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS	16
Equity Compensation Plan Information.....	16
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS.....	16
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	16
MANAGEMENT CONTRACTS	16
PARTICULARS OF MATTERS TO BE ACTED UPON.....	17
Election of Directors.....	17
Appointment of Auditor	19
Annual Approval of the Stock Option Plan	20
BOARD APPROVAL.....	21
ADDITIONAL INFORMATION	21
SCHEDULE “A” – AUDIT COMMITTEE CHARTER	22
SCHEDULE “B” – DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES	26
SCHEDULE “C” – DIRECTORS', MANAGEMENT, EMPLOYEES' AND CONSULTANTS' STOCK OPTION PLAN	29

GLOSSARY OF TERMS

The following is a glossary of terms and abbreviations used frequently throughout this Information Circular.

“**ABCA**” means the *Business Corporations Act* (Alberta), including regulations promulgated thereunder.

“**Board**” means the board of Directors of the Corporation.

“**CEO**” or “**Chief Executive Officer**” means the individual who served as chief executive officer of the Corporation or acted in a similar capacity during the most recently completed financial year.

“**CFO**” or “**Chief Financial Officer**” means the individual who served as chief financial officer of the Corporation or acted in a similar capacity during the most recently completed financial year.

“**Corporation**” or “**Petro Viking**” means Petro Viking Energy Inc., a corporation existing under the ABCA.

“**Director**” means a member of the Board.

“**IFRS**” means international financial reporting standards.

“**Information Circular**” means this management information circular and proxy statement dated April 27, 2012, including the schedules appended hereto.

“**Meeting**” means the annual and special meeting of the Shareholders to be held at Suite 730, 1015 - 4th Street SW, Calgary, Alberta T2R 1J4 on Wednesday, May 30, 2012 at 1:00 p.m. (Calgary time) for the purposes set forth in the Notice of Meeting.

“**Named Executive Officer**” means the following individuals: (a) the CEO, (b) the CFO, (c) 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 CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, and (d) each individual who would be an Named Executive Officer under paragraph (c) 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-end.

“**NI-52-110**” means National Instrument 52-110 – Audit Committees.

“**Notice of Meeting**” means the notice of the Meeting accompanying this Information Circular.

“**Options**” means stock options to purchase Shares of the Corporation granted under the Option Plan.

“**Option Plan**” means the stock option plan of the Corporation dated February 5, 2010.

“**option-based award**” means an award under an equity incentive plan of options, including, for greater certainty, Options, share appreciation rights, and similar instruments that have option-like features.

“**Registrar and Transfer Agent**” means Olympia Trust Company, the registrar and transfer agent of the Corporation as at the date hereof.

“**Record Date**” means April 27, 2012.

“**SEDAR**” means the system for electronic document analysis and retrieval at www.sedar.com.

“**Shareholder**” means a holder of Shares.

“**Share**” or “**Shares**” means common shares in the capital of the Corporation.

“**share-based award**” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, Shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

“**TSXV**” means the TSX Venture Exchange.

INTRODUCTION

Unless otherwise stated herein, all capitalized terms herein shall have the meaning set forth in the Glossary of Terms.

This Information Circular is furnished to Shareholders in connection with the solicitation of proxies by the management of Petro Viking for use at the Meeting and any adjournment(s) thereof.

The Meeting has been called for the purpose of receiving the 2011 annual financial statements and auditor's report, considering and voting upon the election of Directors, the appointment of auditors and the annual approval of the Option Plan. The disclosure herein is provided for the fiscal year ended December 31, 2011.

This Information Circular and the accompanying Notice of Meeting and form of proxy as well as other related Meeting materials are being mailed or delivered on or about May 3, 2012 to Shareholders of record as at April 27, 2012. **Unless otherwise indicated, information in this Information Circular is given as of December 31, 2011.** Unless otherwise specified, all dollar amounts in this Information Circular are expressed in Canadian dollars.

GENERAL PROXY MATERIALS

FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF PETRO VIKING ENERGY INC. FOR THE FINANCIAL YEAR ENDING DECEMBER 31, 2011 TO BE HELD ON WEDNESDAY, MAY 30, 2012.

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by the Board for use at the Meeting and at any adjournment(s) thereof, for the purposes set forth in the accompanying Notice of Meeting.

Appointment and Revocation of Proxies

Instruments of proxy must be addressed to the Secretary of the Corporation and reach Olympia Trust Company not later than 48 hours before the time for the holding of the Meeting or any adjournment(s) thereof. Only Shareholders of the Corporation at the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting unless after that date a Shareholder of record transfers its Shares and the transferee, upon producing properly endorsed certificates evidencing such Shares or otherwise establishing that he owns such Shares, requests at least 10 days prior to the Meeting that the transferee's name be included in the list of Shareholders entitled to vote, in which case, such transferee is entitled to vote such Shares at the Meeting.

An instrument of proxy shall be in writing and shall be executed by the Shareholder or his attorney authorized in writing or, if the Shareholder is a Corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy are officers of the Corporation. A Shareholder is entitled to appoint a person to attend the Meeting as the Shareholder's representative (who need not be a Shareholder of the Corporation) other than the persons designated in the form of proxy furnished by the Corporation. To exercise such right, the names of the persons designated by management should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space required.

A proxy is revocable. The giving of a proxy will not affect a Shareholder's right to attend and vote in person at the Meeting. In addition to revocation in any other manner permitted by law, a Shareholder may revoke a proxy by instrument in writing executed by the Shareholder or such Shareholder's attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof, duly authorized, and deposited at the registered office of the Corporation, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) thereof at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment(s) thereof.

Persons Making the Solicitation

The solicitation is made on behalf of management of the Corporation. The costs incurred in the preparation and mailing of the form of proxy, the Notice of Meeting and this Information Circular will be paid by the Corporation. In addition to the mailing of these materials, proxies may be solicited by personal interviews or telephone by Directors and officers of the Corporation, who will not be remunerated therefor.

Exercise of Discretion by Proxy

The Shares represented by proxy in favour of management nominees shall be voted on any ballot at the Meeting and where the Shareholder specifies the choice with respect to any matter to be acted upon, the Shares shall be voted on any ballot in accordance with the specification so made.

In the absence of such specification, Shares will be voted in favour of the proposed resolution. The person appointed under the form of proxy furnished by the Corporation is conferred with discretionary authority with respect to amendments or variations of those matters specified in the form of proxy and Notice of Meeting. At the time of mailing of this Information Circular, management of the Corporation knows of no such amendment, variation or other matter.

Voting of Shares – Advice to Beneficial Holders of Securities

The information set forth in this section is of significant importance to many Shareholders as a substantial number of the Shareholders hold their Shares through intermediaries such as brokers and their agents or nominees and not in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of the Shares can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Shares will not be registered under the name of the Shareholder on the records of the Corporation. Such Shares will more likely be registered under the name of the Shareholder's broker or an agent or nominee of that broker. Shares held by brokers or their agents or nominees can only be voted for, or withheld from voting, or voted against any resolution upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers their agents or nominees are prohibited from voting Shares for their clients.

Applicable regulatory policy requires intermediaries and brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary and broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or agent or nominee thereof) is identical to the form of the proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. **A Beneficial Shareholder receiving a proxy from an intermediary cannot use that proxy to vote Shares directly at the Meeting, rather the proxy must be returned to the intermediary well in advance of the Meeting in order to have the Shares voted. A Beneficial Shareholder may however request the intermediary to appoint the Beneficial Shareholder as a nominee of it as a proxy holder. A Beneficial Shareholder should contact the intermediary, broker or agents and nominees thereof, should it have any questions respecting the voting of the Shares.**

INFORMATION CONCERNING THE CORPORATION

The Corporation was incorporated under the ABCA on January 13, 2010 under the name "New West Energy Inc.". The articles were amended on January 25, 2010 to change the name to "Petro Viking Energy Inc." and further amended on April 7, 2010 to remove the restrictions against the share transfers and other restrictions applicable to private issuers. The Corporation closed its *qualifying transaction*, as such term is defined in the TSXV corporate finance manual, on February 28, 2011 and received final TSXV approval on March 10, 2011. Effective March 11, 2011, the Corporation was no longer classified as a capital pool company. The Corporation is a reporting issuer in British Columbia and Alberta and its common shares are listed and posted for trading on the TSXV under the symbol "VIK". The head office of the Corporation is located at 200, 744 - 4th Avenue SW, Calgary, Alberta, T2P 3T4 and its registered office is located at Suite 730, 1015 - 4th Street SW, Calgary, Alberta T2R 1J4. The Corporation's main telephone number and website are (403) 592-6257 and www.petroviking.com respectively. The reference www.petroviking.com is a textual reference only and the information contained on the website is not a part of this Information Circular and is not incorporated by reference in this Information Circular.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of any material interest, whether direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, of any Director or executive officer of the Corporation who has held that position at any time since the beginning of the Corporation's last financial year, or of any proposed nominee for election as Director of the Corporation or any associate or affiliate of any of the foregoing, other than the election of Directors as disclosed in the section entitled "Particulars of Matters to be Acted Upon".

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation is authorized to issue an unlimited number of Shares. As of December 31, 2011, 29,753,707 Shares were issued and outstanding and as of April 27, 2012, being the Corporation's Record Date, 29,978,707 Shares were issued and outstanding, each such Share carrying the right to one vote on a ballot at the Meeting.

The Shareholders of record at the close of business on the Record Date are entitled to vote their Shares at the Meeting on the basis of one vote for each Share held, except to the extent that:

- a) such person transfers his Shares after the Record Date; and
- b) the transferee of those Shares produces properly endorsed share certificates or otherwise establishes his ownership to the Shares and makes a demand to the Registrar and Transfer Agent, not later than 10 days before the Meeting, that his or her name be included on the Shareholders' list.

To the knowledge of the Directors or executive officers of the Corporation, no persons beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the voting rights attached to all issued and outstanding securities of the Corporation.

The above information, not being within the knowledge of the Corporation, has been derived from information provided by such person or from public sources available to the Corporation.

EXECUTIVE COMPENSATION AND REMUNERATION OF DIRECTORS

Administration by the Compensation Committee

The Corporation's executive compensation program is administered by the Compensation Committee. The objective of the Committee is to enable the Corporation to recruit, retain and motivate employees and ensure conformity between compensation and other corporate objectives. With respect to compensation matters, the Compensation Committee has been mandated, among other things, to:

- a) Review and recommend for approval by the Board, the Corporation's key human resources policies;
- b) Review and recommend for approval by the Board, the executive compensation philosophy and remuneration policy for the Corporation;
- c) Review and recommend for approval by the Board, employment agreements for executive officers;
- d) Evaluate annually the performance of the President and CEO, other senior officers, and management personnel and recommend to the Board annual compensation packages and performance objectives;
- e) Recommend compensation policies and guidelines for senior officers and management personnel and advise the Board on corporate benefits and incentive plans;
- f) Advise the Board on the succession plan for the CEO;
- g) Advise and make recommendations to the Board on the administration of the Option Plan, including the term and vesting of Options, and review and approve the recommendations of senior management relating to the annual salaries, bonuses and Option grants of the executive officers and key employees;
- h) Review and recommend to the Board any significant changes to the overall compensation program;

- i) Review the adequacy and form of the compensation of Directors periodically to determine if the compensation realistically reflects the responsibilities and risks involved in being an effective Director and committee member, and to report and make recommendations to the Board accordingly;
- j) Review and reassess the adequacy of its mandate at least annually, and otherwise as it deems appropriate, and recommend changes to the Board. Such review shall include the evaluation of the performance of the Compensation Committee against criteria defined in the Compensation Committee and Board mandates; and
- k) Perform any other activities consistent with its mandate, the Corporation's by-laws, governing laws and applicable regulations or rules.

Executive Compensation, Discussion and Analysis

The following Executive Compensation Discussion and Analysis is intended to provide information about the Corporation's philosophy, objectives and processes regarding compensation for the executive officers of the Corporation and, specifically, the Named Executive Officers. The Named Executive Officers of the Corporation include: (i) the Corporation's President and CEO; (ii) the Corporation's Chief Financial Officer; and (iii) the three most highly compensated individuals (other than the President and CEO and Chief Financial Officer) whose total salary, bonus and other compensation exceeded \$150,000 in respect of the 2011 fiscal year. The following discussion explains how decisions regarding executive compensation are made and the reasoning behind these decisions.

Objectives and Philosophy of the Compensation Program

The overall compensation program of the Corporation is intended to recruit, retain and motivate employees and ensure conformity between compensation and other corporate objectives.

Criteria for Compensation

At its March 2, 2011 meeting, the Board and the Compensation Committee reviewed in detail the compensation structure for the executives of the Corporation and made a decision regarding salaries for the 2011 fiscal year. In reviewing the elements of compensation, the primary criteria that the Board and the Compensation Committee focused on was the successful efforts of the Named Executive Officers in the equity financings completed, drilling prospects identified, drilling results, and work-over plans for the 2011 year.

Elements of Compensation and Determination of Amounts for Each Element

As part of its mandate, the Board and the Compensation Committee strives to provide a competitive compensation package, with a direct link to corporate performance, by emphasizing the variable components in the form of cash and Options to attract and motivate highly qualified personnel. To this end, the Corporation compensates its executive officers through base salary and the award of Options under the Corporation's Option Plan, all at levels which the Board and the Compensation Committee believes are reasonable in light of the financial condition of the Corporation and its performance under the leadership of the executive officers.

Base Salary

Base salary is intended to compensate core competencies in the executive role relative to skills, level of responsibility, industry experience, individual performance and contribution to the growth of the Corporation. Salaries of the executive officers of the Corporation are currently below those of the industry and general marketplace due to the financial position of the Corporation and its status as a junior oil and gas company with no negative cash flow at the present time.

Base salaries for executive officers of the Corporation are reviewed annually by the Board and the Compensation Committee to ensure they are appropriate so as to protect the ability of the Corporation to hire and retain key personnel. At its March 2, 2011 meeting, the Board of Directors and the Board and the Compensation Committee reviewed the corporate results, which are limited at this stage of the Corporation's development, and concluded that base salaries of the Named Executive Officers will not be increased until the Corporation becomes cash flow positive. The base salaries of the Named Executive Officers of the Corporation for the year ended December 31, 2011 are included in the Summary Compensation Table below.

Bonuses

The Board and Compensation Committee determines which variables it will consider in assessing annual bonus awards. In light of the Corporation's early stage of development, the Board and the Compensation Committee will not approve the payment of any bonus to the Named Executive Officers until the Corporation's financial position improves.

Options

The Option Plan is a key instrument used by the Corporation in attracting and retaining top performing people with the entrepreneurial characteristics needed to further the Corporation's objectives and prospects for growth. The Corporation believes that long-term performance is achieved through an ownership culture that encourages performance by the Corporation's Directors, officers, employees and consultants through the use of Option grants. In order to attract and retain executives and other key employees, the Corporation has provided in the past, and expects to continue to provide in the future, long-term incentive awards through Option grants.

At the Corporation's last Shareholders meeting held on November 9, 2011, the Shareholders re-approved the Corporation's "rolling" Option Plan, which allows the Corporation to grant Options to acquire such number of Shares equal to (together with Shares reserved for issuance pursuant to any other security based compensations arrangement) a maximum of 10% of the aggregate of all issued and outstanding Shares on the date of grants to its Directors, officers and other employees. See "*Securities Authorized for Issuance under Equity Compensation Plan*". Because the Option Plan is a "rolling" plan, in accordance with the requirements of the TSXV, every year the Option Plan must be approved by the Corporation's Shareholders. See "*Particulars of Matters to be Acted Upon – Annual Approval of the Stock Option Plan*".

The Board and the Compensation Committee believes that the grant of Options to the Directors and executive officers and share ownership by such Directors and executive officers serves to motivate achievement of the Corporation's long-term strategic objectives and the result will benefit all Shareholders of the Corporation.

The Board reviews the recommendation of the executive officers regarding proposed Option awards to officers and Board members. The board members base their decisions upon the seniority, level of responsibility and the contribution of each individual toward the Corporation's goals and objectives. In some cases, Option awards are proposed as a means of enticing personnel into the employ of the Corporation.

Consideration is given to the overall number of Options that are outstanding relative to the number of outstanding Shares of the Corporation in determining whether to make any new grants of Options, and the size of such grants. In determining new grants of Options, consideration is given to prior grants as well as the terms of currently outstanding Options.

For the year ended December 31, 2011, an aggregate of 1,120,000 Options to acquire Shares were granted to Named Executive Officers.

Benefits

The Named Executive Officers are eligible to participate in the same benefits as offered to all full-time employees. The Corporation does not view these benefits as a significant element of its compensation structure but does believe that they can be used in conjunction with base salary to attract, motivate and retain individuals in a competitive environment.

Assessment of Compensation

The compensation of the Named Executive Officers of the Corporation is determined by the Board upon recommendation of the Compensation Committee.

Review of the Performance of the President and Chief Executive Officer

The compensation of the Corporation's President and CEO in respect of the 2011 fiscal year was determined with regards to the financial condition of the Corporation.

Summary Compensation Table

The following table sets forth the compensation paid by the Corporation to the Named Executive Officers for the most recently completed financial year of the Corporation ended December 31, 2011.

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Irvin Eisler, President & CEO ⁽²⁾	2011	Nil	Nil	\$32,036	Nil	Nil	Nil	Nil	\$32,036
Keith Watts, Chief Financial Officer ⁽³⁾	2011	Nil	Nil	\$32,036	Nil	Nil	Nil	Nil	\$32,036
André Voskuil, Chief Financial Officer ⁽⁴⁾	2011	\$60,000	Nil	\$32,036	Nil	Nil	Nil	Nil	\$92,036
Alana Constance, Chief Financial Officer ⁽⁵⁾	2011	\$90,000	\$17,500 ⁽⁸⁾	\$10,678	Nil	Nil	Nil	Nil	\$118,178
Giovanni DeFrancesco, Vice President, Operations ⁽⁶⁾	2011	\$108,000	\$35,000 ⁽⁷⁾	\$132,416	Nil	Nil	Nil	Nil	\$275,416

Notes:

- (1) Reflects the fair value of Options issued under the Corporation's Option Plan. The value shown is estimated to be the fair value at the grant date calculated using the Black-Scholes Option pricing model with the assumptions disclosed in the notes to the financial statements for the year ended December 31, 2011.
- (2) Mr. Eisler was appointed President and Chief Executive Officer on January 13, 2010 with no salary as the Corporation was classified as a capital pool company until March 11, 2011. Mr. Eisler served as the President and Chief Executive Officer until October 31, 2011.
- (3) Mr. Watts was appointed Chief Financial Officer on January 13, 2010. The Corporation closed its qualifying transaction on February 28, 2011 and Mr. Watts resigned as Chief Financial Officer. Subsequent to his resignation as Chief Financial Officer, Mr. Watts was appointed to the interim role of Vice President of Business Development.
- (4) Mr. André Voskuil was appointed Chief Financial Officer on February 28, 2011 with an annual salary of \$60,000. Mr. Voskuil served as the Chief Financial Officer until October 31, 2011.
- (5) Mrs. Alana Constance was appointed Chief Financial Officer on October 31, 2011 with an annual salary of \$90,000.
- (6) Mr. DeFrancesco was appointed Vice President of Operations on March 10, 2011 at an annual salary of \$108,000. Mr. DeFrancesco served as the Vice President of Operations until October 31, 2011 and was appointed as the Corporation's President and Chief Executive Officer on October 31, 2011.
- (7) On June 15, 2011, Mr. DeFrancesco was awarded a stock bonus of 100,000 Options at a deemed price of \$0.35 per Share in recognition of services provided to the Corporation in 2011.
- (8) On June 15, 2011, Mrs. Alana Constance was awarded a stock bonus of 50,000 Options at a deemed price of \$0.35 per Share in recognition of services provided to the Corporation in 2011.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of all awards outstanding by the Corporation or its subsidiaries, directly or indirectly, to each of the Named Executive Officers at the end of the Corporation's most recently completed financial year ended December 31, 2011.

Name and Principal Occupation	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽¹⁾ (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$)
Irvin Eisler, President, CEO and Director ⁽²⁾	158,167	\$0.20	June 3, 2020	Nil	Nil	Nil
	150,000	\$0.30	March 3, 2016	Nil	Nil	Nil
Keith Watts, CFO and Director ⁽³⁾	158,167	\$0.20	June 3, 2020	Nil	Nil	Nil
	150,000	\$0.30	March 3, 2016	Nil	Nil	Nil
Andre Voskuil, CFO and Director ⁽⁴⁾	158,167	\$0.20	June 3, 2020	Nil	Nil	Nil
	150,000	\$0.30	March 3, 2016	Nil	Nil	Nil
Giovanni DeFrancesco, President and CEO ⁽⁵⁾	520,000	\$0.30	March 3, 2016	Nil	Nil	Nil
	100,000	\$0.35	June 15, 2016	Nil	100,000	Nil
Alana Constance, Chief Financial Officer ⁽⁶⁾	50,000	\$0.35	June 15, 2016	Nil	Nil	Nil

Notes:

- (1) Unexercised "in-the-money" Options refer to those Options in respect of which the market value of the underlying security as at December 31, 2011 exceeds the exercise or base price of the Option, being the difference between the market value of the securities as at December 31, 2011 and the exercise price of the Options. The closing price of the Corporation's Shares on April 27, 2012, being the Record Date, was \$0.37.
- (2) Mr. Eisler served as the Corporation's President and Chief Executive Officer until October 31, 2011.
- (3) Mr. Watts was appointed Chief Financial Officer on January 13, 2010. The Corporation closed its qualifying transaction on February 28, 2011 and Mr. Watts resigned as Chief Financial Officer and was appointed as the Vice President of Business Development.
- (4) André Voskuil was appointed Chief Financial Officer on February 28, 2011 and served in this capacity until October 31, 2011.
- (5) Mr. DeFrancesco was appointed Vice President of Operations on March 10, 2011 until October 31, 2011 and received 520,000 Options and an additional 100,000 Shares in June, 2011. Mr. DeFrancesco was appointed as the President and Chief Executive Officer of the Corporation on October 31, 2011.
- (6) Mrs. Constance was appointed as Chief Financial Officer on October 31, 2011 and received 50,000 Options on June 15, 2011.

Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year-End

The following table sets forth information in respect of incentive plan awards vested or earned by each of the Named Executive Officers on the date of vesting of the applicable award during the Corporation's most recently completed financial year ended December 31, 2011.

Name and Principal Occupation	Option-based Awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Irvin Eisler, Director	\$76,633	Nil	Nil
Keith Watts, Director	\$76,633	Nil	Nil
Giovanni DeFrancesco, President and Chief Executive Officer	\$191,000	\$35,000 ⁽²⁾	Nil

Notes:

- (1) Reflects the aggregate dollar value that would have been realized if the Options that vested during the year had been exercised on the vesting date.
- (2) On June 15, 2011, Mr. DeFrancesco was awarded a stock bonus of 100,000 Options at a deemed price of \$0.35 per Share in recognition of services provided to the Corporation in 2011.

Termination Benefits

No termination benefits are payable to any employees or consultants of the Corporation.

Change of Control Benefits

No change of control benefits are payable to any employees or consultants of the Corporation.

Compensation of Directors

Directors are compensated for their services predominately through the grant of Options. The non-executive Directors do not receive any other form of compensation but they are reimbursed for all reasonable out of pocket expenses incurred as Directors. The following table sets forth all amounts of compensation provided to Directors who are not Named Executive Officers for the Corporation's most recently completed financial year ended December 31, 2011.

Name and Principal Position	Fees Earned (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
				Annual incentive plans	Long-term incentive plans			
André Voskuil, Director	Nil	Nil	\$32,036	Nil	Nil	Nil	Nil	\$32,036
David D. Heighington, Director	Nil	Nil	\$32,036	Nil	Nil	Nil	Nil	\$32,036
John Styles, Chairman and Director	Nil	Nil	\$32,036	Nil	Nil	Nil	Nil	\$32,036
Kevin Patterson, Director	Nil	Nil	\$32,036	Nil	Nil	Nil	Nil	\$32,036

Note:

(1) Reflects the fair value of Options issued under the Corporation's Option Plan. The value shown is estimated to be the fair value at the grant date calculated using the Black-Scholes Option pricing model as at December 31, 2011.

The following table sets forth information in respect of all awards outstanding by the Corporation or its subsidiaries, directly or indirectly, to each of the Directors who are not Named Executive Officers at the end of the Corporation's most recently completed financial year ended December 31, 2011.

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the money Options ⁽¹⁾ (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$)
André Voskuil, Director	158,167 150,000	\$0.20 \$0.30	June 3, 2020 March 3, 2016	Nil Nil	Nil Nil	Nil Nil
David D. Heighington, Director	158,165 150,000	\$0.20 \$0.30	June 3, 2020 March 3, 2016	Nil Nil	Nil Nil	Nil Nil
John Styles, Director	158,167 150,000	\$0.20 \$0.30	June 3, 2020 March 3, 2016	Nil Nil	Nil Nil	Nil Nil
Kevin Patterson, Director	158,167 150,000	\$0.20 \$0.30	June 3, 2020 March 3, 2016	Nil Nil	Nil Nil	Nil Nil

Note:

(1) Unexercised "in-the-money" Options refer to those Options in respect of which the market value of the underlying security as at the financial year ended December 31, 2011 exceeds the exercise or base price of the Option, being the difference between the market value of the securities as at December 31, 2011 and the exercise price of the Options.

The following table sets forth information in respect of incentive plan awards vested or earned by each of the Directors who are not Named Executive Officers on the date of vesting of the applicable award during the Corporation's most recently completed financial year ended December 31, 2011.

Name	Option-based Awards – Value vested during the year⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Keith Watts, Director	\$76,633	Nil	Nil
David D. Heighington, Director	\$76,633	Nil	Nil
John Styles, Director	\$76,633	Nil	Nil
Kevin Patterson, Director	\$76,633	Nil	Nil

Note:

- (1) Reflects the aggregate dollar value that would have been realized if the Options that vested during the year ended December 31, 2011 had been exercised on the vesting date.

AUDIT COMMITTEE

The Corporation is required to have an audit committee under the ABCA and pursuant to the provisions NI 52-110.

Audit Committee Charter

Pursuant to NI 52-110, the Corporation is required to have a written charter which sets out the duties and responsibilities of its audit committee. The charter is attached hereto as "Schedule A".

Composition of the Audit Committee

As at December 31, 2011, Audit Committee was comprised of the following members:

Name and Office if Any	Independent	Financially Literate
Kevin Patterson, Chairman of the Audit Committee	Yes	Yes
John Styles	Yes	Yes
David D. Heighington	Yes	Yes

Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each person appointed to the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

Kevin Patterson

Kevin Patterson is a corporate finance professional with experience in financing oil and gas companies. From May 2007, Mr. Patterson was a director of Reece Energy Exploration Corp., an Exchange listed oil and gas producer until it amalgamated with Penn West Energy Trust. From May 2002 to May 2007, Mr. Patterson was the President, Chief Executive Officer and a director of Long View Resources Corporation, an Exchange listed public company engaged in the acquisition, exploration and development of oil and gas properties. Mr. Patterson is currently the Chief Executive Officer and President of Patterson Capital Corp. a private company engaged primarily in corporate finance activities. From October 2005 until December 2006, Mr. Patterson was the Chief Financial Officer and a director of Durham Capital Corp., an Exchange listed Capital Pool Company, which company completed its qualifying transaction by amalgamating with Sikanni Services Ltd., an Exchange listed company. Mr. Patterson is also a director of Firebird Capital Partners Inc. ("Firebird") since August 2007, an Exchange listed company.

Mr. Patterson has a degree in Business Administration from the University of Regina (1988), completed the Canadian Securities Course in 1991 and is a CFA Charterholder.

John Styles

John A. Styles is a professional engineer with experience in the energy industry. Mr. Styles served as a director of Reece Energy Exploration Corp. ("Reece"), an Exchange listed oil and gas explorer and producer, from May 2007 through April 2009 when Reece was amalgamated with Penn West Energy Trust. Mr. Styles was a director of Durham Capital Corp. from October 2005 until December 2006, an Exchange listed Capital Pool Company, which company completed its qualifying transaction by amalgamation with Sikanni Services Ltd., an Exchange listed company. Mr. Styles was Chairman, Chief Operating Officer, Chief Financial Officer and a director of Long View Resources Corporation, an Exchange listed public company engaged in the acquisition, exploration and development of oil and gas properties from November 2004 until its amalgamation with Reece in May 2007. Since August 2000, Mr. Styles has served as President, Chief Executive Officer and a director of Pilgrim Energy Inc., a private company engaged in investment and consulting in the petroleum industry.

Mr. Styles holds a Bachelor of Science (Honors) degree in Petroleum Engineering from Montana College of Mineral Science and Technology (1987), and is a licensed professional engineer in the Province of Saskatchewan.

David D. Heighington

Mr. Heighington is a lawyer and founder of Heighington Law Firm, a securities boutique firm operating in Calgary, Alberta since 2000. Mr. Heighington specializes in corporate and securities law with a particular focus on publicly traded companies. Mr. Heighington has served as a director and officer of numerous publicly traded companies listed on the TSXV.

Mr. Heighington received his Bachelor of Arts degree from the University of Victoria in 1993 and an LL.B. (Hons.) from the University of Durham, Durham, England in 1997 and is a member of the Law Society of Alberta.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year, was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (Exemptions).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services other than the general requirements under the heading "External Audit" of the Audit Committee Charter which states that the Audit Committee must pre-approve any non-audit services to the Corporation and the fees for those services.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditors in the last two financial years for audit and non-audit related services are as follows:

Financial Year⁽¹⁾	Audit Fees⁽²⁾	Tax Fees	IFRS Fees
2010	\$17,544	Nil	Nil
2011	\$12,750	Nil	\$10,608

Notes:

(1) Shown in the year that the fees were invoiced.

(2) Audit fees were for professional services rendered by MacKay LLP for the audit of the Corporation's annual financial statements.

Exemption

As a venture issuer within the meaning of NI 52-110, the Corporation is relying upon the exemption provided by section 6.1 of NI 52-110, which exempts venture issuers from the requirements of Part 3, *Composition of the Audit Committee* and Part 5, *Reporting Obligations* of NI 52-110.

CORPORATE GOVERNANCE

Corporate governance refers to the structures and processes employed by the Corporation to direct and manage its business and affairs, so as to best achieve the Corporation's objectives. Disclosure of the Corporation's corporate governance practices in accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* is attached hereto as Schedule "B".

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table sets forth information in respect of compensation plans under which equity securities of the Corporation are authorized for issuance, as at the Corporation's as at December 31, 2011:

Plan Category	Number of securities to be issued upon exercise of outstanding Options, warrants and rights	Weighted-average exercise price of outstanding Options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	18,505,341 ⁽¹⁾	Options - \$0.27 Warrants - \$0.51	156,371 ⁽²⁾
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	18,505,341	Options - \$0.27 Warrants - \$0.51	156,371

Notes:

- (1) Shares issuable upon exercise of outstanding Options and warrants.
- (2) The Corporation could have granted 156,371 Shares for the issuance of Options pursuant to the Corporation's current Option Plan, being 10% of the issued and outstanding Shares at the year ended December 31, 2011.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Management of the Corporation is not aware of any indebtedness outstanding to the Corporation or its subsidiaries by Directors, Named Executive Officers, employees or former executive officers as at the end of the most recently completed financial year ended December 31, 2011.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in the Information Circular, management of the Corporation is not aware of any material interest, direct or indirect, of any informed person of the Corporation, any proposed Director or any associate or affiliate of any informed person or proposed Director, in any transaction since the commencement of the Corporation's most recently completed financial year ended December 31, 2011 or in any proposed transaction which has materially affected or would materially affect the Corporation, other than the related party transactions referred to in the financial statements for the year ended December 31, 2011.

MANAGEMENT CONTRACTS

Management functions of the Corporation are substantially performed by Named Executive Officers of the Corporation and have not been performed, to any substantial degree, by any other person with whom the Corporation has contracted.

PARTICULARS OF MATTERS TO BE ACTED UPON

Election of Directors

The affairs of the Corporation are managed by the Directors who are elected annually for a one year term at each annual general meeting of the Shareholders and hold office until the next annual general meeting, or until their successors are duly elected or appointed or until a Director vacates his office or is replaced in accordance with the by-laws of the Corporation.

The Shareholders are entitled to elect the Directors. The persons named below have been nominated for election and have consented to such nomination.

Unless authority to vote on the election of Directors is withheld, it is the intention of the person named in the accompanying instrument of proxy to vote for the election of such nominees as Directors. If, prior to the Meeting, any vacancies occur in the slate of proposed nominees herein submitted, the persons named in the enclosed form of proxy intend to vote for the election of any substitute nominee or nominees recommended by management of the Corporation and for the remaining proposed nominees.

The following are the names, occupations, residences and number of Shares held by each of the proposed nominees for election as Directors:

Name and Place of Residence	Principal Occupation for the Past Five Years	Date First Elected/ Appointed as a Director	Number and Percentage of Voting Shares Beneficially Owned, Directly or Indirectly, or Controlled by the Proposed Director ⁽¹⁾
Irvin Eisler, Armstrong, British Columbia	President and Chief Executive Officer of the Corporation from January 2010 until October 2011. Director of the Corporation since January 2010. President, Chief Executive Officer and Director of GWR Resources Ltd. since February 1987.	January 13, 2010	901,332 (3.03%) ⁽⁶⁾
Keith Watts, Lake Country, British Columbia	Director of the Corporation since January 2010 and Chief Financial Officer of the Corporation from January 2010 until February 2011. Vice President Development of the Corporation since February 2011. Chief Executive Officer, Vice-President and Director of Deep Creek Oil & Gas Inc. since March 2007 up until amalgamation with 1560638 Alberta Ltd., the Corporation's wholly owned subsidiary, in February 2011. Area Manager and Consultant to AutoGas Propane Ltd. since 1991. From 2006 to 2007, Vice President of Public Relations for Landmark Oil & Gas Corp. Since 1990, President and Director of Britt Ash Enterprises Ltd.	January 13, 2010	905,489 (3.04%) ⁽⁷⁾
André Voskuil, Westbank, British Columbia	Director of the Corporation since January 2010. Chief Financial Officer of the Corporation from February 2011 until October 2011. President, Chief Executive Officer and Director of Deep Creek Oil & Gas Inc. since 2006 up until amalgamation with 1560638 Alberta Ltd., the Corporation's wholly owned subsidiary, in February 2011. President and Director of SKAI Holdings Inc. since 2005.	January 13, 2010	376,814 (1.27%) ⁽⁸⁾
David D. Heighington, Calgary, Alberta ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	Director of the Corporation since February 2010. Lawyer in private practice since 2000.	February 4, 2010	200,000 (0.67%) ⁽⁹⁾

Name and Place of Residence	Principal Occupation for the Past Five Years	Date First Elected/ Appointed as a Director	Number and Percentage of Voting Shares Beneficially Owned, Directly or Indirectly, or Controlled by the Proposed Director ⁽¹⁾
Kevin Patterson, White City, Saskatchewan ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	Director of the Corporation since February 2010. Director of Reece Energy Exploration Corp. from 2007 until 2009. President, Chief Executive Officer and Director of Long View Resources Corporation from 2002 until 2007. Chief Executive Officer, President and Director of Patterson Capital Corp. since 1993. Chief Financial Officer and Director of Durham Capital Corp. from 2005 until 2006. Director of Firebird Capital Partners Inc. since 2007.	February 4, 2010	250,000 (0.84%) ⁽¹⁰⁾
Dr. Henri Wennekers, Calgary, Alberta	Chief Operating Officer of the Corporation since April 16, 2012. Since 1999, President and Director of Tamber Investments Ltd. Senior Exploration Geologist of Husky Energy Inc. from 2009 until 2011. Dr. Wennekers has over 35 years of experience evaluating offshore exploration blocks in Libya, Nigeria, Namibia, Egypt, West Africa, Madagascar, Indonesia and China.	Nil <i>(Proposed Director)</i>	Nil

Notes:

- (1) The information as to Shares beneficially owned, not being within the knowledge of the Corporation, has been provided by the respective Directors.
- (2) Member of Audit Committee.
- (3) Member of Compensation Committee.
- (4) Member of Reserves Committee.
- (5) Member of the Corporate Governance Committee.
- (6) Mr. Eisler also holds 308,167 Options, which, if exercised, would raise the total number of Shares beneficially owned, directly or indirectly by Mr. Eisler to 1,209,499 Shares. Assuming no other changes in share capital but the exercise of the Options held by Mr. Eisler, upon such exercise, Mr. Eisler would beneficially own, directly or indirectly 4.07% of the issued Shares of the Corporation, as at the year-ended December 31, 2011.
- (7) Mr. Watts also holds Options for an additional 308,167 Shares, which, if exercised, would raise the total number of Shares beneficially owned, directly or indirectly by Mr. Watts to 1,213,656 Shares. Assuming no other changes in share capital but the exercise of the Options held by Mr. Watts, upon such exercise, Mr. Watts would beneficially own, directly or indirectly 4.08% of the issued Shares of the Corporation, as at the year-ended December 31, 2011.
- (8) Mr. Voskuil also holds 308,167 Options, which, if exercised, would raise the total number of Shares beneficially owned, directly or indirectly by Mr. Voskuil to 684,981 Shares. Assuming no other changes in share capital but the exercise of the Options held by Mr. Voskuil, upon such exercise, Mr. Voskuil would beneficially own, directly or indirectly 2.30% of the issued Shares of the Corporation, as at the year-ended December 31, 2011.
- (9) Mr. Heighington also holds 308,165 Options which, if exercised, would raise the total number of Shares beneficially owned, directly or indirectly by Mr. Heighington to 508,165 Shares. Assuming no other changes in share capital but the exercise of the Options held by Mr. Heighington, upon such exercise, Mr. Heighington would beneficially own, directly or indirectly, 1.71% of the issued Shares of the Corporation, as at the year-ended December 31, 2011.
- (10) Mr. Patterson also holds 308,167 Options which, if exercised, would raise the total number of Shares beneficially owned, directly or indirectly by Mr. Patterson to 558,167 Shares. Assuming no other changes in share capital but the exercise of the Options held by Mr. Patterson, upon such exercise, Mr. Patterson would beneficially own, directly or indirectly 1.88% of the issued Shares of the Corporation, as at the year-ended December 31, 2011.

Corporate Cease Trade Orders

Other than as disclosed, no director of the Corporation has, within the ten years prior to the date of this Information Circular, been a director or executive officer of any company that, while such person was acting in that capacity (or after such person ceased to act in that capacity but resulting from an event that occurred while that person was acting in such capacity) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days.

Kevin Patterson was a director and Chief Financial Officer of Gotham Capital Corporation ("Gotham"), a Capital Pool Company which commenced trading on the Exchange on April 19, 2002. On November 7, 2003, Gotham's shares were suspended from trading on the Exchange for failing to complete a Qualifying Transaction in the required period of time. Gotham was de-listed by the Exchange effective May 6, 2004. However, on November 7, 2004, Gotham entered into a share exchange agreement with the shareholders of the former Long View Resources Corporation ("Long View"). Under this agreement, Gotham exchanged 8,942,010 shares for 100% of the issued and outstanding shares of Long View. As a result of the share exchange, Long View obtained control over Gotham. The companies were amalgamated immediately after the transaction and continued as Long View Resources Corporation, where Mr. Patterson served as President and Chief Executive Officer until its amalgamation with Reece Energy Corp. in May 2007.

Bankruptcies

Other than as described below, no director of the Corporation has, within the ten years preceding the date of this Information Circular, become bankrupt, been a director or executive officer of any company that, while that person was 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.

Mr. Watts and Mr. Voskuil were directors and officers of Deep Creek Oil and Gas Inc. ("Deep Creek") when it encountered financial difficulties and suffered a reduction of revenue due to falling oil and gas prices in the global economic crisis in 2008 and 2009. As a result, Deep Creek was granted creditor protection under the *Bankruptcy Insolvency Act* (Canada) on March 19, 2009, and on July 23, 2009, Deep Creek's creditors approved the Restructuring Proposal. On June 23, 2010, Deep Creek emerged from creditor protection upon the completion and fulfilment of the Restructuring Proposal approved by Deep Creek's creditors on July 23, 2009.

Mr. Heighington was a director of Planet Organic Health Corp. ("Planet") from 2007 until March 2010. Subsequent to Mr. Heighington's resignation as a director, Planet filed for and was granted an order pursuant to the *Companies' Creditors Arrangement Act* (Canada) on April 30, 2010. Mr. Heighington played a key role as legal counsel during the restructuring and guided Planet through the process. Planet was ultimately acquired by a large competitor and continues operating as a privately held organic food retail business.

Appointment of Auditor

The Shareholders will be asked at the Meeting to vote for the appointment of MacKay LLP, Chartered Accountants, 1700, 717 - 7th Avenue SW, Calgary, Alberta T2P 0Z3, as the auditors of the Corporation, for the ensuing year and to authorize the Directors to fix their remuneration. MacKay LLP have been the auditors of the Corporation since its inception on January 13, 2010. It is anticipated that an international auditor will be appointed subsequent to the Corporation's closing of its previously announced acquisition of Grisham Assets Corp. (*Stockwatch - March 20, 2012*)

Unless otherwise directed, Shares representing proxies in favour of management nominees will be voted in favour of the appointment of MacKay LLP as auditors of the Corporation, to hold office until the next annual general meeting of the Shareholders, or until their successors are duly elected or appointed, and to authorize the Board to fix their remuneration.

Annual Approval of the Stock Option Plan

The Corporation has in place a stock option plan whereby the Directors of the Corporation may allocate a maximum of 10% of the issued and outstanding Shares for issuance under the Option Plan. The Option Plan was last approved by the Shareholders at the annual and special meeting of Shareholders held on November 9, 2011. There have not been any amendments made to the Option Plan since that time. The complete Option Plan is attached as Schedule "C".

The highlights of the Option Plan are as follows:

- (a) Options may be granted to Directors, employees, management company employees and consultants;
- (b) the exercise price of Options granted shall be determined by the Board in accordance with the policies of the TSXV;
- (c) the Directors may allocate up to a maximum of 10% of the issued and outstanding Shares for the issuance of Options; no single participant may be issued Options representing greater than five (5%) percent of the number of outstanding Shares in any 12 month period; the number of Shares reserved for issuance to any one consultant of the Corporation may not exceed two (2%) percent of the number of outstanding Shares in any 12 month period;
- (d) the aggregate number of Options granted to persons employed in investor relation activities must not exceed two (2%) percent of the outstanding Shares in any 12 month period unless the TSXV permits otherwise. Options issued to consultants providing investor relations services must vest in stages over 12 months with no more than one quarter of the Options vesting in any three month period;
- (e) the Board may determine the term of the Options, but the term shall in no event be greater than five years from the date of issuance;
- (f) generally, the Options expire 90 days from the date on which a participant ceases to be a Director, officer, employee, management company employee or consultant of the Corporation; and
- (g) terms of vesting of the Options, the eligibility of Directors, officers, employees, management company employees and consultants to receive Options and the number of Options issued to each participant shall be determined at the discretion of the Board, subject to the policies of the TSXV.

Since the Option Plan is a "rolling plan", annual shareholder approval of the Option Plan is required by the TSXV. In accordance with the policies of the TSXV, the Corporation requests Shareholders to consider, and if thought fit, approve an ordinary resolution substantially in the form set forth below:

"BE IT RESOLVED that:

1. as an ordinary resolution, pursuant to and in compliance with the policies of the TSX Venture Exchange and subject to regulatory approval, the Corporation's stock option plan is hereby approved, whereby a maximum of 10% of the common shares of the Corporation will be reserved for issuance under the stock option plan, provided that the number of listed securities that may be reserved for issuance under stock options granted to any one individual or insiders of the Corporation shall not exceed five (5%) percent of the Corporation's issued and outstanding listed securities, and the same is hereby approved;
2. the form of the stock option plan may be amended in order to satisfy the requirements or requests of any regulatory authorities, or at the discretion of the board of Directors acting in the best interests of the Corporation without requiring further approval of the shareholders of the Corporation; and

3. any one director or officer of the Corporation be and is hereby authorized and directed, upon the board of Directors resolving to give effect to this resolution, to take all necessary steps and proceedings, and to execute, deliver and file any and all applications, declarations, documents and other instruments and do all such other acts or things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to the provisions of this resolution."

To be effective, the resolution must be passed by at least a majority of the votes cast at the Meeting. **Unless otherwise directed, it is intended that the Shares represented by the proxies hereby solicited will be voted in favour of the approval of the Option Plan.**

BOARD APPROVAL

The contents of this Information Circular have been approved, in substance, and its mailing has been authorized, by the Board pursuant to resolutions passed as of April 27, 2012.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on the Corporation's website at www.petroviking.com or on SEDAR at www.sedar.com. Shareholders may contact the Corporation to request copies of the Corporation's financial statements and management discussion and analysis at its main telephone number at (403) 592-6257 or as follows:

Petro Viking Energy Inc.
Attention: Giovanni DeFrancesco
Suite 200, 744 - 4th Avenue SW
Calgary, Alberta T2P 3T4

Financial information is provided in the Corporation's comparative financial statements and management discussion and analysis for the financial year ended December 31, 2011 which were filed on SEDAR on April 27, 2012.

SCHEDULE "A" – AUDIT COMMITTEE CHARTER

I. Role

The Audit Committee is a committee of the Board of Directors (the "Board"). Its role is to assist the Board in its oversight of the integrity of the financial and related information of the Corporation including its financial statements, the internal controls and procedures for financial reporting and the processes for monitoring compliance with legal and regulatory requirements and to review the independence, qualifications and performance of the external auditor of the Corporation. Management is responsible for establishing and maintaining those controls, procedures and processes and the Audit Committee is appointed by the Board to review and monitor them.

While the Audit Committee shall have the responsibilities and powers set forth in this charter, it shall not be the duty of the Audit Committee to determine whether the Corporation's financial statements are complete, accurate, or in accordance with generally accepted accounting principles or to conduct audits. These are the responsibilities of management and the external auditor in accordance with their respective roles.

The responsibilities of a member of the Audit Committee shall be in addition to such member's duties as a member of the Board.

II. Authority

The Audit Committee shall have the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities. In connection with such investigations or otherwise in the course of fulfilling its responsibilities under this charter, the Audit Committee shall have the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the Audit Committee and to communicate directly with the internal and external auditors. The Audit Committee shall also have unrestricted access to the Corporation's personnel and documents and will be provided with the resources to carry out its responsibilities. The Audit Committee shall have direct communication channels with the internal auditors (if any) and the external auditors to discuss and review specific issues as appropriate.

III. Membership and Meetings

The Audit Committee shall be composed of a minimum of three Directors, two of whom shall be independent as that term is defined in National Instrument 52-110 - *Audit Committees* ("NI 52-110") and any other applicable requirements of Canadian securities laws. A member of the Audit Committee shall automatically cease to be a member upon ceasing to be a director of the Corporation.

Members shall serve one-year terms and may serve consecutive terms. This is to encourage continuity of experience.

The Chairperson shall be appointed by the Board of Directors for a one-year term and may serve any number of consecutive terms.

Except as may be permitted by applicable securities laws and regulatory policies, all members of the Audit Committee must be "financially literate" i.e., have the ability to read and understand a balance sheet, an income statement and a cash flow statement. At least one member of the Audit Committee should be financially sophisticated in that he or she has past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background which results in the individual's sophistication. This individual must have the ability to analyze and interpret a full set of financial statements including the attached notes, in accordance with Canadian generally accepted accounting principles.

The Chairman of the Audit Committee shall be appointed by the Board and the Chairman shall preside at all meetings of the Audit Committee and shall have a second and deciding vote in the event of a tie. If the Chairman is absent from a meeting, then the remaining members of the Audit Committee shall appoint one of their members to act as Chairman.

Subject to the requirements of this charter, the time(s), place and processes for calling meetings of the Audit Committee and the procedures at such meetings shall be determined by the Audit Committee.

Quorum of a meeting of the Audit Committee shall be the attendance of two (2) members thereof. A member or members of the Audit Committee may participate in a meeting of the Audit Committee by means of such telephonic, electronic or other communication facilities as permits all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.

The minutes of the Audit Committee meetings shall accurately record the decisions reached and shall be distributed to Audit Committee members with copies to the Board of Directors, the Chief Executive Officer, the Chief Financial Officer and the external auditor.

A written resolution signed by all the members of the Audit Committee entitled to vote on that resolution at a meeting of the Audit Committee is as valid as if it had been passed at a meeting of the Audit Committee.

The Audit Committee reviews, prior to their presentation to the Board of Directors and their release, all material financial information required by securities regulations.

IV. **Responsibilities**

In carrying out its role, the Audit Committee SHALL:

A. **General**

1. Meet at least four times per year, or more frequently if circumstances or the obligations of the Audit Committee require;
2. Report to the Board on such matters as the Board may from time to time refer to the Audit Committee;
3. Annually review and reassess the adequacy of this charter and submit such evaluation to the Board and recommend any proposed changes to the Board for approval;

B. **External Auditor**

1. Require the external auditor to report directly to the Audit Committee and shall provide notice of each Audit Committee meeting to the external auditor;
2. Recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing the auditor's report or performing other audit, review or attest services for the Corporation and the compensation of the external auditor, and as necessary, review and approve the discharge of the external auditor. If the event of a change of external auditor, the Audit Committee shall review all issues and provide documentation related to the change, including the information to be included in the Notice of Change of Auditors and documentation required pursuant to National Instrument 51-102 (or any successor legislation) of the Canadian Securities Administrators and the planned steps for an orderly transition period;
3. Be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing the auditor's report or performing other audit, review or attest services for the Corporation;
4. Oversee the resolution of disagreements between management and the external auditor regarding financial reporting;
5. Pre-approve any non-audit services to be provided to the Corporation or its subsidiaries by the external auditor and the fees for those services;

6. Take reasonable steps to confirm the independence of the external auditor, which shall include, but shall not be limited to:
 - (a) ensuring receipt, at least annually, from the external auditor of a formal written statement delineating all relationships between the external auditor and the Corporation, including non-audit services provided to the Corporation, consistent with Section 5751 of the Canadian Institute of Chartered Accountants Handbook;
 - (b) considering and discussing with the external auditor any disclosed relationships or services, including non-audit services, that may impact the objectivity and independence of the external auditor; and
 - (c) enquiring into and determining the appropriate resolution of any conflict of interest in respect of the external auditor;
7. Review and approve the Corporation's hiring policies regarding the hiring of partners, employees, and former partners and employees of the Corporation's existing and former external auditor;

C. Audit and Other Review Processes

1. Consider, in consultation with the external auditor, the audit scope and plan of the external auditor;
2. Consider and review with the external auditor the matters required to be discussed by Section 5751 of the Canadian Institute of Chartered Accountants Handbook, as the same may be modified or supplemented from time to time;
3. Review and discuss with management and the external auditor, as appropriate, at the completion of the annual audit:
 - (a) the Corporation's annual audited financial statements and related footnotes, including the accompanying management's discussion and analysis prior to their release;
 - (b) the external auditor's audit of the financial statements and its report thereon;
 - (c) any significant changes required to be made in the external auditor's audit plan;
 - (d) any serious difficulties or disputes between management and the external auditor during the course of the external auditor's audit;
 - (e) any related findings and recommendations of the external auditor together with management's responses including the status of previous recommendations; and
 - (f) any other matters related to the conduct of the external audit which are to be communicated to the Audit Committee by the external auditor under Canadian generally accepted auditing standards;
4. Review and discuss with management and the external auditor, as appropriate, at the completion of each interim period, the Corporation's interim financial statements including the accompanying management's discussion and analysis prior to their release;
5. Review and discuss with management and the external auditor, as appropriate, any annual and interim earnings guidance and other press releases containing information derived from the Corporation's financial statements prior to their release;
6. Ensure that the Corporation has satisfactory procedures in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and the Audit Committee shall periodically assess the adequacy of such procedures;

7. Review and discuss with management and the external auditor and others, as appropriate, the Corporation's internal system of audit controls established by management and the Board and the effectiveness of such controls, and inquire of management and the external auditor about significant financial risks or exposures and the steps management has taken to minimize such risks;
 8. Review and discuss with management and the external auditor, as appropriate, the Corporation's financial reporting practices, including changes in, or adoptions of, accounting standards and principles and disclosure practices;
 9. Review with management and the external auditor their qualitative judgments about appropriateness, not just the acceptability, of accounting principles and accounting disclosure practices used or proposed to be used, and particularly, the degree of aggressiveness or conservatism of the Corporation's accounting principles and underlying estimates;
 10. Meet with the external auditor and management in separate sessions, as necessary or appropriate, to discuss any matters that the Audit Committee, the external auditor or management believe should be discussed privately with the Audit Committee, provided however that the Audit Committee may request any officer, director or employee of the Corporation, its outside legal counsel or other advisors to attend a meeting of the Audit Committee or to meet with any members of, or advisors to, the Audit Committee and to assist in any such discussions;
- D. Public Disclosure Documents
1. Review all public disclosure documents, including but not limited to press releases, containing audited or unaudited financial information, any prospectuses, annual reports, annual information forms, and management's discussion and analysis prior to their public release or filing with securities regulators;
- E. Risk Assessment
1. Assess significant risk areas and the Corporation's policies to manage risk including, without limitation, environmental risk, insurance coverage and other areas as determined by the Board from time to time; and
- F. Procedures for Complaints
1. Establish procedures for the receipt, retention and treatment of any complaint received by the Corporation regarding accounting, internal accounting controls or auditing matters including procedures for the confidential, anonymous submissions by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

SCHEDULE “B” – DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

Unless otherwise stated herein, all capitalized terms herein shall have the meaning set forth in the Glossary of Terms.

The Corporation strives to uphold high standards of corporate governance which meet, or exceed, the applicable rules adopted by the Canadian Securities Administrators.

Director Independence

The determination of independence of a Director is made by the Board and the Nominating and Corporate Governance Committee (the “Corporate Governance Committee”). A Director is independent if it is determined that the Director has no material relationship with the Corporation or any affiliates or the external auditors of the Corporation, either directly or indirectly, or as a partner, shareholder or officer of an entity that has a relationship with the Corporation.

The Corporation and the Corporate Governance Committee have determined that the following Board members are independent Directors as of December 31, 2011.

- Kevin Patterson: Chairman of the Audit Committee, member of the Reserves Committee, member of the Corporate Governance and Compensation Committee, Board Member
- John Styles: Chairman of the Reserves Committee, member of the Audit Committee, member of the Corporate Governance and Compensation Committee, Board Member
- David D. Heighington: Chairman of the Corporate Governance and Compensation Committee, member of the Audit Committee, member of the Reserves Committee, Board Member

Out of the current Board of six (6) Directors, fifty percent (50%) of the Directors are independent as at December 31, 2011.

It is anticipated that following the Meeting, three of the six directors will be independent.

Each committee member is expected to attend each relevant committee meeting. There is no official attendance policy. Management evaluations, various matters of general concern, financing, third party engagements and various scientific and corporate development visions and planning are typically discussed at Board meetings. To the extent that it is necessary, the results of these discussions are communicated to management.

Directorships

The following table shows the names of other public corporations in which Directors currently hold the position of director:

Name	Company
David D. Heighington	Pan Terra Industries Inc. Gold Ridge Exploration Corp.
Kevin Patterson	Firebird Capital Partners Inc.

Board Mandate

The Board has adopted the following written mandate:

The Board has responsibility for the overall stewardship for the Corporation, establishing the overall policies and standards for the Corporation in the operation of its business, and reviewing and approving the strategic plans. In addition, the Board monitors and assesses overall performance and progress in meeting the Corporation's goals. Day to day management is the responsibility of the President and Chief Executive Officer and senior management. To this end, the Board has adopted the following guidelines that identify the personal and professional conduct expected of the Directors and its corporate governance responsibilities.

The Board discharges its responsibilities directly through its committees, the Audit Committee, the Corporate Governance Committee and the Compensation Committee. In addition to the Board's primary roles of overseeing the affairs of the Corporation, principal duties include, but are not limited to the following categories:

1. The Chairman provides independent leadership to the Corporation's Board.
2. At least three members of the Board and all of its committee members will be independent.
3. All Directors will act in the best interest of the Corporation and will put the interests of the Corporation ahead of any single stakeholder, shareholder or group.
4. The Board will supervise management, not manage the business day-to-day.
5. The Board has the responsibility for approving the appointment of the Chief Executive Officer and any other officers of the Corporation, and approving the compensation of the Chief Executive Officer and management of the Corporation following a review from the Compensation Committee.
6. The Board will be responsible for reviewing, discussing and debating the Corporation's direction, choice of business opportunities and the management of the risk which these opportunities entail.
7. The Board will ensure that there are objectives for management and with its committees will regularly review performance against these objectives.
8. The Board will ensure there are plans for the orderly succession of management and that these plans are kept up to date.
9. The Board will ensure that the Corporation communicates openly and effectively with its shareholders, other stakeholders and the public.
10. The Board will approve operating and capital budgets and ensure that the Corporation has effective control and information systems to enable it to monitor progress and discharge all of its responsibilities.
11. The Board will appoint and oversee the committees it requires and ensure the Corporation reports on corporate governance in each annual report.
12. The Board is responsible for monitoring the performance and training of management with respect to the operations of the Corporation.
13. The Board will assess each year the size, performance, and effectiveness of the Board, its committees and its members and nominate new director candidates as required, based on recommendations from the Corporate Governance Committee.

The Board of Directors intends to review its mandate on an annual basis. This review is initiated and conducted by the Corporate Governance Committee. The Board assists management as requested regarding specific operational matters and assists management in establishing operational and financial development, goals and objectives. Board approval is required for any major operational or financial initiative. Expectations of management by the Board include standard best efforts and ethical conduct, timely reporting, timely preparation of documents and reports in preparation for meetings, competent fiscal and regulatory management.

Orientation and Continuing Education

New Directors will be given an orientation program which includes an information package, initial and subsequent meetings with management and the Chairman of the Board, tours of the Corporation's facilities and a seminar on the Corporation's oil and gas properties and strategy.

Any Director wishing to attend a continuing education course identifies to the Chairman the desire to attend such a course. The Chairman then approves or disapproves the request.

Nomination of Directors

The current members of the Corporate Governance Committee are David Heighington (Chairman), Kevin Patterson and John Styles, all of whom are considered to be independent Directors.

Pursuant to its mandate, the Corporate Governance Committee takes responsibility for establishing and reviewing the Corporation's system of corporate governance and its response to and compliance with any applicable regulatory guidelines. It is also responsible for preparing disclosure concerning corporate governance, and for developing and monitoring the Corporation's general approach to corporate governance issues as they arise. Further, it assumes responsibility for assessing current members and nominating new members to the Board and ensuring that all Board members are informed of and are aware of their duties and responsibilities as Directors. The Corporate Governance Committee takes responsibility for the adoption of adequate policies and procedures to allow the Corporation to meet its continuous disclosure requirements, manage the Corporation's principal risks, review the strategic plan on a timely basis, develop and monitor corporate policies relating to trading in securities, ensuring the Board annually reviews organizational structure and succession planning, reviews areas of potential personal liability of Directors and ensures reasonable protective measures are in place and causes the Board to annually review its definition of an independent Director.

The Board expects new Directors to abide by the same standards and time commitments described above for all other Directors.

The Board does not keep a formal list of potential Directors. If the Directors decided that they needed a new Director they would develop such a list. The core competencies of any new Director would be determined by the Board on a case by case basis depending on which existing Board member was to be replaced or what perceived area of expertise needed to be addressed. Any time a potential new Director is considered for nomination to the Board, that person would be interviewed by selected members of the Corporate Governance Committee and possibly other Directors to determine suitability regarding qualifications, commitment and time devotion. A consensual decision would be made. By board resolution, the number of directors to be elected has been fixed at six (6) which the Board considers satisfactory for decision making processes.

Board Assessments

Included in the mandate of the Corporate Governance Committee is the responsibility to assess the independence and effectiveness of the Board as a whole, the committees of the Board and individual directors.

SCHEDULE "C" – DIRECTORS', MANAGEMENT, EMPLOYEES' AND CONSULTANTS' STOCK OPTION PLAN

PETRO VIKING ENERGY INC. 2012 Stock Option Incentive Plan

1. PURPOSE

The purpose of this Stock Option Incentive Plan is to provide an incentive to Eligible Persons to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company and to increase their efforts on behalf of the Company.

2. DEFINITIONS

In this Plan, the following words have the following meanings:

- (a) "Board" means the Board of Directors of the Company;
- (b) "Common Shares" means the Common Shares of the Company;
- (c) "Company" means **Petro Viking Energy Inc.**;
- (d) "Consultant" has the meaning set out in the policies of the TSX Venture Exchange;
- (e) "Effective Date" means the day following the date upon which the Plan has been approved by the last to approve of the shareholders of the Company, the Board, the Exchange and any other regulatory authority having jurisdiction over the Company's securities;
- (f) "Eligible Person" means any director, officer or technical consultant (where permitted by securities laws) and their permitted assigns (as those terms are defined by the policies of the TSX Venture Exchange and National Instrument 45-106 as amended from time to time) of the Company or any affiliate of the Company;
- (g) "Exchange" means the TSX Venture Exchange and any other stock exchange or stock quotation system on which the Common Shares trade;
- (h) "Fair Market Value" means, as of any date, the value of the Common Shares, determined as follows:
 - (i) if the Common Shares are listed on the TSX Venture Exchange, the Fair Market Value shall be the last closing sales price for such shares as quoted on such Exchange for the market trading day immediately prior to the date of grant of the Option, less any discount permitted by the TSX Venture Exchange;
 - (ii) if the Common Shares are listed on an Exchange other than the TSX Venture Exchange, the fair market value shall be the closing sales price of such shares (or the closing bid, if no sales were reported) as quoted on such Exchange for the market trading day immediately prior to the time of determination less any discount permitted by such Exchange; and
 - (iii) if the Common Shares are not listed on an Exchange, the Fair Market Value shall be determined in good faith by the Board;
- (i) "Investor Relations Activities" has the meaning set out in the policies of the TSX Venture Exchange;
- (j) "Option" means the option granted to an Optionee under this Plan and the Option Agreement;

- (k) “Option Agreement” means such option agreement or agreements as is approved from time to time by the Board and as is not inconsistent with the terms of this Plan;
- (l) “Option Date” means the date of grant of an Option to an Optionee;
- (m) “Option Price” is the price at which the Optionee is entitled pursuant to the Plan and the Option Agreement to acquire Option Shares;
- (n) “Option Shares” means, subject to the provisions of Article 8 of this Plan, the Common Shares which the Optionee is entitled to acquire pursuant to this Plan and the applicable Option Agreement;
- (o) “Optionee” means a person to whom an Option has been granted;
- (p) “Plan” means the 2012 Stock Option Incentive Plan; and
- (q) “Vested” means that an Option has become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement.

3. **ADMINISTRATION**

The Plan shall be administered by the Board, and subject to the rules of the Exchange from time to time and except as provided for herein, the Board shall have full authority to:

- (a) determine and designate from time to time those Eligible Persons to whom Options are to be granted and the number of Option Shares to be optioned to each such Eligible Person;
- (b) determine the time or times when, and the manner in which, each Option shall be exercisable and the duration of the exercise period;
- (c) determine from time to time the Option Price, provided such determination is not inconsistent with this Plan; and
- (d) interpret the Plan and to make such rules and regulations and establish such procedures as it deems appropriate for the administration of the Plan, taking into consideration the recommendations of management.

4. **OPTIONEES**

Optionees must be Eligible Persons who, by the nature of their jobs or their participation in the affairs of the Company, in the opinion of the Board, are in a position to contribute to the success of the Company.

5. **EFFECTIVENESS AND TERMINATION OF PLAN**

The Plan shall be effective as of the Effective Date and shall terminate on the earlier of:

- (a) the date which is ten years from the Effective Date; and
- (b) such earlier date as the Board may determine.

Any Option outstanding under the Plan at the time of termination of the Plan shall remain in effect in accordance with the terms and conditions of the Plan and the Option Agreement.

6. **THE OPTION SHARES**

The aggregate number of Option Shares reserved for issuance under the Plan and Common Shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time may not exceed in aggregate 10% of the Company's Common Shares issued and outstanding upon completion of the Company's initial public offering.

7. **GRANTS, TERMS AND CONDITIONS OF OPTIONS**

Options may be granted by the Board at any time and from time to time prior to the termination of the Plan. Options granted pursuant to the Plan shall be contained in an Option Agreement and, except as hereinafter provided, shall be subject to the following terms and conditions:

(a) **Option Price**

The Option Price shall be determined by the Board, provided that such price shall not be lower than the Fair Market Value of the Option Shares on the date of grant of the Option.

(b) **Duration and Exercise of Options**

Except as otherwise provided elsewhere in this Plan, the Options shall be exercisable for a period, or in percentage installments over a period, to be determined in each instance by the Board. The Options must be exercised in accordance with this Plan and the Option Agreement.

Except as contemplated in (c) below, no Option may be exercised by an Optionee who was an Eligible Person at the time of grant of such Option unless the Optionee shall have been an Eligible Person continuously since the Option Date. Absence on leave, with the approval of the Company, shall not be considered an interruption of employment for the purpose of the Plan.

(c) **Termination**

All rights to exercise Options shall terminate upon the earliest of:

- (i) the expiration date of the Option;
- (ii) the 90th day after the Optionee ceases to be an Eligible Person for any reason other than death, disability or cause (provided that if the Company is a Capital Pool Company, as defined in the policies of the TSX Venture Exchange and the Optionee does not carry on as a director, officer, senior employee or consultant of the Company upon completion of the Company's Qualifying Transaction (as defined in the policies of the TSX Venture Exchange), the Options shall be exercisable until the greater of 12 months after the completion of such Qualifying Transaction and the 90th day after the Optionee ceases to be an Eligible Person for any reason other than death, disability or cause);
- (iii) the 30th day after the Optionee who is engaged in Investor Relations Activities for the Company ceases to be employed to provide Investor Relations Activities;
- (iv) the date on which the Optionee ceases to be an Eligible Person by reason or termination of the Optionee as an employee or consultant of the Company for cause (which, in the case of a consultant, includes any breach of an agreement between the Company and the consultant);
- (v) the first anniversary of the date on which the Optionee ceases to be an Eligible Person by reason of termination of the Optionee as an employee or consultant on account of disability; or
- (vi) the first anniversary of the date of death of the Optionee.

(d) Re-issuance of Options

Options which are cancelled or expire prior to exercise may be re-issued under the Plan without shareholder approval.

(e) Transferability of Option

Options are non-transferable and non-assignable.

(f) Vesting of Option Shares

The Directors may determine and impose terms upon which each Option shall become Vested in respect of Option Shares in accordance with the policies of the TSX Venture Exchange.

(g) Other Terms and Conditions

The Option Agreement may contain such other provisions as the Board deems appropriate, provided such provisions are not inconsistent with the Plan and the requirements of the TSX Venture Exchange.

In addition, for as long as the Common Shares of the Company are listed on the TSX Venture Exchange, the Company shall comply with the following requirements:

- (i) so long as the Company is classified as a “Tier 2” issuer by the TSX Venture Exchange, Options to acquire more than 5% of the issued and outstanding Common Shares of the Company may not be granted to any one individual in any 12 month period;
- (ii) Options to acquire more than 2% of the issued and outstanding Common Shares of the Company may not be granted to any one consultant in any 12 month period;
- (iii) Options to acquire more than an aggregate of 2% of the issued and outstanding Common Shares of the Company may not be granted to persons employed to provide Investor Relations Activities in any 12 month period;
- (iv) Options issued to Consultants performing Investor Relations Activities must vest in stages over 12 months with no more than one-quarter of the Options vesting in any three month period;
- (v) the approval of the disinterested shareholders of the Company shall be obtained for any amendment to or reduction in the exercise price of the Option if the Optionee is an insider of the Company at the time of the amendment. For the purposes of this subsection, the term “insider” has the meaning assigned in the securities legislation applicable to the Company;
- (vi) for Options granted to the employees, consultants or management company employees of the Company, the Company will represent that the Optionee is a *bona fide* employee, consultant or management company employee of the Company, as the case may be; and
- (vii) any Option Shares acquired pursuant the exercise of options prior to the completion of the Company’s Qualifying Transaction, as defined in the policies of the Exchange, must be deposited in escrow in accordance with the policies of the Exchange.

8. **ADJUSTMENT OF AND CHANGES IN THE OPTION SHARES**

- (a) If the Common Shares are at any time to be listed or quoted on any stock exchange or stock quotation system other than the TSX Venture Exchange, to the extent that there are any Options which are outstanding and unexercised at the time of such application for listing, the Option Price, the aggregate number of Option Shares, the exercise period, and any other relevant terms of such Options, and the Option Agreements in relation thereto, shall be amended in accordance with the requirements of any applicable securities regulation or law or any applicable governmental or regulatory body (including the Exchange). Subject to the requirements of the Exchange, any such amendment shall be effective upon receipt of Board approval of it, and the approval of any of the shareholders of the Company or any of the Optionees is not required to give effect to such amendment.
- (b) If the Common Shares, as presently constituted, are changed into or exchanged for a different number or kind of shares or other securities of the Company or of another Company (whether by reason of merger, consolidation, amalgamation, recapitalization, reclassification, split, reverse split, combination of shares, or otherwise) or if the number of such Common Shares are increased through the payment of a stock dividend, then there shall be substituted for or added to each Option Share subject to or which may become subject to an Option under this Plan, the number and kind of shares or other securities into which each outstanding Option Share is so changed, or for which each such Option Share is exchanged, or to which each such Option Share is entitled, as the case may be. Outstanding Options under the Option Agreements shall also be appropriately amended as to price and other terms as may be necessary to reflect the foregoing events. In the event that there is any other change in the number or kind of the outstanding Common Shares or of any shares or other securities into which such Option Shares are changed, or for which they have been exchanged, then, if the Board shall, in its sole discretion, determine that such change equitably requires an adjustment in any Option theretofore granted or which may be granted under the Plan, such adjustment shall be made in accordance with such determination.
- (c) Fractional shares resulting from any adjustment in Options pursuant to this Section 8 will be cancelled. Notice of any adjustment shall be given by the Company to each holder of an Option which has been so adjusted and such adjustment (whether or not such notice is given) shall be effective and binding for all purposes of the Plan.

9. **PAYMENT**

Subject as hereinafter provided, the full purchase price for each of the Option Shares shall be paid by certified cheque in favour of the Company upon exercise thereof. An Optionee shall have none of the rights of a shareholder in respect of the Option Shares until the shares are issued to such Optionee.

10. **SECURITIES LAW REQUIREMENTS**

No Option shall be exercisable in whole or in part, nor shall the Company be obligated to issue any Option Shares pursuant to the exercise of any such Option, if such exercise and issuance would, in the opinion of counsel for the Company, constitute a breach of any applicable laws from time to time, or the rules from time to time of the Exchange. Each Option shall be subject to the further requirement that if at any time the Board determines that the listing or qualification of the Option Shares under any securities legislation or other applicable law, or the consent or approval of any governmental or other regulatory body (including the Exchange), is necessary as a condition of, or in connection with, the issue of the Option Shares hereunder, such Option may not be exercised in whole or in part unless such listing, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Board.

11. **AMENDMENT OF THE PLAN**

- (a) The Board may amend, suspend or terminate the Plan or any portion thereof at any time, but an amendment may not be made without shareholder approval if such approval is necessary to comply with any applicable regulatory requirement.
- (b) The Board shall have the power, in the event of:
 - (i) any disposition of substantially all of the assets of the Company, dissolution or any merger, amalgamation or consolidation of the Company, with or into any other Company, or the merger, amalgamation or consolidation of any other Company with or into the Company; or
 - (ii) any acquisition pursuant to a public tender offer of a majority of the then issued and outstanding Common Shares;

but subject to compliance with the rules of the Exchange, to amend any outstanding Options to permit the exercise of all such Options prior to the effectiveness of any such transaction, and to terminate such Options as of such effectiveness in the case of transactions referred to in subsection (i) above, and as of the effectiveness of such tender offer or such later date as the Board may determine in the case of any transaction described in subsection (ii) above. If the Board exercises such power, all Options then outstanding and subject to such requirements shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Optionee at any time or from time to time as determined by the Board prior to the effectiveness of such transaction, and such Options shall also be deemed to have terminated as provided above.

12. **Power to Terminate or Amend Plan**

Subject to the approval of any stock exchange on which the Company's securities are listed, the Board may terminate, suspend or amend the terms of the Plan; provided, that the Board may not do any of the following without obtaining, within 12 months either before or after the Board's adoption of a resolution authorizing such action, shareholder approval, and, where required, disinterested shareholder approval, or by the written consent of the holders of a majority of the securities of the Company entitled to vote:

- (a) increase the aggregate number of Common Shares which may be issued under the Plan;
- (b) materially modify the requirements as to the eligibility for participation in the Plan which would have the potential of broadening or increasing Insider participation;
- (c) add any form of financial assistance or any amendment to a financial assistance provision which is more favourable to participants under the Plan;
- (d) add a cashless exercise feature, payable in cash or securities, which does not provide for a full deduction of the number of underlying securities from the Plan reserve; and
- (e) materially increase the benefits accruing to participants under the Plan.

However, the Board may amend the terms of the Plan to comply with the requirements of any applicable regulatory authority without obtaining shareholder approval, including:

- (a) amendments of a housekeeping nature to the Plan;
- (b) a change to the vesting provisions of a security or the Plan; and
- (c) a change to the termination provisions of a security or the Plan which does not entail an extension beyond the original expiry date.

13. **SHAREHOLDER APPROVAL**

This Plan is subject to the approval of the shareholders of the Company if required pursuant to the policies of the Exchange. Any Options granted prior to such approval, if required, are conditional upon such approval being given, and no such Options may be exercised unless and until such approval, as required, is given.