

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended, (the “U.S. Securities Act”) or any state securities laws and, except as permitted by the Underwriting Agreement (defined herein) and pursuant to certain exemptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S of the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities in the United States. See “Plan of Distribution”.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Corporation at Suite 700, 324 – 8th Avenue S.W., Calgary, Alberta, T2P 2Z2, telephone: (403) 263-4534 and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

New Issue

November 3, 2010



ANGLE ENERGY INC.

\$25,004,400

2,488,000 Flow-Through Common Shares

Price: \$10.05 per Flow-Through Common Share

This short form prospectus qualifies for distribution 2,488,000 common shares of Angle Energy Inc. (“**Angle**” or the “**Corporation**”) to be issued on a flow-through basis (the “**Offered Shares**”) pursuant to the *Income Tax Act* (Canada) and the regulations thereunder (the “**Tax Act**”) at a price of \$10.05 per Offered Share (the “**Offering**”). The issued and outstanding common shares of the Corporation (the “**Common Shares**”) are listed and posted for trading on the Toronto Stock Exchange (the “**TSX**”) under the trading symbol “NGL”. On November 2, 2010, the last trading day prior to the filing of this short form prospectus, the closing price of the Common Shares on the TSX was \$7.40 per Common Share. The TSX has conditionally approved the listing of the Offered Shares distributed under this short form prospectus. Listing the Offered Shares will be subject to the Corporation fulfilling all of the listing requirements of the TSX on or before January 25, 2011. The offering price of the Offered Shares was determined by negotiation between the Corporation and National Bank Financial Inc., as lead underwriter (the “**Lead Underwriter**”), on its own behalf and on behalf of FirstEnergy Capital Corp., Cormark Securities Inc., Dundee Securities Corporation, Macquarie Capital Markets Canada Ltd., Peters & Co. Limited and CIBC World Markets Inc. (collectively, the “**Underwriters**”). See “*Plan of Distribution*”.

	<u>Offering Price to the Public</u>	<u>Underwriters’ Fee⁽¹⁾</u>	<u>Net Proceeds to the Corporation⁽²⁾</u>
Per Offered Share	\$10.05	\$0.5025	\$9.5475
Total	\$25,004,400	\$1,250,220	\$23,754,180

Notes:

- (1) The Corporation has agreed to pay the Underwriters a fee equal to 5% of the gross proceeds of the Offering, which is equal to \$0.5025 per Offered Share.
- (2) Before deducting expenses of the Offering, estimated to be \$346,000, which will be paid from the general funds of the Corporation.

The Underwriters, as agents, conditionally offer the Offered Shares, subject to prior sale, if, as and when issued by the Corporation and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "*Plan of Distribution*" and subject to the approval of certain legal matters relating to the Offering on behalf of the Corporation by Osler, Hoskin & Harcourt LLP and on behalf of the Underwriters by Heenan Blaikie LLP. The Offered Shares will be taken up by the Underwriters, if at all, on or before a date not later than 42 days after the date of the receipt for the final short form prospectus.

CIBC World Markets Inc. is, directly or indirectly, a wholly-owned subsidiary of a Canadian chartered bank that is a lender to the Corporation and to which it is presently indebted. Consequently, the Corporation may be considered to be a connected issuer of CIBC World Markets Inc. for the purposes of securities regulations in certain provinces. The Corporation will initially use the net proceeds of the issuance of the Offered Shares pursuant to the Offering to repay a portion of its indebtedness to such bank under its revolving credit facility and subsequently use the revolving credit facility for the Corporation's ongoing exploration program and to incur eligible Canadian exploration expenses to satisfy its renunciation obligations to subscribers of the Offered Shares. See "*Relationship Between the Corporation and Certain Underwriters*" and "*Use of Proceeds*".

The Corporation will, on or before December 31, 2011, incur and, effective on or before December 31, 2010, renounce to each subscriber of Offered Shares Canadian exploration expense described in paragraph (a) or (d) of the definition of "Canadian exploration expense" in subsection 66.1(6) of the Tax Act or that would be described in paragraph (h) of such definition if the reference therein to "paragraphs (a) to (d) and (f) to (g.1)" were a reference to "paragraphs (a) and (d)", excluding amounts which are prescribed to constitute "Canadian exploration and development overhead expense" under the Tax Act, the amount of any assistance described in paragraph 66(12.6)(a) of the Tax Act and any expenditure described in paragraph 66(12.6)(b.1) of the Tax Act ("CEE") in an amount equal to the aggregate purchase price paid by such subscriber for the Offered Shares. See "*Certain Canadian Federal Income Tax Considerations*".

Pursuant to the terms and conditions in the Underwriting Agreement, the Underwriters have agreed to act as, and the Corporation has appointed the Underwriters as, the sole and exclusive agents of the Corporation, to offer the Offered Shares at a price of \$10.05 per Offered Share for sale on a "best efforts" basis, provided that in the event that less than 2,488,000 Offered Shares are sold by the Underwriters as agents, the Underwriters shall, subject to the terms and conditions of the Underwriting Agreement, purchase as principals the Offered Shares not sold by the Underwriters as agents.

Subject to applicable laws and without affecting the firm obligation of the Underwriters to purchase from the Corporation 2,488,000 Offered Shares at a price of \$10.05 per Offered Share in accordance with the Underwriting Agreement, the Underwriters may offer the Offered Shares to the public at a price lower than the price indicated above. See "*Plan of Distribution*".

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that closing will occur on or about November 10, 2010 or such other date as the Corporation and the Underwriters may agree upon in writing but in any event no later than November 16, 2010 (the "**Closing Date**"). Definitive certificates representing the Offered Shares will be available for delivery on the Closing Date. Subject to applicable laws, the Underwriters may, in connection with the Offering, effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those that might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

An investment in the Offered Shares is speculative due to the nature of the Corporation's involvement in the exploration for, and the acquisition, development and production of, oil and natural gas reserves and resources. The Corporation's business is subject to the risks normally encountered in the oil and natural gas industry such as the marketability of oil and natural gas, competition with companies having greater resources, acquisition, exploration and production risks, need for capital, fluctuations in the market price and demand for oil and natural gas and the regulation of the oil and natural gas industry by various levels of government. The reserve, recovery and production information incorporated by reference in this short form prospectus are estimates only and the actual production and ultimate reserves recovered from the Corporation's properties may be greater or less than the estimates contained in this short form prospectus.

The success of acquisitions and further exploration or development projects cannot be assured. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Corporation. See “Risk Factors”.

Investors should rely only on the information contained in this short form prospectus and the documents incorporated by reference herein. The Corporation has not authorized anyone to provide investors with different information. The Corporation is not offering the Offered Shares in any jurisdiction in which the Offering is not permitted. Investors should not assume that the information contained in this short form prospectus is accurate as of any date other than the date of this short form prospectus. Subject to the Corporation’s obligations under applicable securities laws, the information contained in this short form prospectus is accurate only as of the date of this short form prospectus regardless of the time of delivery of this short form prospectus or of any sale of the Offered Shares.

The registered office of the Corporation is located at Suite 2500, 450 – 1st Street S.W., Calgary, Alberta, T2P 5H1. The head office of the Corporation is located at Suite 700, 324 – 8th Avenue S.W., Calgary, Alberta, T2P 2Z2.

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ELIGIBILITY FOR INVESTMENT

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Corporation, and Heenan Blaikie LLP, counsel to the Underwriters, subject to the provisions of the Deferred Plans (as defined below) and provided the Offered Shares are listed on a designated stock exchange (which includes the TSX) at the relevant time, then the Offered Shares will be “qualified investments” within the meaning of the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plans, tax-free savings accounts (“TFSA”) and deferred profit sharing plans (each a “**Deferred Plan**”).

The Offered Shares, if issued on the date hereof, will not be a “prohibited investment” for a trust governed by a TFSA provided, for purposes of the Tax Act, the holder of the TFSA deals at arm’s length with the Corporation and does not have a “significant interest” (within the meaning of the Tax Act) in the Corporation or in any corporation, partnership or trust with which the Corporation does not deal at arm’s length.

Notwithstanding the foregoing, if the Offered Shares are a “prohibited investment” for the purposes of a TFSA, or if an “advantage” (as defined in the Tax Act for purposes of the TFSA rules) in relation to a TFSA is extended to the holder or a person who does not deal at arm’s length with the holder, the holder of such TFSA will be subject to penalty taxes as set out in the Tax Act and, based on proposed amendments to the Tax Act, other tax consequences may result. Holders of trusts governed by the TFSA rules should consult their own tax advisors to ensure that the Offered Shares would not be a prohibited investment in their particular circumstances.

It is not anticipated that Deferred Plans would subscribe for Offered Shares as Deferred Plans, or the holders, annuitants, beneficiaries or subscriber of such Deferred Plans, as the case may be, would not benefit from a deduction in respect of CEE as described under “*Certain Canadian Federal Income Tax Considerations*”. However, purchasers may wish to transfer their Offered Shares to a Deferred Plan following the initial purchase. Purchasers who intend to transfer all or a portion of their Offered Shares to a Deferred Plan should consult their own tax advisors as to the tax consequences of such a transfer having regard to their own particular circumstances.

FORWARD-LOOKING STATEMENTS

This short form prospectus, including the documents incorporated by reference herein, contains certain forward-looking statements and forward-looking information (collectively referred to as “forward-looking statements”) within the meaning of Canadian securities laws. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “guidance”, “intend”, “may”, “plan”, “predict”, “project”, “should”, “target”, “will”, or similar words suggesting future outcomes or language suggesting an outlook. In particular, this short form prospectus and the documents incorporated by reference herein contain forward-looking statements pertaining to the following:

- use of proceeds from the Offering;
- completion of the Offering;
- the Corporation’s 2010 capital program;
- the Corporation’s operational and financial guidance for 2010;
- the performance characteristics of the Corporation’s oil and natural gas properties;
- business plans and strategies;
- capital expenditure programs and the timing and method of financing thereof;
- the ability of the Corporation to achieve drilling success consistent with management’s expectations;

- operating costs;
- the quantity of the Corporation's reserves;
- net present values of future net revenues from reserves;
- production levels of the Corporation's assets;
- timing and bringing on production;
- expected plans and costs of drilling;
- drilling inventory and presence of oil pools or gas accumulations;
- commodity prices;
- projections of costs;
- supply and demand for oil and natural gas;
- ability and cost of increasing plant capacity;
- the timing of the distribution of the Offered Shares;
- the expected impact and benefits on the Corporation of the acquisition of assets;
- expected levels of royalty rates, operating costs, general and administrative costs, costs of services and other costs and expenses;
- expectations regarding the ability to raise capital and to continually add to reserves through acquisitions, exploration and development;
- incorrect assessments of the value of acquisitions and exploration and development programs;
- geological, technical, drilling and processing problems;
- failure to realize the anticipated benefits of acquisitions, including the acquisition of Stonefire Energy Corp. ("**Stonefire**") and the Compton Assets (as defined herein); and
- treatment under governmental regulatory regimes and tax laws.

Statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and can be profitably produced in the future.

Undue reliance should not be placed on forward-looking statements, which are inherently uncertain, are based on estimates and assumptions, and are subject to known and unknown risks and uncertainties (both general and specific) that contribute to the possibility that the future events or circumstances contemplated by the forward-looking statements will not occur. There can be no assurance that the plans, intentions or expectations upon which forward-looking statements are based will in fact be realized. Actual results will differ, and the difference may be material and adverse to the Corporation and its shareholders.

Forward-looking statements are based on the Corporation's current beliefs as well as assumptions made by, and information currently available to, the Corporation concerning anticipated geological, well and financial performance, business prospects, strategies, regulatory developments, future commodity prices, future production levels of the Corporation's assets, the ability to obtain equipment in a timely manner to carry out development

activities, the ability to market oil and natural gas successfully to current and new customers, the impact of increasing competition, the ability to obtain financing on acceptable terms, the ability to add production and reserves through acquisition, exploration and development activities based on historical cost structures, the timely receipt of required regulatory approvals and that there will be no significant events occurring outside of Angle's normal course of business. Although management considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. See "*Forward-Looking Statements*" in the Corporation's Annual Information Form (as defined herein).

By their very nature, forward-looking statements involve inherent risks and uncertainties (both general and specific), some of which are beyond Angle's control, and risks that forward-looking statements will not be achieved. These factors include, but are not limited to, failure to complete the Offering, unforeseen difficulties in integrating acquired assets into the Corporation's operations, risks associated with reservoir performance, oil and gas exploration, financial risks, substantial capital requirements, bank financing, government regulation, environmental matters, prices, markets and marketing, dependence on key personnel, availability of drilling equipment and access, uninsurable risks, management of growth, expiration of licenses and leases, reserves estimates, seasonality, competition from industry players in Angle's core areas, conflicts of interest, title to properties, variations in exchange rates and hedging and uncertainty in global financial markets. There is also the risk and uncertainty of access to or expansion of infrastructure including appropriate pipelines on acceptable terms or costs. See "*Forward-Looking Statements*" and "*Risk Factors*" in the Annual Information Form and the Corporation's management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2009.

The success of Angle's drilling program is a key assumption in the production estimates for the 2010 financial year. The primary risk factors which could lead to Angle not meeting its drilling targets are a lack of access to drilling rigs and related equipment on a timely basis and at reasonable prices due to high industry demand, poor weather preventing access to the drill sites, delays in obtaining landowner consent for surface access, and delays in obtaining well licenses and drilling permits. Increases in capital costs from forecast amounts can result from the foregoing reasons as well as general cost inflation in the industry. Additionally, the Corporation may choose to decrease capital expenditures based on lower commodity prices than those anticipated in its budget projections, therefore not meeting its drilling targets and affecting production estimates for the 2010 financial year.

There are many factors that could result in production levels being less than anticipated, including greater than anticipated declines in existing production due to poor reservoir performance, the unanticipated encroachment of water or other fluids into the producing formation, mechanical failures or human error or inability to access production facilities, among other factors.

The price of natural gas in North America is primarily related to the domestic supply and demand equation. Demand is primarily affected by heating requirements in winter and cooling requirements in summer, with warm winters and/or cool summers having a negative demand influence. Supplies are generally domestic and respond to prices, but an increase in the deliverability of global natural gas liquids into the North American market can also influence the supply situation at times. The price of crude oil is set in U.S. dollars on the world market and is influenced by global supply and demand factors as well as exogenous events, such as terrorist activity in oil exporting countries. The current slowdown in economic growth due to recession in several of the world's major economies could further reduce both the demand and price for crude oil. Canadian producers realize a Canadian dollar price for crude oil, natural gas liquids and natural gas, all of which are determined in large part by the U.S. dollar price for such products adjusted for the U.S. to Canadian dollar exchange rate. The exchange rate is influenced by many factors, which have and will continue to result in high volatility.

Any estimates of cash flow and debt levels are based on assumptions regarding production and sales rates, production mix, natural gas, natural gas liquids and oil commodity prices, royalty rates, operating costs, general and administrative costs and capital expenditures. The risk that cash flow from operations may be less than expected or debt levels may be higher than expected is the aggregate of all risks affecting the individual components thereof. For further details on the factors affecting these items, see the Corporation's management's discussion and analysis of financial condition and results of operations for the year ended December 31, 2009.

There are references to boes in this short form prospectus, which may be misleading, particularly if used in isolation. Also, estimates in respect of discovered resources have been provided. There is no certainty that any portion of the

resource will be discovered and, if discovered, that oil, natural gas, or natural gas liquids will be commercially viable to produce in the area referenced.

Readers are cautioned that these factors and risks are difficult to predict and that the assumptions used in the preparation of such information, although considered reasonably accurate at the time of preparation, may prove to be incorrect. Discovered resources provided in this short form prospectus are estimates and actual figures and recovery factors may be less than anticipated. Given the risk of cost of development and fluctuating commodity prices, there is no certainty that it will be commercially viable to produce any portion of the resources mentioned. Accordingly, readers are cautioned that the actual results achieved will vary from the information provided herein and the variations may be material. Readers are also cautioned that the foregoing list of factors is not exhaustive. Consequently, there is no representation by the Corporation that actual results achieved will be the same in whole or in part as those set out in the forward-looking information. Furthermore, the forward-looking statements contained in this short form prospectus are made as of the date hereof, and neither the Corporation nor the Underwriters undertake any obligation, except as required by applicable securities legislation, to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

NON-GAAP MEASURES

In this short form prospectus and in certain documents incorporated by reference into this short form prospectus, there are references to the terms “netbacks”, “funds from operations”, “funds from operations per share”, “net debt” and “cash operating costs” which are not recognized measures under Canadian GAAP. The Corporation uses these measures to help evaluate its performance. Management considers netbacks an important measure as they demonstrate the Corporation’s profitability relative to current commodity prices. Management uses funds from operations to analyze performance and considers it a key measure as it demonstrates the Corporation’s ability to generate the cash necessary to fund future capital investments and to repay debt. Funds from operations has been defined by the Corporation as net earnings plus the addition back of certain non-cash items (depletion, depreciation and accretion, stock-based compensation, future income taxes and unrealized gains/losses on risk management activities) and excludes the change in non-cash working capital related to operating activities and expenditures on asset retirement obligations and reclamation. The Corporation also presents funds from operations per share whereby amounts per share are calculated using weighted average shares outstanding consistent with the calculation of earnings per share. Angle’s determination of funds from operations may not be comparable to that reported by other companies nor should it be viewed as an alternative to cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with Canadian GAAP. Angle defines net debt as the sum of long term debt plus working capital, excluding risk management assets/liabilities and the related future income tax effect. Net debt is used by Angle’s management to monitor remaining availability under its credit facilities. Cash operating costs have been defined as the sum of operating expenses, transportation expenses, general and administrative expenses and interest expenses.

For more information, see the Corporation’s management’s discussion and analysis of financial condition and results of operations for the year ended December 31, 2009 and the nine months ended September 30, 2010, which include a definition of “funds from operations” and reconciliation to cash provided by operating activities, each of which are incorporated herein by reference.

SELECTED DEFINITIONS AND ABBREVIATIONS

“**bbl**” means one barrel equalling 34.972 Imperial gallons or 42 U.S. gallons.

“**bbl/d**” means barrels per day.

“**boe**” means barrels of oil equivalent. Production information is commonly reported in units of barrels of oil equivalent. Such disclosure of boes may be misleading, particularly if used in isolation. A barrel of oil equivalent is determined by converting a volume of natural gas to barrels using the ratio of six Mcf of natural gas to one barrel. The boe conversion ratio of 6 Mcf: 1 bbl is based on an energy equivalency method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

“**boe/d**” means barrels of oil equivalent per day.

“**Mcf**” means one thousand cubic feet.

“**Mcf/d**” means thousand cubic feet per day.

“**MMboe**” means million barrels of oil equivalent.

“**MMcf**” means one million cubic feet.

“**MMcf/d**” means million cubic feet per day.

“**MMstb**” means million stock tank barrels.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Corporation at Suite 700, 324 – 8th Avenue S.W., Calgary, Alberta, T2P 2Z2, telephone: (403) 263-4534. In addition, copies of documents incorporated by reference may be obtained from the securities commissions or similar authorities in Canada through the Canadian System for Electronic Document Analysis and Retrieval (“**SEDAR**”) website at www.sedar.com.

The documents of the Corporation listed below are filed with the various securities commissions or similar authorities in the provinces of Canada, and are specifically incorporated by reference into and form an integral part of this short form prospectus. Such documents are only incorporated by reference to the extent that their contents are not superseded or modified by a statement contained in this short form prospectus or in any other subsequently filed document that is deemed to be incorporated by reference into this short form prospectus:

- (a) the annual information form of the Corporation dated March 31, 2010 for the year ended December 31, 2009 (the “**Annual Information Form**”);
- (b) the management information circular dated March 30, 2010 in respect of the annual general meeting of shareholders held on May 26, 2010 (the “**Information Circular**”);
- (c) the audited consolidated financial statements of the Corporation, together with the accompanying notes to the financial statements, for the years ended December 31, 2009 and 2008 and the auditors’ reports thereon;
- (d) management’s discussion and analysis of the financial condition and results of operations of the Corporation for the years ended December 31, 2009 and 2008;
- (e) the unaudited consolidated financial statements of the Corporation for the three and nine months ended September 30, 2010 and 2009;
- (f) management’s discussion and analysis of the financial condition and results of operations of the Corporation for the three and nine months ended September 30, 2010 and 2009;
- (g) the business acquisition report of the Corporation dated April 9, 2010 relating to the acquisition of Stonefire by the Corporation (the “**Stonefire Business Acquisition Report**”);
- (h) the business acquisition report of the Corporation dated August 4, 2010 relating to the acquisition of certain assets of Compton Petroleum Corporation, Compton Petroleum and Hornet Energy Ltd. (the “**Compton Assets**”) by the Corporation (the “**Compton Business Acquisition Report**”);
- (i) the material change report dated February 26, 2010 relating to, among other things, the Corporation’s 2009 reserves and operational results;

- (j) the material change report dated May 7, 2010 relating to the public offering of the Corporation of 6,080,000 Common Shares at a price of \$7.70 per share for aggregate gross proceeds of \$46,816,000 completed on May 7, 2010;
- (k) the material change report dated June 24, 2010 relating to the Corporation's second quarter drilling results;
- (l) the material change report dated July 9, 2010 relating to the public offering of 8,050,000 subscription receipts at a price of \$7.90 per subscription receipt for aggregate gross proceeds of \$63,595,000 completed on June 30, 2010 and the acquisition of the Compton Assets (the "**July 2010 MCR**"); and
- (m) the material change report dated October 27, 2010, relating to the Corporation's updated reserves evaluation.

Any documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, including any annual information form, annual financial statements and the auditors' report thereon, interim financial statements, management's discussion and analysis of financial condition and results of operations, material change report (except a confidential material change report), business acquisition report and information circular, filed by the Corporation with the securities commissions or similar authorities in Canada subsequent to the date of this short form prospectus and before the termination of the distribution are deemed to be incorporated by reference in this short form prospectus.

Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this short form prospectus to the extent that a statement contained in this short form prospectus or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference into this short form prospectus modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this short form prospectus.

Information contained or otherwise accessed through Angle's website, www.angleenergy.com or any website, other than those documents incorporated by reference herein and filed on the SEDAR website, does not form part of this Offering.

THE CORPORATION

The Corporation was incorporated under the *Business Corporations Act* (Alberta) (the "**ABCA**") on January 23, 2004, under the name "1087577 Alberta Ltd." The Corporation changed its name to "Angle Energy Inc." on March 26, 2004. On June 15, 2004, the Corporation amended its articles to create an unlimited number of preferred shares, issuable in series and to delete the share transfer restrictions.

Angle has a wholly-owned subsidiary named Angle Resources Inc. ("**ARI**"), which was incorporated in Alberta on July 8, 2008. Angle and ARI entered into a partnership agreement, effective October 1, 2008, to form Angle Energy Partnership, a general partnership created under the laws of the Province of Alberta. On January 12, 2010, Angle acquired all of the issued and outstanding class A shares and class B shares of Stonefire (the "**Stonefire Acquisition**"), pursuant to a take-over bid and subsequent compulsory acquisition. Stonefire also became a partner of Angle Energy Partnership on January 12, 2010. On March 31, 2010, Angle wound-up Stonefire pursuant to the provisions of the ABCA. Angle has no subsidiaries other than those noted above.

Angle is a "reporting issuer" or the equivalent in each of the provinces of Canada.

The head office of the Corporation is located at Suite 700, 324 – 8th Avenue S.W., Calgary, Alberta, T2P 2Z2. The registered office of the Corporation is located at Suite 2500, 450 – 1st Street S.W., Calgary, Alberta, T2P 5H1.

BUSINESS OF THE CORPORATION

General

Angle is a growth-oriented, exploration-focused producer, with a focus on achieving cost-effective reserves recovery in large, resource-in-place accumulations of liquids-rich natural gas and light oil. The Corporation's primary focus areas are located in Alberta and the current producing base is primarily high working interest, operated, liquids-rich natural gas.

Effective exploration and development drilling programs, in conjunction with strategic financial planning and attention to capital structure, have played a key role in Angle's success. The Corporation has maintained a simple capital structure, with equity issuances providing a platform for accelerated initial project growth, and debt employed for later stage development or for opportunistic acquisitions in appropriate commodity price environments.

Angle prefers to drill in areas where it can complete multi-well projects at high working interest and operate the resulting production. Additionally, there should be available access to existing infrastructure to transport and process the products produced. Once some or all of these factors have been reviewed and subsequently satisfied, Angle will pursue a strategy of acquiring lands upon which to drill. These lands may be acquired through direct Crown purchases, freehold farm-ins, industry farm-ins, or corporate or asset acquisitions.

Prior to 2009, all of the Corporation's reserves had been added through drilling as the Corporation had not previously made any material property or corporate acquisitions. In 2009, the Corporation purchased assets in the Ferrier area through an immaterial property acquisition and, in 2010, in the Edson area, through the Stonefire Acquisition and the acquisition of the Compton Assets. These transactions reflect the Corporation's strategy of actively canvassing the market for acquisitions that will add exploration and development opportunities in areas where the Corporation's management has a demonstrated ability. For a detailed summary of the Ferrier asset acquisition and the Stonefire Acquisition, see "*General Development of the Business - Developments in 2009*" and "*General Development of the Business - Significant Acquisitions*" in the Annual Information Form. For a detailed summary of the Compton Asset acquisition, see the Compton Business Acquisition Report.

While the timing of an acquisition can be difficult to anticipate given its inherently opportunistic nature, the Corporation continues to actively search for acquisitions that will add further exploration and development opportunities in areas where the Corporation currently operates or wishes to expand operations. Angle is well positioned to continue to execute both on its drilling plans as well as appropriate acquisition opportunities.

For further information on the general development of the business and the properties of the Corporation, see "*General Development of the Business*" and "*Description of the Business*" in the Corporation's Annual Information Form.

Recent Developments

Acquisition of Stonefire Energy Corp.

On January 12, 2010, Angle completed the Stonefire Acquisition for a purchase price of \$2.00 per class A share and \$10.00 per class B share by way of a take-over bid and a subsequent compulsory acquisition under the ABCA of those remaining shares which were not tendered for sale pursuant to Angle's offer.

The total consideration paid by Angle for Stonefire was approximately \$75 million, which included the assumption of approximately \$28.4 million of net debt and transaction costs. The Stonefire Acquisition constituted a "significant acquisition" for the Corporation in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations*. For further details regarding the Stonefire Acquisition, see "*General Development of the Business – Significant Acquisitions*" in the Annual Information Form and the Stonefire Business Acquisition Report, each of which are incorporated by reference herein.

Credit Facilities

Following the completion of the Stonefire Acquisition in January 2010, the Corporation's syndicated revolving credit facility was increased to \$110 million. In March 2010, a regular semi-annual review was completed and resulted in an increase in the borrowing base under the credit facility to a total of \$120 million. In connection with the acquisition of the Compton Assets in June 2010, the Corporation's credit facility was increased to \$160 million. On October 20, 2010, upon the completion of the Corporation's second semi-annual review, the Corporation announced that the lending syndicate had approved the increase of the credit facility to \$180 million. On October 26, 2010, the credit facility was amended and the increase took effect. See note (3) to the table under "*Capitalization of the Corporation*".

Public Offerings

On May 7, 2010, the Corporation closed a public offering of 6,080,000 Common Shares (including 780,000 Common Shares pursuant to the exercise of an over-allotment option) at a price of \$7.70 per Common Share for aggregate gross proceeds of \$46,816,000 (the "**May Offering**"). For a description of the May Offering, see the material change report dated May 7, 2010, which is incorporated by reference herein.

On June 30, 2010, the Corporation closed a public offering of 8,050,000 subscription receipts (including 1,050,000 subscription receipts pursuant to the exercise of an over-allotment option) at a price of \$7.90 per subscription receipt for aggregate gross proceeds of \$63,595,000 (the "**June Offering**"). With the closing of the acquisition of the Compton Assets, the subscription receipts were delisted from trading on the TSX at the close of business on July 2, 2010. On July 2, 2010, holders of subscription receipts received one Common Share for each subscription receipt held, without additional consideration or further action by the holder. For a description of the June Offering, see the material change report dated July 9, 2010, which is incorporated by reference herein.

Acquisition of the Compton Assets

On June 30, 2010, Angle completed the acquisition of the Compton Assets located adjacent to the Corporation's assets in Angle's Edson core area for a purchase price of \$115 million (prior to closing adjustments). The net proceeds from the June Offering and the Corporation's then newly expanded credit facility of \$160 million were used to fund the purchase price of the Compton Assets. For further details regarding the Compton Asset acquisition, see the Compton Business Acquisition Report and the July 2010 MCR, each of which are incorporated by reference herein.

New Board Member

On August 3, 2010, Jacob Roorda joined the board of directors of Angle and became a member of the Corporation's Reserves and Audit Committees. Mr. Roorda has thirty years of multi-disciplinary experience, with progressively more senior management and business responsibility in oil and natural gas exploration and production, strategic planning, business development, asset evaluation, acquisition, and investment banking. He is currently a director of two other TSX listed exploration and production companies, North Peace Energy Corp. and Argosy Energy Inc., and President and Chief Executive Officer for a large diversified income trust. Mr. Roorda is a professional engineer and holds a Master of Business Administration.

Mr. Roorda has held various positions in the oil and gas industry starting with field positions from design to construction and management of oil and gas production facilities with Dome Petroleum and business development responsibility with Fletcher Challenge Petroleum. He also was a founding senior management member for Primewest Energy and Harvest Energy from the initial public placement to managing and providing leadership for the successful growth of both entities to large oil and gas income trusts. Mr. Roorda has held senior management positions in corporate finance for Research Capital Corporation and research and analyst duties with Deacon Barclays de Zoete Wedd. Mr. Roorda currently holds 25,000 Common Shares and 125,000 Angle options.

Operational Update

Drilling and Production

Angle's goal is to test several liquid-rich gas and light oil target formations with horizontal, multi-stage fractured wells across the Corporation's asset base, evaluate well performance, and develop large scale drilling programs in the formations with the best project value for 2011.

Angle commenced drilling operations in late January 2010 in the Edson area, following the closing of the Stonefire Acquisition. Angle closed the acquisition of the Compton Assets on June 30, 2010, which, during the third quarter of 2010, added average corporate volumes of 1,975 boe/d.

Angle possesses a high working interest drilling inventory of greater than 6 years, in focused project areas with over 50% of the locations targeting light oil and the balance targeting liquids-rich natural gas. Currently, Angle has in excess of 250 potential locations on two major light oil plays in the Cardium and Viking.

In the first half of 2010, Angle achieved 100% drilling success in its operational activities, while taking significant steps to test several emerging resource plays across the Corporation's asset base. The first quarter program was designed to test a variety of play types. The second quarter program consisted of three main projects: light oil in Harmattan (Viking and Cardium), liquids-rich gas in Edson (Deep Basin Multi-Zone) and liquids-rich gas in Lone Pine Creek (Wabamun). Angle intends to further define capital expenditures by area and play type, with a forward focus on two major light oil targets on the Corporation's owned lands. Angle's drilling program in the final quarter of 2010 will continue to focus on the horizontal drilling and innovative completion techniques that have proved successful and significantly contributed to Angle's operational success.

In the first half of 2010, Angle drilled a total of 19 gross wells (16.7 net) with 17 (14.7 net) of these wells horizontally drilled. In the third quarter of 2010, Angle drilled a total of 15 gross wells (12.6 net), of which 10 gross (9.0 net) were horizontally drilled. Of the 34 gross wells (29.3 net) drilled to date, only 3 gross wells (1.7 net) have not been successful.

Angle has achieved several milestones to date in 2010:

- The Lone Pine Creek exploration area became a development-style project, with total production of more than 1,200 boe/d in the Wabamun gas play and more than 50 identified drilling locations in inventory.
- The Corporation established a fourth core area in Edson, through two strategic acquisitions, with current productive capacity in excess of 4,000 boe/d (including volumes currently facility restricted) and more than 65 drilling locations already identified.
- Angle was the first company to successfully drill horizontal wells in the Viking formation at Harmattan. Of the two horizontal wells drilled to date, the first well flowed at 220 bbl/d of light crude and 1 MMcf/d of liquids-rich gas after a 9 day flow test. The Corporation's second test in the Viking yielded stable rates of 370 bbl/d light crude oil and 650 Mcf/d liquids-rich gas after 7 days of flow. During the test period, the well produced greater than 2,400 bbls of formation light oil.
- Angle increased net undeveloped land by 79%, from 98,966 net undeveloped acres at December 31, 2009 to 177,191 net undeveloped acres at September 30, 2010. Angle also increased its Viking rights and now owns over 65 net oil prone sections and another 30 sections of acreage identified as primarily gas prone. Angle's well inventory on the Viking oil resource play is approximately 195 wells (2-3 wells per section).
- Increased production to approximately 10,021 boe/d in the third quarter of 2010, representing a 37% increase from the second quarter of 2010. Current light oil production is approximately 1,150 bbl/d. Average light oil production for the third quarter increased 47% over the second quarter, to 756 bbl/d from 515 bbl/d.

Additional volumes from Angle's drilling program were tied-in late in September 2010 at Lone Pine Creek with the successful construction and start-up of the Corporation's 100% owned, 13 kilometre, 8 inch pipeline. Capacity in this system is currently constrained to 5 MMcf/d due to third party limitations. As of October 20, 2010, Angle had tested volumes of 300 boe/d in Edson awaiting tie-in and 800 boe/d in Ferrier awaiting compression installation to bring on production.

Angle is currently awaiting completion of one Viking oil well in Harmattan, one Eilerslie well in Ferrier and, in Edson, a Notikewin well and a Bluesky well. Current drilling includes two Viking light oil wells and one Mannville B high NGL gas well, all in Harmattan.

Capital Expenditure Program

The 2010 capital budget is dedicated approximately 50% to oil drilling, with the balance dedicated to liquid rich natural gas. Currently, Angle has in excess of 250 potential locations on two major light oil plays in the Cardium and Viking. The Corporation expects to increase light oil production to achieve a producing mixture in 2011 of 50% gas and 50% light oil and natural gas liquids. Currently, Angle produces approximately 65% natural gas and 35% light oil and natural gas liquids.

Angle's 2010 capital expenditure program reflects a significant investment in its Harmattan Viking light oil program and its Edson Deep Basin gas program while continuing to advance the Corporation's other key resource play developments. Drilling activity to September 30, 2010 included:

- Edson Falher, Notikewin and Viking (liquids-rich gas), Cardium (light oil and liquids-rich gas) – 10 gross (8.3 net) wells
- Harmattan Viking and Cardium (light oil), Mannville B and Elkton (liquids-rich gas) – 7 gross (7.0 net) wells
- Lone Pine Creek Wabamun (oil and liquids-rich gas) – 7 gross (7.0 net) wells
- Ferrier Cardium (light oil) and Ostracod (liquids-rich gas) – 10 gross (7.0 net) wells

Reserves Update

In conjunction with the Corporation's semi-annual credit review, Angle commissioned GLJ Petroleum Consultants ("GLJ"), the Corporation's independent reserve evaluator, to provide an updated reserves assessment. The assessment indicates a 100% increase in Angle's total proved plus probable reserves as at September 30, 2010, from 26.2 MMboe assessed at December 31, 2009 (pro forma the acquisition of Stonefire) to 50.2 MMboe at the end of the third quarter of 2010. Angle's total proved reserves increased 101%, from 14.7 MMboe at December 31, 2009 (pro forma the acquisition of Stonefire), to 27.3 MMboe at the end of the third quarter of 2010. This represents proved plus probable reserve replacement of 1,043% (based on 2010 production to September 30 of 2.31 million boe), and total proved reserve replacement of 541%. The reserve life index increased 42% to approximately 11.5 years proved plus probable and 35% to approximately 6.2 years proved (based on production of 12,000 boe/d).

Angle's 2010 projects are in various stages of recognition by GLJ. Increasing the number of horizontal wells in the play, combined with ongoing horizontal well production, will provide further de-risking and allow additional reserves to be recognized going forward. Continued reserve recognition is expected in Angle's emerging Viking oil play. Presently, 8 (gross) Viking locations are booked, which represents approximately 6% of Angle's internal inventory.

Similarly, Angle's Edson Wilrich play is poised to show incremental reserve growth. Currently, 10 (gross) wells are booked in the recent reserve update, representing only 10% of Angle's internal inventory.

Status of the Viking Play

During the third quarter of 2010, GLJ was also engaged to prepare an evaluation of the Viking resource play, effective October 1, 2010, for Angle's owned lands in the Harmattan area. Based on geological well control, existing vertical well production, and drilling results to date, including two Angle horizontal Viking wells, GLJ has estimated that 47,800 acres of Angle interest lands would be classified as a Discovered Resource, as defined in the Canadian Oil and Gas Evaluation Handbook (the "**COGE Handbook**"). The best estimate Discovered Petroleum Initially in Place ("**DPIIP**"), as defined in the COGE Handbook, associated with this Discovered Resource was estimated to be 471 MMstb of oil net to Angle. DPIIP is defined in the COGE Handbook as the quantity of hydrocarbons that are estimated to be in place within a known accumulation. DPIIP is divided into recoverable and unrecoverable portions, with the estimated future recoverable portion classified as reserves and contingent resources and the remainder as at evaluation date is by definition unrecoverable. There is no certainty that it will be economically viable or technically feasible to produce any portion of this DPIIP except to the extent identified as proved or probable reserves.

It should be noted that given the early stages of development, the best estimate of DPIIP may change in the future with further exploration and development activity and the amount of contingent resources, as defined in the COGE Handbook, has yet to be determined. Additional drilling, testing and development are required to confirm economic development and ultimate recovery factors in the play. The resource estimates provided herein are estimates only and the actual resources may be greater or less than the estimates provided herein. Other than the resources which have been booked as reserves in the September 30, 2010 report, a recovery factor for the remaining resources has not been estimated by GLJ and a recovery project cannot be defined for these volumes of DPIIP at this time.

To date, Angle has successfully drilled, completed and placed on production three 100% working interest Viking horizontal wells at Harmattan with overall production from two of the three wells exceeding 80 days per well and the third well's production exceeding 30 days. Overall production from the three wells is currently 360 boe/d (74% oil and NGLs and 26% gas).

Two of the three wells are located in an area of the reservoir which has been pressure depleted from historical offsetting gas production in the Viking and therefore exhibit a higher gas production component than the second well, which is fully pressured. As Angle continues to drill and test diverse areas of its asset base, and as offset drilling from competitor companies yields production results, the Corporation will continue to provide updates on horizontal well performance through the play. By the end of 2010, Angle expects to have three additional Viking oil wells completed and on production.

DESCRIPTION OF SHARE CAPITAL

The authorized capital of Angle consists of an unlimited number of common shares and preferred shares, issuable in series. As at November 2, 2010, there were 69,025,498 Common Shares issued and outstanding. See "*Capitalization of the Corporation*".

The holders of Common Shares are entitled to one vote per share at all meetings of shareholders of the Corporation, except meetings at which only holders of a specified class of Common Shares are entitled to vote. In addition, the holders of Common Shares are entitled to receive dividends if, as and when declared by the board of directors of the Corporation and to receive the remaining property and assets of the Corporation upon dissolution, subject to the prior rights and privileges attaching to any other class of Common Shares.

The preferred shares may from time-to-time be issued in one or more series. Prior to the issuance of a series of preferred shares, the board of directors of the Corporation may fix the number of preferred shares which are to comprise the series as well as the designation, rights, privileges, restrictions and conditions attached to each series.

CAPITALIZATION OF THE CORPORATION

The following table sets forth the capitalization of the Corporation as at September 30, 2010 before and after giving effect to the Offering. This table should be read in conjunction with the audited consolidated financial statements of the Corporation for the year ended December 31, 2009 and the unaudited consolidated financial statements of the Corporation for the three and nine months ended September 30, 2010, including the respective notes thereto and the

management's discussion and analysis of financial condition and results of operations for each period, which have been incorporated by reference into this short form prospectus.

<u>Designation</u>	<u>Authorized</u>	<u>As at September 30, 2010 before giving effect to the Offering⁽⁴⁾</u>	<u>As at September 30, 2010 after giving effect to the Offering⁽¹⁾</u>
Share Capital			
Common Shares ⁽²⁾⁽⁴⁾	Unlimited	\$283,593,000 (69,025,498 shares)	\$307,347,000 (71,513,498 shares)
Preferred Shares	Unlimited	\$Nil (Nil Preferred Shares)	\$Nil (Nil Preferred Shares)
Indebtedness			
Credit Facility ⁽³⁾	\$180,000,000	\$130,017,000	\$106,263,000

Notes:

- (1) Based on the issuance of 2,488,000 Offered Shares pursuant to the Offering for gross proceeds of \$25,004,400 less the Underwriters' fee of \$1,250,220 but prior to the deduction of the expenses of the Offering, estimated to be approximately \$346,000 and the related future income tax effect.
- (2) The Corporation is authorized to issue an unlimited number of Common Shares, of which 69,025,498 Common Shares are issued and outstanding as fully paid and non-assessable Shares as at November 2, 2010. In addition, 6,854,650 Common Shares have been reserved for issuance on exercise of a like number of outstanding options to purchase Common Shares issued under the Corporation's stock option plan.
- (3) On April 17, 2009, the Corporation replaced its credit facility with a new credit facility, with a syndicate being administered by a Canadian chartered bank, which was comprised of a \$70 million revolving extendable syndicated facility and a \$10 million revolving extendable operating facility. Subsequent to the establishment of this credit facility it was amended pursuant to an agreement dated December 14, 2009. The amendment occurred in two stages: first, on December 14, 2009, the amount of the credit facility was increased to \$88 million; and second, on January 12, 2010, upon the satisfaction of certain conditions relating to the acquisition of Stonefire, the amount of the credit facility was increased to \$110 million. In March 2010, a semi-annual review was completed and Angle had its credit facility increased to \$120 million. Upon the completion of the acquisition of the Compton Assets on June 30, 2010, the credit facility was increased to \$160 million. On October 26, 2010, the credit facility was again increased, to \$180 million (comprising of a \$160 million revolving extendable syndicated facility and a \$20 million revolving extendable operating facility), after Angle's second semi-annual review was completed.

As noted, the borrowing base under the credit facility is subject to semi-annual reviews. The credit facility bears interest at the bank's Canadian prime lending rate and U.S. base rate, plus applicable margins, subject to floor rates. Bankers' acceptances are available under both facilities and letters of credit are available under the operating facility at the applicable margins. Loans are secured by a debenture granting a floating charge over real property and a security interest in all other assets and guarantees by material subsidiaries secured by similar debentures. Each of the foregoing facilities become non-revolving for a 366 day term if not extended for up to 364 days at the end of each revolving period. The current revolving period will end on April 29, 2011.
- (4) As at September 30, 2010, Angle had 5,193,550 options outstanding pursuant to Angle's existing stock option plan. The options are exercisable into Common Shares at exercise prices ranging from \$3.00 to \$8.82 per Common Share and expire five years from the date of grant or earlier dependent upon certain events. The stock option grants vest one-third on the first, second and third anniversary of the date of grant (subject to acceleration in the event of change of control). In October 2010, an additional 8,500 options having an average exercise price of \$7.99 and expiring in October 2015, were granted. See "Prior Sales" and "Plan of Distribution".

TRADING PRICE AND VOLUME

The Common Shares are listed and posted for trading on the TSX under the trading symbol "NGL". The following sets forth the market price ranges and trading volumes for the Common Shares on the TSX for the periods indicated as reported by the TSX.

	High (\$/Share)	Low (\$/Share)	Volume
2009			
October	\$5.80	\$5.00	1,849,653
November	\$6.33	\$5.45	4,146,587
December	\$6.83	\$5.74	2,153,130

	High (\$/Share)	Low (\$/Share)	Volume
2010			
January	\$8.27	\$6.79	3,574,200
February	\$9.20	\$7.79	4,890,144
March	\$8.40	\$6.78	4,405,877
April	\$8.59	\$7.12	5,040,932
May	\$8.51	\$6.78	2,938,174
June	\$8.66	\$7.10	4,402,989
July	\$8.09	\$7.12	3,443,754
August	\$7.87	\$6.77	3,663,356
September	\$7.73	\$6.71	10,073,207
October	\$8.47	\$7.26	10,458,983
November (1-2)	\$7.67	\$7.36	697,383

On November 2, 2010, the last trading day prior to the filing of this short form prospectus, the closing price of the Common Shares on the TSX was \$7.40.

PRIOR SALES

During the twelve month period prior to the date of this short form prospectus, the Corporation issued 22,186,866 Common Shares, the particulars of which are set forth in the following table:

Date of Issue	Number of Common Shares Issued	Issue Price per Common Share or Exercise Price (\$)
December 15, 2009	7,535,000 ⁽¹⁾	\$5.85
December 15, 2009	107,500 ⁽²⁾	\$5.85
January 19, 2010	45,000 ⁽³⁾	\$3.00
January 25, 2010	25,000 ⁽³⁾	\$1.00
January 28, 2010	180,666 ⁽³⁾	\$2.56
February 26, 2010	27,800 ⁽³⁾	\$4.00
March 29, 2010	2,000 ⁽³⁾	\$3.00
March 30, 2010	18,000 ⁽³⁾	\$3.42
April 7, 2010	5,000 ⁽³⁾	\$4.78
April 30, 2010	2,000 ⁽³⁾	\$5.30
May 7, 2010	6,080,000 ⁽⁴⁾	\$7.70
May 10, 2010	10,000 ⁽³⁾	\$4.78
June 15, 2010	25,000 ⁽³⁾	\$5.30
June 22, 2010	3,900 ⁽³⁾	\$4.00
June 24, 2010	5,000 ⁽³⁾	\$1.00
July 2, 2010	8,050,000 ⁽⁵⁾	\$7.90
July 5, 2010	25,000 ⁽³⁾	\$5.30
September 21, 2010	40,000 ⁽³⁾	\$3.28
Total	22,186,866	

Notes:

- (1) Issued in connection with a public offering of 7,535,000 Common Shares for gross proceeds of approximately \$44,080,000.
- (2) Issued in connection with a private placement of 107,500 Common Shares for gross proceeds of approximately \$629,000.
- (3) Issued in connection with the exercise of the Corporation's options under its stock option plan.
- (4) Issued in connection with a public offering of 6,080,000 Common Shares for gross proceeds of approximately \$46,816,000.
- (5) Issued in connection with a public offering of 8,050,000 subscription receipts completed on June 30, 2010, for gross proceeds of approximately \$63,595,000. The subscription receipts were deemed to be exchanged and converted into Common Shares for no additional consideration or action by the holder on June 30, 2010 upon the completion of the acquisition of the Compton Assets. The Common Shares were subsequently issued on July 2, 2010.

During the twelve month period prior to the date of this short form prospectus, the Corporation granted 1,515,500 options issuable into 1,515,500 Common Shares, the particulars of which are set forth in the following table:

Date of Grant	Number and Type of Securities Issued ⁽¹⁾	Average Exercise Price (\$)
November 18, 2009	100,000 Options	\$6.00
December 1, 2009	75,000 Options	\$6.02
January 4, 2010	7,500 Options	\$6.72
January 11, 2010	75,000 Options	\$8.10
February 17, 2010	218,500 Options	\$8.82
March 22, 2010	72,000 Options	\$7.95
April 12, 2010	125,500 Options	\$7.54
May 25, 2010	150,000 Options	\$7.45
June 3, 2010	75,000 Options	\$8.00
July 5, 2010	60,000 Options	\$7.26
July 19, 2010	100,000 Options	\$7.62
August 9, 2010	258,500 Options	\$7.79
August 16, 2010	50,000 Options	\$7.43
August 19, 2010	30,000 Options	\$7.44
August 23, 2010	10,000 Options	\$7.30
September 7, 2010	100,000 Options	\$6.94
October 19, 2010	8,500 Options	\$7.99
Total	1,515,500 Options	

Note:

- (1) Each option entitles the holder thereof to acquire one Common Share, on the terms and conditions set forth in the Corporation's stock option plan and expires five years from the date of issuance. For further information, see "Compensation of the Executive Officers - Stock Option Plan" in the information circular dated March 30, 2010.

INFORMATION REGARDING DIRECTORS

Bankruptcies

Except as set forth in this short form prospectus, no current director, executive officer or shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation is, or has within 10 years prior to the date of this short form prospectus:

- (a) been a director or executive officer of any Corporation 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; or
- (b) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Mr. Edward Muchowski, a director of Angle, is a former director of Calgary New Holland Sales & Service Ltd., a private corporation that was incorporated under the ABCA and which was petitioned into bankruptcy proceedings under the *Bankruptcy and Insolvency Act* (Canada) in December 2000. Mr. Muchowski was not a director at this time; however, he was a director within one year thereof. Mr. Jacob Roorda was a director of TXCO Resources Ltd. ("TXCO"), a NASDAQ listed public company until February 11, 2010. On April 18, 2009, TXCO filed voluntary petitions for relief under Chapter 11 of the U.S. Bankruptcy Code in the United States Bankruptcy Court for the Western District of Texas. The board of directors of TXCO obtained approval of a plan of reorganization which paid all creditors in full and which projected a recovery for common shareholders.

USE OF PROCEEDS

The net proceeds to the Corporation from the sale of the Offered Shares are estimated to be \$23,754,180 after deducting the Underwriters' fee of \$1,250,220 but before deducting the estimated expenses of the Offering of

\$346,000. The Corporation will initially use the proceeds of this Offering related to the Offered Shares to repay a portion of its indebtedness under its revolving credit facility, which indebtedness has been incurred in order to fund ongoing capital requirements in excess of cash flow and equity financings. Subsequently, the Corporation will use the revolving credit facility to incur eligible CEE as part of the Corporation's 2010-2011 exploration program to satisfy the Corporation's renunciation obligations to subscribers of the Offered Shares. Specifically, the Corporation will use the proceeds to fund exploration drilling and qualifying seismic expenditures in Angle's core operating areas. See "*Plan of Distribution*".

While the Corporation intends to use the net proceeds as stated above, there may be circumstances that are not known at this time where a reallocation of the net proceeds may be advisable for business reasons that management believes are in the Corporation's best interests, subject to contractual obligations, including under the Subscription Agreements and the Underwriting Agreement (both as defined below).

PLAN OF DISTRIBUTION

Pursuant and subject to the terms and conditions contained in an underwriting agreement dated October 27, 2010 between the Corporation and the Underwriters (the "**Underwriting Agreement**"), the Underwriters have agreed to act as, and the Corporation has appointed the Underwriters as, the sole and exclusive agents of the Corporation, to offer an aggregate of 2,488,000 Offered Shares at a price of \$10.05 per Offered Share payable in cash to the Corporation against delivery of the certificates representing the Offered Shares.

The Underwriters have agreed that in the event that less than 2,488,000 Offered Shares are sold by the Underwriters as agents, the Underwriters shall, subject to the terms and conditions of the Underwriting Agreement, purchase as principals the Offered Shares not sold by the Underwriters as agents in accordance with the conditions contained in the Underwriting Agreement.

The obligations of the Underwriters under the Underwriting Agreement may be terminated at their discretion upon the occurrence of certain stated events. The Underwriters are, however obligated to take up and pay for all of the Offered Shares if any of the Offered Shares are purchased under the Underwriting Agreement.

The Corporation has agreed to pay the Underwriters a fee equal to 5% of the gross proceeds of the Offering, which is equal to \$0.5025 per Offered Share, in consideration of their services in connection with this Offering. Closing of the Offering is anticipated to occur on or about November 10, 2010, or on such other date as may be agreed upon in writing by the Corporation and the Underwriters but in any event not later than November 16, 2010. The offering price per Offered Share was determined by negotiation between the Corporation and the Lead Underwriter, on its own behalf and on behalf of the other Underwriters.

The obligations of the Underwriters under the Underwriting Agreement are several, and not joint, and may be terminated at their discretion upon the occurrence of certain stated events. If an Underwriter fails to purchase the Offered Shares which it has agreed to purchase, the other Underwriters may, but are not obligated to, purchase such Offered Shares, unless the number of Offered Shares which one or more Underwriters refuse to purchase represents not more than 10% of the total number of Offered Shares being offered, in which case the remaining Underwriters are obligated to purchase such Offered Shares on a pro rata basis. The Underwriters are, however, obligated to take-up and pay for all of the Offered Shares at the offering price if any of the Offered Shares are purchased under the Underwriting Agreement. The Corporation has agreed to indemnify the Underwriters against certain liabilities.

Pursuant to applicable securities legislation, the Underwriters may not, at any time during the period of distribution under this short form prospectus, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions, including (a) a bid for or purchase of Common Shares if the bid or purchase is made through the facilities of the TSX in accordance with the Universal Market Integrity Rules of Market Regulation Services Inc.; (b) a bid or purchase on behalf of a client, other than certain prescribed clients, provided that the client's order was not solicited by an Underwriter, or if the client's order was solicited, the solicitation occurred before the commencement of a prescribed restricted period; and (c) a bid or purchase to cover a short position entered into prior to the period of distribution as prescribed by the rules. The Underwriters may engage in market stabilization or market balancing activities on the TSX where the bid for or purchase of Common Shares is for the purpose of maintaining a fair and orderly market in the Common Shares, subject to price limitations applicable to such bids or purchases. These transactions, if commenced, may be discontinued at any time.

The Corporation has agreed to use its best efforts to prepare and file this short form prospectus under the applicable securities laws of the provinces in which the Offered Shares will be distributed (the “**Selling Provinces**”), to satisfy all comments from the regulators in each of the Selling Provinces with respect to this short form prospectus and to obtain a receipt for a final short form prospectus qualifying the distribution of the Offered Shares in each of the Selling Provinces as soon as practicable and, in any event, by no later than 5:00 p.m. (Calgary time) on November 10, 2010, provided that if the Corporation has not obtained a receipt for a final short form prospectus qualifying the distribution of the Offered Shares it will continue to use its best efforts to obtain such receipt.

The Underwriters propose to offer the Offered Shares to the public initially at the offering price set forth on the face page of this short form prospectus. Subject to applicable laws and without affecting the firm obligation of the Underwriters to purchase from the Corporation 2,488,000 Offered Shares at a price of \$10.05 per Offered Share in accordance with the Underwriting Agreement, after the Underwriters have made reasonable efforts to sell all of the Offered Shares offered hereby at the price specified herein, the offering price to the public may be decreased and further changed from time to time to an amount not greater than the offering price specified herein. Such decrease in the offering price to the public will not affect the compensation of \$0.5025 per Offered Share to be paid by the Corporation to the Underwriters, and it will not decrease the amount of the net proceeds of the Offering to the Corporation. The Underwriters will inform the Corporation if the offering price to the public is decreased.

The Corporation has agreed to indemnify the Underwriters and their affiliates and their respective directors, officers, employees and agents against certain liabilities and expenses.

At any time prior to 90 days after the closing of the Offering, the Corporation has agreed that it will not, without the prior consent of the Lead Underwriter, which consent may not be unreasonably withheld, offer, or announce the offering of, or make or announce any agreement to issue, sell, or exchange Common Shares or any securities convertible or exchangeable into Common Shares, excluding any Common Shares eligible to be issued upon exercise of outstanding convertible securities and any additional options that may be issued under the normal course of business under the Corporation’s stock option plan or to satisfy existing instruments and agreements previously issued and executed prior to the date of the Underwriting Agreement.

The Offered Shares have not been and will not be reregistered under the *United States Securities Act of 1933*, as amended, or any state securities laws, and, accordingly, the Offered Shares may not be offered or sold within the United States or to, or for the benefit of, U.S. persons, except in transactions exempt to the U.S. Securities Act and applicable state securities laws. In addition, until 40 days after the commencement of the Offering, any offer or sale of the Offered Shares in the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act.

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without prior notice. Definitive certificates representing the Offered Shares will be available for delivery on the Closing Date.

The TSX has conditionally approved the listing of the Offered Shares distributed under this short form prospectus. Listing will be subject to the Corporation fulfilling all of the applicable listing requirements of the TSX on or before January 25, 2011.

RELATIONSHIP BETWEEN THE CORPORATION AND CERTAIN UNDERWRITERS

CIBC World Markets Inc. is directly or indirectly, a wholly-owned subsidiary of a Canadian chartered bank (the “**Bank**”) that lends to the Corporation under the Corporation’s credit facility. Consequently, the Corporation may be considered to be a “connected issuer” of this Underwriter under applicable Canadian securities legislation. See note (3) to the table under “*Capitalization of the Corporation*” for a description of the Corporation’s credit facilities and outstanding indebtedness. The Corporation is presently in compliance with all material terms of the agreements governing such credit facilities and none of the lenders have waived any breach by the Corporation of those agreements since execution. The existing credit facilities are secured by a first floating charge over all of Angle’s assets. Apart from that and changes in market prices for oil, natural gas and natural gas liquids, neither the Corporation’s financial position nor the value of the security under the credit facilities has changed adversely since the indebtedness under the credit facilities was incurred.

The Corporation was indebted to the Bank under the credit facility for an aggregate amount of approximately \$130,017,000 as at September 30, 2010. The Corporation is in compliance with all material terms of the agreements governing the credit facility and the Bank has not waived any material breach by the Corporation of such agreement since its execution. Amounts outstanding under the credit facility are secured by a fixed and floating charge debenture on the assets of the Corporation. The proceeds of the Offering will initially be applied to repay a portion of the indebtedness owed to the Bank under the credit facility.

The decision to distribute the Offered Shares and the determination of the terms of the Offering were made through negotiations between the Corporation and the Lead Underwriter. The Bank did not have any involvement in such decision or determination, but has been advised of the issuance and terms thereof. As a consequence of the Offering, CIBC World Markets Inc. will receive its respective share of the underwriting fee payable by the Corporation to the Underwriters and the Bank will receive certain proceeds of this Offering from the Corporation as a temporary repayment of outstanding indebtedness. See *"Use of Proceeds"*.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Corporation, and Heenan Blaikie LLP, counsel to the Underwriters, the following summary describes the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires, as beneficial owner, Offered Shares pursuant to this Offering and who, at all relevant times, for purposes of the application of the Tax Act, (1) is, or is deemed to be, resident in Canada; (2) deals at arm's length with the Corporation; (3) is not affiliated with the Corporation; and (4) holds the Offered Shares as capital property (a "**Holder**"). Generally, the Offered Shares will be capital property to a Holder provided the Holder does not acquire or hold those shares in the course of carrying on a business or as part of an adventure or concern in the nature of trade.

This summary does not apply to a subscriber: (i) that is a "principal-business corporation" within the meaning of the Tax Act; (ii) whose business includes trading or dealing in rights, licenses or privileges to explore for, drill for or take minerals, petroleum, natural gas or other related hydrocarbons; (iii) that is a "financial institution", "specified financial institution" or an interest in which constitutes a "tax shelter investment", all within the meaning of the Tax Act; (iv) to whom the "functional currency" reporting rules apply within the meaning of the Tax Act; or (v) that is a partnership or trust. Such purchasers should consult their own tax advisors.

This summary is based on the current provisions of the Tax Act, and counsel's understanding of the current administrative and assessing practices and policies of the Canada Revenue Agency (the "**CRA**") published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not take into account or anticipate any changes in law or administrative or assessing practice whether by legislative, regulatory, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may be different from those discussed herein.

For the purposes of this summary, "**CEE**" means "Canadian exploration expense" described in paragraph (a) or (d) of the definition of "Canadian exploration expense" in subsection 66.1(6) of the Tax Act or that would be described in paragraph (h) of such definition if the reference therein to "paragraphs (a) to (d) and (f) to (g.1)" were a reference to "paragraphs (a) and (d)", excluding amounts which are prescribed to constitute "Canadian exploration and development overhead expense" under the Tax Act, the amount of any assistance described in paragraph 66(12.6)(a) of the Tax Act and any expenditure described in paragraph 66(12.6)(b.1) of the Tax Act.

This summary assumes that the Corporation will make all necessary tax filings in respect of the issuance of the Offered Shares and the renunciation of CEE in the manner and within the time required by the Tax Act, that the Corporation will incur sufficient CEE to enable it to renounce to subscribers all of the CEE covenanted to be renounced by the Corporation pursuant to the Subscription Agreements (as defined below) effective on the dates set out therein and that all expenses discussed herein will be reasonable in amount. This summary assumes that the Corporation will be a "principal-business corporation" at all material times and that the Offered Shares, when issued, will be "flow-through shares" and will not be "prescribed shares", all within the meaning of the Tax Act.

The income tax consequences to a particular subscriber of an investment in the Offered Shares will vary according to a number of factors including the legal status of the subscriber as an individual, a trust, a corporation or a partnership, the province or provinces in which the subscriber resides, carries on business or has a permanent establishment, the sources of the subscriber's income, the amount of deductions claimed by the subscriber and the amount that would be the subscriber's taxable income but for the investment in the Offered Shares.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular subscriber. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, prospective purchasers of the Offered Shares should consult their own tax advisors having regard to their own particular circumstances.

Canadian Exploration Expense

The Corporation will be entitled to renounce CEE incurred by it to subscribers of Offered Shares in an amount equal to the subscription price thereof as permitted by and in accordance with the Tax Act. Such CEE that is properly renounced to a subscriber will be deemed to be CEE incurred by the subscriber on the effective date of the renunciation.

Pursuant to the Tax Act and the terms of the Subscription Agreements (as defined below), the Corporation will be entitled to renounce expenses that are CEE incurred by it during the period commencing on the date that subscriptions for the Offered Shares are accepted and ending on December 31, 2011 (see discussion in the immediately following paragraph), less (i) the total of any previous renunciation of such CEE, (ii) any portion of such CEE that is prescribed under the regulations to the Tax Act as being "Canadian exploration and development overhead expenses", (iii) certain seismic expenses, and (iv) any assistance that the Corporation has received, is entitled to receive, or may reasonably be expected to receive at any time which is reasonably related to those expenses. The Corporation may not renounce to subscribers an amount in excess of the amount paid by the subscribers for the Offered Shares. Further, the Corporation will not be entitled to renounce CEE to the extent that such renunciation, if effective, would cause the Corporation's own cumulative CEE ("CCEE") to be a negative amount.

The Tax Act prescribes rules whereby certain CEE incurred pursuant to a subscription agreement for the Offered Shares and within 12 months after the end of the calendar year in which such subscription agreement is entered into (the "**preceding calendar year**") can be treated as if incurred on December 31st of the preceding calendar year, provided that the subscription price for the relevant Offered Shares has been paid for in money during the preceding calendar year, the subscriber deals at arm's length with the issuing corporation throughout that 12 month period and the renunciation has been duly made in January, February or March of the calendar year following such preceding calendar year. In the event the issuing corporation does not fully expend the amounts renounced by the end of the 12-month period, the issuing corporation will be required to reduce the amount previously renounced and the subscribers' income tax returns for the years in which the renounced expenditures were claimed will be reassessed accordingly. However, interest will generally not be levied in respect of such reassessments provided such additional taxes are paid by April 30th of the calendar year following the calendar year in which the renunciation was made. The Corporation has advised counsel that it intends to incur and renounce to subscribers qualifying CEE in accordance with these rules.

A subscriber for Offered Shares to whom the Corporation renounces CEE will add such CEE to the subscriber's CCEE. A subscriber may deduct in computing the subscriber's income from all sources for a taxation year an amount not exceeding 100% of the balance of the subscriber's CCEE at the end of that taxation year. Deductions claimed by a subscriber reduce the subscriber's CCEE by the amount claimed. To the extent that a subscriber does not deduct the full CCEE balance at the end of the taxation year, the balance will be carried forward and the subscriber will be entitled to claim deductions in respect thereof in subsequent taxation years in accordance with, and subject to the restrictions under, the provisions of the Tax Act. In calculating a subscriber's CCEE, if at the end of a taxation year the deductions cause the subscriber's CCEE to be a negative amount, the negative amount must be included in computing the subscriber's income for that year and the subscriber's CCEE will thereupon have a nil balance. The disposition of Offered Shares will not reduce a subscriber's CCEE. Certain restrictions apply in respect of the deduction of CCEE following an acquisition of control and certain reorganizations of a corporate subscriber. Corporate subscribers should consult their own tax advisors with respect to the application of these rules. The right to deduct CCEE accrues to the initial purchaser of Offered Shares and is not transferable.

If a subscriber purchases Offered Shares through a Deferred Plan the CEE renounced will not be available for deduction against the income of the annuitant or beneficiary of such Deferred Plan and the associated tax benefits will be lost.

Disposition of Offered Shares

Generally, a disposition or deemed disposition (other than to the Corporation) of an Offered Share will result in the Holder thereof realizing a capital gain (or a capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition exceed (or are less than) the aggregate of the Holder's adjusted cost base of such shares and reasonable costs of the disposition. **For the purposes of the Tax Act, the initial cost to a subscriber of the Offered Shares is deemed to be nil.** The adjusted cost base of any Offered Shares acquired pursuant to this Offering will generally be the average of the cost of all such shares and all other Common Shares held by the Holder for the purpose of calculating capital gains or capital losses on subsequent dispositions of such shares.

Generally, one-half of any such capital gain (a "**taxable capital gain**") must be included in computing the income of the Holder in the year of disposition, and one-half of any such capital loss (an "**allowable capital loss**") will generally reduce taxable capital gains realized by the Holder in the year of disposition. Allowable capital losses in excess of taxable capital gains for the year of disposition generally may be deducted by the Holder against net taxable capital gains realized in any of the three preceding years or in any subsequent year, subject to various detailed provisions of the Tax Act.

A subscriber who disposes of Offered Shares will retain the entitlement to be renounced CEE by the Corporation as described above, as well as the ability to deduct any CEE previously deemed to have been incurred by the subscriber, and a subsequent purchaser of such Offered Shares will not be entitled to any renunciation of CEE in respect thereof.

A subscriber that is throughout a taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) will be liable for tax, a portion of which may be refundable, on investment income, including taxable capital gains realized and dividends received or deemed to be received in respect of the Offered Shares (but not dividends that are deductible in computing taxable income).

Cumulative Net Investment Loss

One-half of the amount of CEE renounced to and deducted by a subscriber will increase a subscriber's cumulative net investment loss ("**CNIL**") (as defined in the Tax Act). A subscriber's CNIL may impair a subscriber's ability to claim the lifetime capital gains deduction available on the disposition of certain qualifying small business corporation shares, farm property and fishing property.

Minimum Tax

Pursuant to the minimum tax rules in the Tax Act, the tax otherwise payable under Part I of the Tax Act by an individual (other than certain trusts) will not be less than the minimum amount computed by reference to the individual's "adjusted taxable income" for the year. For these purposes, the minimum amount generally means the "appropriate percentage" (currently 15%) of adjusted taxable income in excess of \$40,000. In calculating adjusted taxable income for this purpose, certain deductions and credits otherwise available are disallowed and certain amounts otherwise not taxable are included in income. These disallowed items include deductions for CEE to the extent the deductions exceed the individual's resource income before deduction of those amounts, and deductions for carrying charges which relate to an investment in flow-through shares to the extent that such deductions exceed the individual's resource income after deductions for resource expenses, including CEE. Also included in adjusted taxable income are 80% of capital gains. Whether and to what extent a particular individual will be subject to minimum tax will depend upon the amount of the individual's income, the sources from which it is derived and the nature and amount of any deductions that are claimed. Any additional tax payable for a year resulting from the application of the minimum tax provisions is recoverable to the extent the tax otherwise determined exceeds the minimum amount for any of the following seven taxation years.

SUBSCRIPTION FOR FLOW-THROUGH SHARES

The Offered Shares will be issued as “flow-through shares” under the Tax Act. The Corporation will incur on or before December 31, 2011, and renounce to each subscriber of Offered Shares effective on or before December 31, 2010, CEE in an amount equal to the aggregate purchase price paid by such subscriber for the Offered Shares. See “*Certain Canadian Federal Income Tax Considerations*”.

Subscriptions for Offered Shares will be made by the Underwriters, or any sub-agents of the Underwriters, as agents for and on behalf of all subscribers of Offered Shares. **Subscribers who place an order to purchase Offered Shares with the Underwriters, or any sub-agent of the Underwriters, will be deemed to have authorized the Underwriters, or any sub-agents of the Underwriters, to execute, on their behalf, an agreement subscribing for Offered Shares (the “Subscription Agreements”).**

Pursuant to the Subscription Agreements, the Corporation will covenant and agree: (i) to incur on or before December 31, 2011 and renounce to a subscriber effective on or before December 31, 2010, CEE in an amount equal to the aggregate purchase price paid by such subscriber for the Offered Shares, and (ii) that if the Corporation does not renounce to such subscriber, effective on or before December 31, 2010, CEE equal to such amount, the Corporation shall indemnify the subscriber for an amount equal to the amount of any tax payable or that may become payable under the Tax Act (and under any corresponding provincial legislation) by the subscriber as a consequence of such failure. The Subscription Agreements will contain additional representations, warranties, covenants and agreements by the Corporation in favour of the subscriber of Offered Shares which are consistent with and supplement the Corporation’s obligations as described in this short form prospectus.

The Subscription Agreements will also provide representations, warranties and agreements of the subscriber, and by its purchase of Offered Shares, each subscriber of Offered Shares offered under this short form prospectus will be deemed to have represented, warranted and agreed, for the benefit of the Corporation and the Underwriters or sub-agent that is signatory thereto that:

- (a) the subscriber is not a non-resident of Canada for purposes of the Tax Act and in the case where the subscriber is a partnership, is a “Canadian partnership” within the meaning thereof under the Tax Act;
- (b) the subscriber, and if the subscriber is a partnership, each of its members, deals, and at all relevant times will continue to deal, at arm’s length with the Corporation for the purposes of the Tax Act;
- (c) the subscriber has not entered into and will not knowingly enter into any agreement or arrangement which will cause the Offered Shares to become “prescribed shares” for the purposes of the Tax Act; however, this paragraph (c) shall not apply to the entering into of the Subscription Agreements;
- (d) the liability of the Corporation to the subscriber to renounce CEE is limited to the extent specifically stated herein and in the Subscription Agreements;
- (e) if an individual, the subscriber is of the full age of majority and is otherwise legally competent to enter into the Subscription Agreements and take all action pursuant thereto;
- (f) if a corporation, the subscriber is a valid and subsisting corporation, it has the necessary corporate capacity and authority to enter into the Subscription Agreements and to observe and perform its covenants and obligations thereunder and it has taken all necessary corporate action in respect thereof, or, if it is a partnership, syndicate or other form of unincorporated organization, it has the necessary legal capacity and authority to enter into the Subscription Agreements and to observe and perform its covenants and obligations thereunder and, in either case, it has obtained all necessary approvals in respect thereof;
- (g) if the subscriber is not an individual, it pre-existed the offering of the Offered Shares and has a bona fide business purpose other than the investment in the Offered Shares and was not created, formed or established solely or primarily to acquire securities, or to permit purchases of securities

without a prospectus, in reliance on an exemption from the prospectus requirements of applicable securities legislation;

- (h) the subscriber has such knowledge, or has received advice, in financial and business affairs as to be capable of evaluating the merits and risks of the investment and the subscriber is able to bear the economic risk of loss of its entire investment;
- (i) the subscriber has received and reviewed a copy of this short form prospectus;
- (j) if required by applicable securities legislation, policy or order of a securities commission or other regulatory authority, the subscriber will execute, deliver, file and otherwise assist the Corporation in filing such reports, undertakings and other documents with respect to the issue of the Offered Shares;
- (k) the entering into of the Subscription Agreements and the transactions contemplated thereby will not result in a violation of any of the terms and provisions of any law applicable to the subscriber, or, if the subscriber is not a natural person, any of its constating documents, or of any agreement to which the subscriber is a party or by which it is bound;
- (l) the subscriber waives any right that the subscriber may have to any potential incentive grants, credits and similar or like payments or benefits which accrue as a result of the operations relating to the Qualifying Expenditures (defined in the Subscription Agreements to mean expenses that are CEE on the date they are incurred) and acknowledges that all such grants, credits, payments or benefits accrue to the benefit of the Corporation;
- (m) the subscriber is aware that the Offered Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state and that these securities may not be offered or sold in the United States without registration under the U.S. Securities Act or compliance with requirements of an exemption from registration, and the applicable laws of all applicable states or an exemption from such registration requirements is available and acknowledges that the Corporation has no present intention of filing a registration statement under the U.S. Securities Act in respect of the Offered Shares;
- (n) the Offered Shares have not been offered to the subscriber in the United States, and the individuals making the order to purchase the Offered Shares and executing and delivering the Subscription Agreements on behalf of the subscriber were not in the United States when the order was placed and the Subscription Agreements were executed and delivered;
- (o) the subscriber is not a "U.S. Person" (as that term is defined by Regulation S under the U.S. Securities Act) and is not acquiring the Offered Shares on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States;
- (p) the subscriber undertakes and agrees that the subscriber will not offer or sell the Offered Shares in the United States unless such securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available, and further that the subscriber will not resell the Offered Shares except in accordance with the provisions of applicable securities legislation, regulations, rules, policies and orders and stock exchange rules;
- (q) no person has made to the subscriber any written or oral representations:
 - (i) that any person will resell or repurchase the Offered Shares;
 - (ii) that any person will refund the purchase price of the Offered Shares; or
 - (iii) as to the future price or value of the Offered Shares;

- (r) the covenants, representations and warranties of the subscriber stated or referred to in the Subscription Agreements shall be true and correct both as of the execution of the Subscription Agreements and as of the Closing Date of the Offering as if repeated at such time, and will survive the completion of the issuance of the Offered Shares and the completion of the transactions contemplated under the Subscription Agreements and the Underwriting Agreement; and
- (s) the subscriber acknowledges that it has been encouraged to obtain independent legal, income tax and investment advice with respect to its subscription for the Offered Shares and accordingly, has had the opportunity to acquire an understanding of the meanings of all terms contained in the Subscription Agreements relevant to the subscriber for the purposes of giving representations, warranties and covenants thereunder.

Notwithstanding the foregoing, the Corporation may enter into one or more subscription agreements for Offered Shares on such terms as may be agreed to by the Corporation and the applicable subscriber.

RISK FACTORS

An investment in the Offered Shares should be considered speculative due to various factors, including the nature of the Corporation's involvement in the exploration for, and the acquisition, development and production of, oil and natural gas reserves and resources. The Corporation's business is subject to the risks normally encountered in the oil and natural gas industry such as the marketability of oil and natural gas, competition with companies having greater resources, acquisition, exploration and production risks, need for capital, fluctuations in the market price and demand for oil and natural gas and the regulation of the oil and natural gas industry by various levels of government. The oil and natural gas reserves and recovery information incorporated by reference in this short form prospectus are estimates only and the actual production and ultimate reserves recovered from the Corporation's properties and acquisitions may be greater or less than the estimates contained in this short form prospectus. The success of acquisitions and further exploration or development projects cannot be assured. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Corporation.

Risk factors relating to the Corporation are discussed in the Annual Information Form and management's discussion and analysis of financial condition and results of operations, each of which are incorporated by reference in this short form prospectus. These risk factors, together with all of the other information included or incorporated by reference in this short form prospectus, should be carefully reviewed and considered before a decision is made to invest in the securities offered hereunder. Such risks may not be the only risks facing the Corporation. Additional risks not currently known may also negatively impact the Corporation's business operations and results of operation.

Canadian Tax Treatment of the Offered Shares

The tax treatment applicable with respect to oil and gas activities and flow-through shares constitutes a major factor when considering an investment in the Offered Shares. There is no guarantee that the taxation laws and regulations and the current administrative practices of both the federal and provincial tax authorities will not be amended or construed in such a way that the tax considerations for a subscriber holding Offered Shares will not be altered and, moreover, there is no guarantee that there will not be any differences of opinion between the federal and provincial tax authorities with respect to the tax treatment of the Offered Shares, the status of such Offered Shares and the activities contemplated by the Corporation's exploration and development programs. See "*Certain Canadian Federal Income Tax Considerations*".

The Offered Shares are designed for investors whose income is subject to high marginal tax rates. The right to deduct CEE accrues to the initial purchaser of the Offered Shares and is not transferable. No guarantee can be given that Canadian tax laws will not be amended, that the amendments announced with respect to such laws will be adopted or that the current administrative practices of the tax authorities will not be modified. In addition, there is no guarantee that the expected tax deductions will be accepted by the CRA. Consequently, the tax considerations for subscribers holding or selling Offered Shares may be fundamentally altered. See "*Certain Canadian Federal Income Tax Considerations*".

There is no guarantee that an amount equal to the total proceeds of the sale of the Offered Shares will be expended on or prior to December 31, 2011 on CEE resulting in the deductions described under "*Certain Canadian Federal*

Income Tax Considerations". If the Corporation does not expend an amount equal to the proceeds from the sale of the Offered Shares so as to incur qualifying CEE prior to December 31, 2011, the Corporation shall reduce the amount of CEE that it has renounced in favour of the investors and the investors will be reassessed accordingly. Subscribers will not be subject to penalties for any such reassessment and no interest will be payable on such additional tax if such tax is paid by April 30, 2012.

Risks Associated with Acquisitions

Acquisitions of oil and gas properties or companies are based in large part on engineering, environmental and economic assessments made by the acquiror, independent engineers and consultants. These assessments include a series of assumptions regarding such factors as recoverability and marketability of oil and natural gas, environmental restrictions and prohibitions regarding releases and emissions of various substances, future prices of oil and gas and operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond the control of the Corporation. All such assessments involve a measure of geological, engineering, environmental and regulatory uncertainty that could result in lower production or reserves or higher operating or capital expenditures than anticipated.

Although select title and environmental reviews are conducted prior to any purchase of resource assets, such reviews cannot guarantee that any unforeseen defects in the chain of title will not arise to defeat the Corporation's title to certain assets or that environmental defects or deficiencies do not exist or are greater than anticipated.

Possible Failure to Realize Anticipated Benefits of Acquisitions

The Corporation has completed the Stonefire Acquisition and the acquisition of the Compton Assets to strengthen its position in the oil and natural gas industry and to create the opportunity to realize certain benefits including, among other things, potential cost savings. Achieving the benefits of the Stonefire Acquisition, the Compton Asset acquisition and future acquisitions the Corporation may complete depends in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as the Corporation's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of the Corporation. Integrating the Compton Assets and the assets acquired under the Stonefire Acquisition requires the dedication of substantial management effort, time and resources, which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business, customer and employee relationships and this may adversely affect the Corporation's ability to achieve the anticipated benefits of the Stonefire Acquisition and the Compton Assets and future acquisitions.

Market Conditions

As a result of the weakened global economic situation and the recent downturn in oil, natural gas and other commodity prices, the Corporation, along with all other oil and gas issuers, will face reduced cash flow and restricted access to capital until these conditions improve. A prolonged period of adverse market conditions may impede the Corporation's ability to finance planned capital expenditures. In addition, a prolonged period of adverse market conditions may impede the Corporation's ability to refinance its credit facility or arrange alternative financing when the facility becomes due or if the lending limits under the facility are reduced upon periodic review. In each case, the Corporation's ability to maintain and grow its reserves and fully exploit its properties for the benefit of the Shareholders would be adversely affected.

Market for the Offered Shares

The TSX has conditionally approved the listing of the Offered Shares distributed under this short form prospectus. Listing will be subject to the Corporation fulfilling all the listing requirements of the TSX on or before January 25, 2011. There can be no assurance that an active public market for trading in the Offered Shares will persist and the share price may decline below the issue price for the Offered Shares.

The Corporation may use the proceeds of this Offering for purposes other than those set out in this Short Form Prospectus

The Corporation currently intends to allocate the proceeds received from the Offering as described under “*Use of Proceeds*” in this short form prospectus. However, management will have discretion in the actual application of the proceeds, and may elect to allocate proceeds differently from that described in “*Use of Proceeds*” if it is believed it would be in the best interests of the Corporation to do so as circumstances change, subject to contractual obligations including the Subscription Agreements and Underwriting Agreement. The failure by management to apply these funds effectively could have a material adverse effect on the business of the Corporation.

Volatility of Market Price of Common Shares

The market price of the Common Shares may be volatile. The volatility may affect the ability of holders to sell the Common Shares at an advantageous price. Market price fluctuations in the Common Shares may be due to the Corporation’s operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts’ estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Corporation or its competitors, along with a variety of additional factors, including, without limitation, those set forth under “*Forward-Looking Statements*”. In addition, the market price for securities in the stock markets, including the TSX, recently experienced significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may adversely affect the market price of the Common Shares.

Future Financing

The Corporation may require future financing through the issuance of equity or debt to fund its future exploration, development and operations. There can be no assurance that additional financing will be available to the Corporation when needed or on terms acceptable to the Corporation. The Corporation’s inability to raise funding to support ongoing operations and to fund capital expenditures or acquisitions may limit the Corporation’s growth or may have a material adverse affect upon the Corporation. The Corporation cannot predict the size of future issuances of equity or the issuance of debt or the effect, if any, that future issuances and sales of the Corporation’s securities will have on the market price of the Common Shares.

Forward-Looking Information may Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

Additional information on the risks, assumptions and uncertainties are found in this short form prospectus under the heading “*Forward-Looking Statements*”.

LEGAL PROCEEDINGS

To the knowledge of the Corporation, there are no legal proceedings or regulatory actions material to the Corporation to which the Corporation is a party or of which any of its properties are the subject matter, nor are any such proceedings known to the Corporation to be contemplated.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The auditors of the Corporation are KPMG LLP, Chartered Accountants.

Valiant Trust Company is the registrar and transfer agent for the Common Shares at its principal office in Calgary, Alberta, with a branch office in Toronto, Ontario.

INTEREST OF EXPERTS

Certain legal matters relating to the Offering will be passed upon by Osler, Hoskin & Harcourt LLP on behalf of the Corporation and Heenan Blaikie LLP on behalf of the Underwriters. As at the date hereof, each of Osler, Hoskin & Harcourt LLP and Heenan Blaikie LLP and their designated professionals, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding securities of the Corporation and its associates and affiliates. Ms. Noralee Bradley, chair of the Corporation's board of directors, is a partner of Osler, Hoskin & Harcourt LLP.

Reserves estimates incorporated by reference in this short form prospectus are derived from a report prepared by GLJ as independent reserves evaluators, with respect to reserves of the Corporation. As at the date hereof, to the knowledge of the Corporation, neither GLJ nor its officers, directors, employees or consultants beneficially own, directly or indirectly, any of the securities of the Corporation and its associates and affiliates.

This short form prospectus incorporates by reference reserve estimates with respect to the Compton Assets prepared by Matthew Mazuryk, Vice President of Engineering of the Corporation, who is considered a qualified reserves evaluator in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*. As of the date hereof, Mr. Mazuryk beneficially owns, directly and indirectly, less than 1% of the outstanding securities of the Corporation.

KPMG LLP, auditors of the Corporation, are independent of the Corporation pursuant to the rules of professional conduct applicable to auditors in the province of Alberta.

Collins Barrow Calgary LLP, auditors of Stonefire, are independent of Stonefire pursuant to the rules of professional conduct applicable to auditors in the province of Alberta.

Grant Thornton LLP, auditors of Compton Petroleum Corporation, are independent of Compton Petroleum Corporation pursuant to the rules of professional conduct applicable to auditors in the province of Alberta.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the province in which the purchaser resides for the particulars of these rights or consult with a legal advisor.

AUDITORS' CONSENTS

Consent of KPMG LLP

To the Board of Directors of Angle Energy Inc.

We have read the short form prospectus of Angle Energy Inc. (the "**Corporation**") dated November 3, 2010 relating to the qualification for distribution of flow through common shares of the Corporation. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the shareholders of the Corporation on the consolidated balance sheets of the Corporation as at December 31, 2009 and 2008 and the consolidated statements of operations and retained earnings and cash flows for the years then ended. Our report is dated March 19, 2010.

(signed) "*KPMG LLP*"
Chartered Accountants
Calgary, Canada
November 3, 2010

Consent of Collins Barrow Calgary LLP

To the Board of Directors of Angle Energy Inc.

We have read the short form prospectus of Angle Energy Inc. (the "**Corporation**") dated November 3, 2010 relating to the qualification for distribution of common shares of the Corporation to be issued on a "flow-through" basis pursuant to the *Income Tax Act* (Canada) and the regulations thereunder. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the shareholder of Stonefire Energy Corp. ("**Stonefire**") on the balance sheets of Stonefire as at December 31, 2009 and 2008, and the statements of income (loss), comprehensive income (loss) and retained earnings and cash flows for the years then ended. Our report is dated February 19, 2010.

(signed) "*Collins Barrow Calgary LLP*"
Chartered Accountants
Calgary, Canada
November 3, 2010

Consent of Grant Thornton LLP

To the Board of Directors of Angle Energy Inc.

We have read the short form prospectus of Angle Energy Inc. (the “**Corporation**”) dated November 3, 2010 relating to the qualification for distribution of flow through common shares of the Corporation. We have complied with Canadian generally accepted standards for an auditor’s involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the directors of Compton Petroleum Corporation on the schedules of revenue, royalties, operating expenses and transportation expenses for the Niton West Area Properties acquired by the Corporation pursuant to the purchase and sale agreement dated June 7, 2010 for each of the years in the two-year period ended December 31, 2009. Our report is dated June 9, 2010.

(signed) “*Grant Thornton LLP*”
Chartered Accountants
Calgary, Canada
November 3, 2010

CERTIFICATE OF THE CORPORATION

Dated: November 3, 2010

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada except Quebec.

(signed) "*Gregg Fischbuch*"
Chief Executive Officer

(signed) "*Stuart Symon*"
Vice President Finance, Chief Financial Officer &
Corporate Secretary

On behalf of the Board of Directors

(signed) "*Noralee Bradley*"
Director

(signed) "*John Gareau*"
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: November 3, 2010

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada except Quebec.

National Bank Financial Inc.

(signed) "*Sandy L. Edmonstone*"
Managing Director, Corporate & Investment Banking

FirstEnergy Capital Corp.

(signed) "*M. Scott Bratt*"
Managing Director, Corporate Finance

Cormark Securities Inc.

(signed) "*Dion Degrand*"
Director, Investment Banking

Dundee Securities Corporation

(signed) "*Tim Hart*"
Managing Director & Head of Energy Investment Banking

Macquarie Capital Markets Canada Ltd.

(signed) "*David M. Vettors*"
Managing Director

Peters & Co. Limited

(signed) "*J.G. (Jeff) Lawson*"
Principal, Corporate Finance

CIBC World Markets Inc.

(signed) "*Brian D. Heald*"
Managing Director, Energy Investment Banking