



**Annual Meeting of Shareholders
to be held on
Thursday, May 28, 2009**

**NOTICE OF MEETING
and
INFORMATION CIRCULAR**

March 30, 2009



**NOTICE OF ANNUAL MEETING OF
SHAREHOLDERS TO BE HELD ON THURSDAY, MAY 28, 2009**

TO THE SHAREHOLDERS OF ANGLE ENERGY INC.

NOTICE IS HEREBY GIVEN that the annual meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Shares**”) of Angle Energy Inc. (the “**Corporation**”) will be held Thursday, May 28, 2009 at 2:30 p.m. (Calgary time) in the Plaza Room of The Metropolitan Conference Centre located at 333 Fourth Avenue S.W., Calgary, Alberta. The purpose of the Meeting is to consider, and to take action with respect to, the following matters:

- (1) the receipt of the audited financial statements of the Corporation for the financial period ended December 31, 2008, together with the auditors’ report thereon;
- (2) the election of directors of the Corporation for the ensuing year;
- (3) the appointment of an auditor of the Corporation for the ensuing year at a remuneration to be determined by the board of directors of the Corporation; and
- (4) the transaction of such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

Shareholders are referred to the accompanying Information Circular dated March 30, 2009 (the “**Information Circular**”) for more detailed information with respect to the matters to be considered at the Meeting.

A Shareholder may attend the Meeting in person or may be represented thereat by proxy. Shareholders who are unable to attend the Meeting in person are requested to date, sign and return the accompanying Instrument of Proxy, or other appropriate form of proxy, in accordance with the instructions set forth in the Information Circular. In order to be valid and acted upon at the Meeting, a properly executed Instrument of Proxy or other appropriate form of proxy must be deposited at the office of Valiant Trust Company, 310, 606 Fourth Street S.W., Calgary, Alberta, T2P 1T1, at least 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. A person appointed as proxyholder need not be a Shareholder.

If a Shareholder receives more than one Instrument of Proxy because such Shareholder owns Shares registered in different names and addresses, each Instrument of Proxy or other appropriate form of proxy should be completed and returned.

Only persons registered as holders of Shares on the records of the Corporation as of the close of business on April 8, 2009 are entitled to receive notice of and to vote at the Meeting or any adjournment thereof, except that a transferee of Shares transferred after such date may vote such Shares at the Meeting or any adjournment thereof if it produces properly endorsed share certificates or otherwise establishes that it owns the transferred Shares and demands, not later than 10 days before the Meeting, that the transferee's name be included on the list of Shareholders entitled to vote at the Meeting.

DATED as of the 30th day of March, 2009.

BY ORDER OF THE BOARD OF
DIRECTORS

(signed) "Gregg Fischbuch"

Gregg Fischbuch
President and Chief Executive Officer

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INFORMATION CIRCULAR

**For the Annual Meeting of Shareholders
to be held Thursday, May 28, 2009 at 2:30 p.m. (Calgary time) in the Plaza Room of The
Metropolitan Conference Centre located at 333 Fourth Avenue S.W., Calgary, Alberta.**

GENERAL PROXY INFORMATION

Solicitation of Proxies by Management

This information circular ("**Information Circular**") is furnished in connection with the solicitation by management of Angle Energy Inc. (the "**Corporation**") of proxies to be used at the annual meeting ("**Meeting**") of the holders ("**Shareholders**") of common shares ("**Shares**") of the Corporation to be held Thursday, May 28, 2009 at 2:30 p.m. (Calgary time) in the Plaza Room of The Metropolitan Conference Centre located at 333 Fourth Avenue S.W., Calgary, Alberta for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders ("**Notice of Meeting**") and in this Information Circular, and at any adjournments thereof.

Solicitation of proxies will be primarily by mail, but may also be by telephone, facsimile, electronic or oral communication by the directors, officers and employees of the Corporation at no additional compensation. No remuneration will be paid to any person for the solicitation of proxies; provided, however, that the Corporation may pay to intermediaries holding Shares in their names for others prescribed fees for the sending of the Notice of Meeting, this Information Circular and the instrument of proxy furnished by the Corporation and accompanying this Information Circular ("**Instrument of Proxy**") to the persons for whom they hold Shares. The cost of the solicitation of proxies will be borne by the Corporation.

Information contained in this Information Circular is given as of March 30, 2009 unless otherwise specifically stated.

Appointment and Revocation of Proxy

A Shareholder wishing to have their Shares voted at the Meeting by proxy must deposit a properly executed Instrument of Proxy or other appropriate form of proxy in accordance with the instructions set forth in this Information Circular.

In order to be valid and acted upon at the Meeting, a properly executed Instrument of Proxy or other appropriate form of proxy must be deposited at the office of Valiant Trust Company, 310, 606 Fourth Street S.W., Calgary, Alberta, T2P 1T1, at least 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof.

The persons named in the accompanying Instrument of Proxy are officers and directors of the Corporation. A Shareholder entitled to vote at the Meeting may appoint a person (who need not be a Shareholder) other than the individuals named in the accompanying Instrument of Proxy to represent the Shareholder at the Meeting by inserting the name of the desired representative in the blank space provided in the Instrument of Proxy or by submitting another appropriate proxy.

A Shareholder that has given a proxy may revoke it: (a) by depositing an instrument in writing executed by the Shareholder or by their attorney authorized in writing or, if the Shareholder is a corporation, in its corporate name under its corporate seal or by an officer or attorney thereof authorized in writing, (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or (ii) with the Chair of the Meeting on the day of the Meeting or any adjournment thereof, prior to its commencement; or (b) in any other manner permitted by law.

The registered office of the Corporation is located at Suite 2500, 450 – First Street S.W., Calgary, Alberta, T2P 5H1, and its head office is located at Suite 700, 324 – Eighth Avenue S.W., Calgary, Alberta T2P 2Z2.

The foregoing information regarding appointment of proxyholders and revocation of proxies is generally applicable only to *registered* Shareholders, being persons who are recorded as holders of Shares on the register of shareholders maintained by the Corporation. A significant number of persons who beneficially own Shares hold such Shares in a brokerage account or through some other intermediary. In almost all cases, a person whose Shares are held through a broker or other intermediary will not be a registered Shareholder, and should refer to the information set forth below under the heading “Advice to Beneficial Holders of Shares”.

Exercise of Discretion by Proxyholders

On any vote that may be called for at the Meeting or any adjournment thereof, the persons named in the accompanying Instrument of Proxy will vote or withhold from voting the Shares in respect of which they are appointed proxyholder in accordance with the instructions of the Shareholder appointing them. **In the absence of such direction, such Shares will be voted FOR each of the matters referred to in the Notice of Meeting and in this Information Circular.**

The accompanying Instrument of Proxy also confers discretionary authority on the persons named therein to vote Shares and otherwise act in the proxyholder’s discretion with respect to any amendments or variations to matters identified in the Notice of Meeting and with respect to any other matters that may properly come before the Meeting or any adjournment thereof. As at the date hereof, management of the Corporation knows of no such amendments or variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting and in this Information Circular.

Signing of Proxy

An instrument appointing a proxyholder must be in writing and must be executed by the Shareholder or their attorney authorized in writing or, if the Shareholder is a corporation, in its corporate name under its corporate seal or by an officer or attorney thereof authorized in writing. A proxy signed by a person acting as attorney, executor, administrator, trustee or in some other representative capacity should indicate their capacity following their signature and be accompanied by evidence of their qualification and authority to act.

Advice to Beneficial Holders of Shares

The following information is important to a Shareholder (referred to in this Information Circular as a “**Beneficial Shareholder**”) that beneficially owns Shares but does not appear on the records of the Corporation as the *registered* holder thereof. Such Shares are instead typically registered in the name of a broker or other intermediary (including trustees or administrators of self-administered Registered Retirement Savings Plans, Registered Retirement Income Funds, Registered Education Savings Plans and similar plans) or in the name of a depository of which the intermediary is a participant.

Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the *registered* holders of Shares will be recognized and acted upon at the Meeting.

Shares listed in an account statement provided to a Shareholder by a broker will, in most cases, *not* be registered in the Shareholder’s own name on the records of the Corporation. Such Shares will more likely be registered under the name of the Shareholder’s broker or an agent of that broker. Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. The directors and officers of the Corporation do not know for whose benefit Shares registered in the name of brokers or their agents or nominees are held. Without specific instructions, a broker and its agents and nominees are prohibited from voting Shares on behalf of their clients. **Beneficial Shareholders should therefore ensure that instructions regarding the voting of their Shares are properly communicated to the appropriate person or that the Shares are duly registered in their name well in advance of the Meeting.**

Applicable regulatory policy requires brokers and other intermediaries holding Shares for others to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing and delivery procedures and provide their own return instructions to their clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. In some cases, a form of proxy or voting instruction form supplied to a Beneficial Shareholder by their broker or other intermediary (or an agent or nominee of such broker or other intermediary) will be similar or even identical to the form of proxy furnished to registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder (the broker, intermediary, agent or nominee) how to vote on behalf of the Beneficial Shareholder. Most brokers now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically supplies voting instruction forms, mails those forms to you and asks you to return the forms to Broadridge or follow specified telephone or internet-based voting procedures. Broadridge then tabulates the results of all instructions received and provides appropriate instructions regarding the voting of Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, you cannot use that form to vote your Shares directly at the Meeting, but must instead return the voting instruction form to Broadridge or complete the telephone or internet-based voting procedures well in advance of the Meeting to have such Shares voted at the Meeting on your behalf.**

Although a Beneficial Shareholder will not be recognized directly at the Meeting for the purposes of voting Shares that are registered in the name of their broker or other intermediary (or an agent or nominee thereof), a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote their Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the Instrument of Proxy provided to them and return the same to their broker or other intermediary (or its agent or nominee) in accordance with the instructions provided by such broker or other intermediary (or agent or nominee) well in advance of the Meeting.

Beneficial Shareholders should contact their broker or other intermediary if they have any questions regarding the voting of Shares held through that broker or other intermediary.

Voting Securities

The Corporation is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares, issuable in series. As at March 30, 2009, there are 39,296,574 Shares issued and outstanding, each carrying the right to one vote per share at the Meeting.

Record Date

The record date for determining the Shareholders entitled to receive notice of the Meeting is April 8, 2009. In accordance with the provisions of the *Business Corporations Act* (Alberta), the Corporation will prepare a list of the Shareholders recorded as holders of Shares on its register of shareholders as of the close of business on April 8, 2009, each of whom shall be entitled to vote the Shares shown opposite their name on the list at the Meeting or any adjournment thereof, except to the extent that: (a) such a Shareholder has transferred the ownership of any of their Shares subsequent to that record date; and (b) the transferee produces properly endorsed share certificates or otherwise establishes that the transferee owns the transferred Shares and demands, not later than 10 days before the Meeting, that the transferee's name be included on the list of Shareholders entitled to vote at the Meeting, in which case the transferee will be entitled to vote such Shares at the Meeting or any adjournment thereof.

Principal Holders of Shares

To the knowledge of the directors and officers of the Corporation, as at the date hereof, no person or company beneficially owns, directly or indirectly, or controls or directs, more than 10% of the voting rights attached to all issued and outstanding Shares of the Corporation other than Mr. Gregg Fischbuch, President and Chief Executive Officer and a director of the Corporation, who owns or controls 4,034,829 Shares, representing approximately 10.3% of the outstanding Shares.

Interest of Certain Persons and Companies in Matters to be Acted For

To the knowledge of the directors and officers of the Corporation, as at the date hereof, there are no directors, nominees for director, senior officers or anyone who held office as such since the beginning of the Corporation's last financial year, or any associate or affiliate of any of the foregoing that has or had a material interest in any matter to be acted for at the meeting, except as disclosed herein.

Information Concerning the Corporation

The Corporation was incorporated as 1087577 Alberta Ltd. under the *Business Corporations Act* (Alberta) on January 23, 2004. On March 26, 2004 the name of the Corporation was changed from 1087577 Alberta Ltd. to Angle Energy Inc. On June 30, 2008 the Corporation completed an initial public offering (the "IPO") and listed the Shares on the TSX.

MATTERS TO BE ACTED UPON AT THE MEETING

Financial Statements and Auditors' Report

The audited financial statements of the Corporation for the financial period ended December 31, 2008, together with the auditors' report thereon, have been sent to Shareholders and will be placed before the

Shareholders at the Meeting. No formal action will be taken at the Meeting to approve the financial statements, which have already been approved by the board of directors (the “**Board**”) of the Corporation.

Election of Directors

The current directors of the Corporation are Gregg Fischbuch, Noralee Bradley, Clarence Chow, John Gareau, Edward Muchowski and Timothy Dunne, each of whom is proposed to be nominated for re-election at the Meeting. The Board has fixed the number of directors for the ensuing year at six. Management does not propose to nominate any other person for election as a director. Each person elected as a director of the Corporation will hold office until the close of the next annual meeting of the Shareholders or until his or her successor is duly elected or appointed or his or her office is earlier vacated in accordance with the *Business Corporations Act* (Alberta) and the articles and by-laws of the Corporation.

The following table sets forth the name and province and country of residence of each person proposed to be nominated at the Meeting for election as a director, the date each first became a director of the Corporation, the current principal occupation, business or employment of each proposed nominee and their principal occupation, business or employment during the past five years, and the number of Shares beneficially owned, directly or indirectly, or controlled or directed by each of them as at March 30, 2009:

Name and Province/Country of Residence	Principal Occupation Currently and Past 5 Years	Date Became a Director	Shares Beneficially Owned or Controlled as at March 30, 2009
Gregg Fischbuch ⁽⁵⁾ <i>Alberta, Canada</i>	President and Chief Executive Officer of Angle Energy Inc. since March 2004.	March 4, 2004	4,034,829
Noralee Bradley ⁽³⁾⁽⁴⁾ <i>Alberta, Canada</i>	Partner at the Calgary office of Osler, Hoskin & Harcourt LLP; a national law firm since January 2006. Prior thereto, Partner with Bennett Jones LLP, a national law firm.	June 15, 2004	120,055
Clarence Chow ⁽¹⁾⁽²⁾⁽⁶⁾ <i>Alberta, Canada</i>	President, CGS Asset Capital Management Ltd. since March 2008. Prior thereto, President of AGS Capital Management Ltd.	June 28, 2004	2,583,122
John Gareau ⁽¹⁾⁽³⁾⁽⁷⁾ <i>Alberta, Canada</i>	Corporate director and independent businessman.	June 15, 2004	359,500
Edward Muchowski ⁽²⁾⁽⁴⁾⁽⁸⁾ <i>Alberta, Canada</i>	Corporate director and independent businessman.	June 15, 2004	690,833
Timothy Dunne ⁽¹⁾⁽³⁾ <i>Alberta, Canada</i>	Corporate director and independent businessman.	March 29, 2006	155,646

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Reserves Committee.
- (3) Member of the Corporate Governance and Compensation Committee.
- (4) Member of the Environmental Health and Safety Committee.
- (5) Includes 1,347,633 Shares held by an associate and a corporation controlled by Mr. Fischbuch.

- (6) Includes 2,583,122 Shares held by AGS Energy, which is a group of investment funds of which Mr. Chow is Manager.
- (7) Includes 58,500 Shares held by an associate and a corporation controlled by Mr. Gareau.
- (8) Includes 5,000 Shares held by an associate of Mr. Muchowski.

At the Meeting, management of the Corporation proposes to nominate for election as directors of the Corporation the persons identified in the foregoing table. **Unless otherwise directed by the Shareholders appointing them as proxyholder, the persons named in the accompanying Instrument of Proxy intend to vote FOR the election of such persons as directors of the Corporation.**

Corporate Cease Trade Orders and Bankruptcies

Except as set forth herein, no director is, or within 10 years prior to the date hereof, has been, a director or executive officer of any other issuer that, while such person was acting in that capacity, (i) was the subject of a cease trade or similar order or an order that denied the other issuer access to any statutory exemption for a period of more than 30 consecutive days; or (ii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. Mr. Edward Muchowski, a director of Angle Energy, is a former director of Calgary New Holland Sales & Service Ltd., a private corporation that was incorporated under the *Business Corporations Act* (Alberta) 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.

Penalties or Sanctions

No director of Angle Energy has: (i) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No director of Angle Energy, or a personal holding company of any such persons has, within the 10 years before the date hereof become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been 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.

Appointment of Auditor

We propose to nominate the Corporation's existing auditors, KPMG LLP, Chartered Accountants, to act as our independent auditors until the next annual general meeting of Shareholders, at a remuneration to be fixed by the Board. KPMG LLP, Chartered Accountants were first appointed as our auditors in February of 2008 by the Board and reaffirmed as auditor by the Shareholders at the annual general meeting held on May 30, 2008.

Unless otherwise directed by the Shareholders appointing them as proxyholder, the persons named in the accompanying Instrument of Proxy intend to vote FOR the appointment of KPMG LLP, Chartered Accountants, as the auditor of the Corporation, to hold office until the next annual meeting of the Shareholders, at a remuneration to be determined by the board of directors of the Corporation.

OTHER MATTERS

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual Meeting accompanying this Information Circular. **However, if any other matter properly comes before the Meeting, the persons named in the enclosed form of proxy will vote on such matters in accordance with their best judgement.**

COMPENSATION OF THE EXECUTIVE OFFICERS

The Compensation Discussion and Analysis provides information regarding all significant elements of compensation paid, awarded or otherwise provided by the Corporation to management and staff, and more specifically, to Gregg Fischbuch (President and Chief Executive Officer), Stuart Symon (Vice President, Finance and Chief Financial Officer) and the three other most highly compensated executive officers of the Corporation for the year ended December 31, 2008, Heather Christie-Burns (Vice-President, Engineering and Chief Operating Officer), Glen Richardson (Vice President, Land) and Elizabeth More (Vice President, Exploration) (the “**Named Executive Officers**” or the “**NEOs**”).

Compensation Discussion and Analysis

The Corporation’s Executive Compensation Program is administered by the Corporate Governance and Compensation Committee of the Board (the “**Committee**”). The Corporation’s Executive Compensation Program has the objective of attracting and retaining a qualified and cohesive group of executives, motivating team performance and the aligning of the interests of executives with the interests of the Corporation’s shareholders through a package of compensation that is simple and easy to understand and implement. Compensation under the program is designed to achieve both current and longer term goals of the Corporation and to optimize returns to shareholders. In addition, in order to further align the interests of executives with the interests of the Corporation’s shareholders, the Corporation has implemented share ownership incentives through various mechanisms. The Corporation’s overall compensation objectives are to be in line with its peer group of junior oil and gas companies with opportunities to participate in equity.

The Corporation seeks to achieve the objectives of the Executive Compensation Program through the following components: annual base salary, a bonus framework, share-based awards (stock options (“**Options**”), share appreciation rights (“**SARs**”), employee stock savings plan), termination and change of control agreements, group benefits, and perquisites and personal benefits.

In determining the total compensation of any member of senior management, the Committee considers all elements of compensation in total rather than one element in isolation. The Committee also examines the competitive positioning of total compensation and the mix of fixed, incentive and share-based compensation.

Base Salary

The Corporation’s peer group in connection with salary compensation consists of a sampling of technical professional staff as provided to the industry generally from under the Association of Professional Engineers, Geologists and Geophysicists of Alberta (“**APEGGA**”). The Chief Executive Officer reviews and updates the Committee annually on the peer group from APEGGA and other informal channels and compares the salary offered by the Corporation against those of the peer group generally to ensure the Corporation’s salary compensation is within the range of expected annual base salary for the group.

Salaries from non-APEGGA professions are consistent within management levels of the APEGGA professions.

Bonus Framework

The Committee believes that a well balanced Executive Compensation Program must simultaneously motivate and reward participants to deliver financial results while maintaining focus on long-term goals that track financial progress and value creation. The Committee also recognizes that while share prices are generally a true indicator of corporate performance over time, external factors that are beyond the Corporation's influence may also have a substantial impact on its share price. The Corporation's bonus program, in which the NEOs participate, involves an annual team bonus and discretionary individual bonuses.

The Corporation's annual team bonus focuses on the performance of the Corporation, having regard to the primary drivers of an oil and gas company's share price that are controllable by the Corporation's executives. Those drivers include: finding, on-stream and acquisition costs, meeting or exceeding budgeted targets and published guidance, controlling debt levels and, on an absolute and per share basis, production growth, reserve growth, cash flow growth and earnings growth. There are no specific performance targets identified for the team or individual bonuses. Based on those drivers, the Committee declares payable a fixed percentage of an individual's annual base salary that is between 0% and 50%, payable in two instalments in respect of each fiscal year. The determination of the percentage payable is based on an assessment by the Committee, with input from the Chief Executive Officer, on whether the Corporation's performance in relation to those drivers was, for example, good (assessing a 20% bonus), great (assessing a 30% bonus) or outstanding (assessing a 40% bonus).

With respect to the interim instalment payment in December, the percentage paid is to be based on early indications of results for the fiscal year, having regard to available quarterly results, drilling success rates, production growth, meeting of targets and guidance, and other factors that are determinable or discernable part way through a fiscal year, but before final numbers can be ascertained following receipt of reserve information and final audited financial statements. The Chief Executive Officer consults as necessary with officers of the Corporation and makes a recommendation to the Committee with respect to the interim instalment payment. With respect to the final instalment payment in April, the percentage payable is to be based on the final results for that year, following receipt of reserve information and final audited financial statements. Based on such information, the Chief Executive Officer shall consult as necessary with officers of the Corporation and, taking into account the interim instalment payment, make a recommendation to the Committee with respect to the final instalment for the annual team bonus prior to April 1st.

The bonus program of the Corporation also provides discretionary individual bonuses for all employees except for officers of the Corporation. If an individual employee's performance has been exceptional, then there is discretion to pay a bonus to that employee that recognizes his or her outstanding accomplishments within guidelines of no more than \$25,000 in discretionary bonuses to any single employee in one fiscal year and no more than an aggregate of \$150,000 in discretionary individual bonuses be paid in any one fiscal year. These discretionary bonuses are not based on pre-determined goals for performance but rather for contributions to the Corporation's success in their particular area based on the individuals' initiatives in executing the Corporation's plans.

The Committee also considers special bonuses for unique circumstances such as the extraordinary effort of the three members of the senior management team in executing on the initial public offering in the year ended December 31, 2008 in which case the executives were provided a one time bonus at the completion of the public offering process. These bonuses are reflected in the summary compensation table. The

contributions made by the other members of the Corporation's staff were considered in the fall instalment payment under the bonus framework.

Share-Based Awards

An important part of the Corporation's compensation program is to offer the opportunity and incentive for executives and staff to own shares of the Corporation. The Committee believes that ownership of the Corporation's shares aligns the interests of executives and staff with the interests of the Corporation's shareholders. The Corporation's compensation program introduces these incentives through Option grants, SARs and an employee stock savings plan.

Options are not granted on a regular schedule but rather as the compensation is reviewed by the Committee from time to time with input from the Chief Executive Officer. When reviewing Option grants, consideration is given to the total compensation package of the executives and staff and a weighting of appropriate incentives groupings at the senior, mid and junior levels of the staff including past grants. At the time of any Option grants, consideration is also given to the available Option pool remaining for new positions being contemplated by the Corporation.

During the first quarter of 2008, the Committee determined that a combination of factors that had occurred during the Corporation's rapid growth as a private company had left the Corporation with few Options in their shareholder-approved Option pool of a maximum of 10% of outstanding shares. The Corporation found its ability to hire new employees and motivate existing employees was thereby constrained. Management approached the Committee to propose a recommendation that would address and rectify the situation. The Committee considered various alternatives and decided on a SARs plan that would compliment and exist in tandem with the Option program. Although the SARs plan is not a plan where the executives or employees own shares, it effectively acts as an equity incentive plan as the benefit received from the program is dependent on the Corporation's share price. The SARs plan was implemented in April 2008 by the Corporation and is described under "Share Appreciation Rights Plan". Under the SARs plan, the Board has the authority, without the rightholders' consent, to collapse the SARs plan into the Option program under a specified formula taking into account the different tax treatment between an Option and a SARs grant.

While the Corporation was private, management and staff were afforded an opportunity to purchase shares of the Corporation in financings conducted on a private placement basis on the same terms and conditions as were offered to third party subscribers; however, the Corporation wanted to provide further alternatives to encourage management and staff to purchase the Corporation's shares. Once the Corporation became public in June 2008, the Corporation considered the implementation of an employee stock savings plan. On December 1st, 2008, an employee stock savings plan was implemented. The employee stock savings plan provides an opportunity for all full time employees of the Corporation, through regular payroll deductions and a matching contribution by the Corporation, to purchase common shares of the Corporation so that the employees can benefit from the growth in the value of the Corporation and align their interests with those of the shareholders. Participants may contribute a minimum of 1% to a maximum of 7.5% of their regular salary with a matching contribution by the Corporation. Participants may elect to acquire shares through a registered retirement savings plan or through a non-registered plan. Contributions by the Corporation vest immediately on being made by the Corporation and shares are purchased in the market through Valiant Trust Company as the administrative agent for the plan.

Termination and Change of Control Agreements

The Corporation, as part of its Executive Compensation Program, has implemented employment agreements with its Named Executive Officers that include payments for termination of employment or change of control. The Corporation believes that these contracts are an important component of the overall compensation packages offered to senior executives in order to attract and retain executives. The contracts are described under the “Termination of Employment or Change of Control Benefits for Named Executive Officers” and include a payment in the event of a change of control only if the executives terminate their employment. The termination benefits that the Named Executive Officers have in their agreements are commensurate with executives in their peer group in the industry.

Group Benefits

The Corporation also offers medical, dental, life, accidental death and dismemberment and long term disability coverages for all employees pursuant to a flexible benefit plan. Other group benefits include basic vacation, leave of absence, sick leave, short term disability and other similar benefits or policies. Senior management employees are entitled to participate in these programs on the same basis as all other employees. The Corporation does not provide any retirement or pension arrangements to its management or staff.

Perquisites and Personal Benefits

The Corporation provides a limited number of perquisites and personal benefits to its named executive officers including life insurance premiums and parking expenses. Each of the received perquisites were in aggregate not more than \$50,000 to each NEO in 2008; however, amounts for these perquisites have been included in the Summary Compensation Table below.

Annual Review Process

The Committee meets once each year to review the base salaries for the Chief Executive Officer, the other officers of the Corporation and the staff. The Committee also meets at other times during the year as necessary, such as when a component of the Corporation’s overall compensation package including the Option program, the SARs program or the annual bonus program is being amended or reviewed.

With respect to the Chief Executive Officer’s base salary, it has been the Chief Executive Officer’s preference to receive a salary that reflects the corporation’s team approach. Consequently, the base salary has been set with reference to the base salaries paid to the Chief Operating Officer and the Chief Financial Officer, instead of with reference to the compensation packages paid to the chief executive officers of peer group companies. Historically, this salary has been equal to, or very slightly above, the salaries of the other executive team members. The Committee reviews peer group information that is publicly available in order to determine that the salary paid to the Chief Executive Officer, determined in this manner, is competitive. The Committee recommends the Chief Executive Officer’s base salary and all other components of his compensation package to the full Board.

With respect to the officers of the Corporation other than the Chief Executive Officer, the Committee receives the recommendations of the Chief Executive Officer of the Corporation, who determines their compensation packages by reference to the publicly available information of peer group companies and to various publicly available surveys. Historically, the Corporation has not subscribed to independent industry surveys to determine such compensation packages. Commencing in 2009, the Committee has determined that the Corporation shall subscribe to such surveys as an additional guide to the determination of the overall compensation packages of the senior management team. The Committee

reviews and discusses the recommendations of the Chief Executive Officer and advises the Chief Executive Officer if necessary. The Committee advises the full Board as to the details and the overall amount of the officers' compensation determined to be appropriate.

With respect to the staff of the Corporation, the Committee receives and reviews the recommendations of the senior management of the Corporation and advises the full Board as to the details and the overall amount of the staff compensation determined to be appropriate.

Summary Compensation Table for Named Executive Officers

The following table sets forth information concerning the total compensation paid by the Corporation for the Corporation's most recently completed financial year that ended on December 31, 2008 to the Named Executive Officers.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)		Pension value (\$) ⁽³⁾	All other compensation (\$) ⁽⁴⁾	Total compensation (\$)
					Annual incentive plans ⁽²⁾	Long term incentive plans			
Gregg Fischbuch <i>President and Chief Executive Officer</i>	2008	160,908	Nil	190,653	90,227	Nil	Nil	6,037	447,825
Stuart Symon <i>Vice President, Finance and Chief Financial Officer</i>	2008	160,908	Nil	279,291	100,227	Nil	Nil	7,494	547,920
Heather Christie-Burns <i>Vice President, Engineering and Chief Operating Officer</i>	2008	160,908	Nil	203,316	100,227	Nil	Nil	7,672	472,123
Glen Richardson <i>Vice President, Land</i>	2008	146,854	Nil	232,670	58,750	Nil	Nil	6,348	444,622
Elizabeth More <i>Vice President, Exploration</i>	2008	148,750	Nil	50,650	58,750	Nil	Nil	6,497	264,647

Notes:

- (1) Option-based awards include Options and SARs. The fair values of all option-based awards are equal to the accounting fair values determined in accordance with Section 3870 of the Handbook. The total grant date fair value amount disclosed above is expensed over the three year vesting term for financial statement reporting purposes. Fair values were calculated using the Black-Scholes model with the following assumptions: forfeitures multiplier of 0%, volatility rate of 45% to 51%, risk free interest rate of 3.25% to 4.50% and dividend yield of 0%. The Black-Scholes valuation model was chosen by the Corporation because of its widespread use by peer companies in the industry.
- (2) Annual non-equity incentive plan compensation consists of year-end bonuses awarded based on Corporation performance under the Corporation's bonus framework and additional discretionary bonuses awarded based on personal performance.
- (3) The Corporation does not sponsor or maintain any pension or retirement plans.

- (4) Other compensation consists of life insurance premiums and parking expenses paid by the Corporation on behalf of the NEO, as well as contributions made by the Corporation to the Employee Stock Savings Plan on behalf of the NEO. Under this plan, implemented effective December 1, 2008, the Corporation will match contributions made by employees up to 7.5% of the employee's annual salary.

Outstanding Share-Based Awards and Option-Based Awards as at December 31, 2008 for Named Executive Officers

The following table provides information relating to all awards outstanding as of December 31, 2008 for the Named Executive Officers.

Name	Option-based Awards (Stock Option and SAR Plans)					Share-based Awards (Performance Awards)	
	Number of securities underlying		Option or SAR exercise price (\$)	Option or SAR expiration date	Value of unexercised in-the-money Options or SARs (\$) ⁽¹⁾	Number of Shares that have not vested (#)	Market or payout value of Share-based awards that have not vested (\$)
	exercisable (#) Options or SARs	unexercisable (#) Options or SARs					
Gregg Fischbuch <i>President and Chief Executive Officer</i>	225,000	Nil	1.00	Jul. 29, 2009	585,000	Nil	Nil
	5,000	Nil	1.00	Apr. 26, 2010	13,000		
	55,000	Nil	3.00	Oct. 27, 2010	33,000		
	30,000	15,000	3.00	Feb. 9, 2011	27,000		
	40,000	20,000	3.75	Aug. 11, 2011	Nil		
	Nil	60,000	4.00	Apr. 7, 2013	Nil		
Nil	30,000	5.30	Apr. 24, 2013	Nil			
Stuart Symon <i>Vice President, Finance and Chief Financial Officer</i>	166,667	83,333	3.00	Feb. 23, 2011	150,000	Nil	Nil
	40,000	20,000	3.75	Aug. 11, 2011	Nil		
	Nil	60,000	4.00	Apr. 7, 2013	Nil		
	Nil	65,000	5.30	Apr. 24, 2013	Nil		
Heather Christie-Burns <i>Vice President, Engineering and Chief Operating Officer</i>	200,000	Nil	1.00	Jul. 29, 2009	520,000	Nil	Nil
	25,000	Nil	1.00	Apr. 26, 2010	65,000		
	50,000	Nil	3.00	Oct. 27, 2010	30,000		
	26,667	13,333	3.00	Feb. 9, 2011	24,000		
	40,000	20,000	3.75	Aug. 11, 2011	Nil		
	Nil	60,000	4.00	Apr. 7, 2013	Nil		
Nil	35,000	5.30	Apr. 24, 2013	Nil			
Glen Richardson <i>Vice President, Land</i>	43,333	86,667	3.90	Aug. 1, 2012	Nil	Nil	Nil
	Nil	100,000	4.00	Mar 1, 2013	Nil		
	Nil	20,000	5.30	Apr. 24, 2013	Nil		
Elizabeth More <i>Vice President, Exploration</i>	83,333	166,667	3.90	Dec. 4, 2012	Nil	Nil	Nil
	Nil	20,000	5.30	Apr. 24, 2013	Nil		

Notes:

- (1) Value calculated by multiplying the difference between the December 31, 2008 closing share price of \$3.60 and the exercise price by the total number of unexercised Options or SARs (including unvested Options or SARs).

Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year for Named Executive Officers

The following table provides the value, if any, that vested or was earned during 2008 for each Named Executive Officer.

Name	Option-based awards – Value vested during the year				Share-based awards- Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
	Date Vested	# Vested	In the Money Value on Date Vested ⁽¹⁾ (\$)	In the Money Value at Year End of remaining Option-based awards that had vested during year ⁽²⁾ (\$)		
Gregg Fischbuch <i>President and Chief Executive Officer</i>	Feb. 9, 2008	15,000	15,000	9,000	Nil	Nil
	Apr. 26, 2008	1,667	7,168	4,334		
	Aug. 11, 2008	20,000	59,400	Nil		
	Oct. 27, 2008	18,333	12,833	11,000		
Stuart Symon <i>Vice President, Finance and Chief Financial Officer</i>	Feb. 23, 2008	83,333	83,333	50,000	Nil	Nil
	Aug. 11, 2008	20,000	59,400	Nil		
Heather Christie-Burns <i>Vice President, Engineering and Chief Operating Officer</i>	Feb. 9, 2008	13,333	13,333	8,000	Nil	Nil
	Apr. 26, 2008	8,333	35,832	21,666		
	Aug. 11, 2008	20,000	59,400	Nil		
	Oct. 27, 2008	16,667	11,667	10,000		
Glen Richardson <i>Vice President, Land</i>	Aug. 1, 2008	43,333	134,332	Nil	Nil	Nil
Elizabeth More <i>Vice President, Exploration</i>	Dec. 4, 2008	83,333	8,333	Nil	Nil	Nil

Notes:

- (1) For vesting dates after the IPO on June 30, 2008, value calculated by multiplying the difference between the closing share price on the day prior to vesting and the exercise price by the number of Options vested. For vesting dates prior to the IPO, value calculated by multiplying the difference between the Board’s estimate of fair value at the time of vesting (based on internally calculated net asset value) and the exercise price by the number of Options vested.
- (2) Value calculated by multiplying the difference between the December 31, 2008 closing share price of \$3.60 and the exercise price by the number of Options vested.

Stock Option Plan

Prior to closing of the IPO, the Corporation adopted an amended and restated stock option plan (the “**Stock Option Plan**”) providing for the granting of Options to purchase Shares by the Board to employees, officers, directors and certain consultants of the Corporation and its subsidiaries. The amendments effected pursuant to the Stock Option Plan were made to allow the Corporation to have a

stock option plan that was more consistent with other public companies and which was in compliance with TSX requirements. All Options previously granted pursuant to the Corporation's predecessor stock option plan are administered pursuant to the Stock Option Plan.

Subject to delegation by the Board to one of its committees, as permitted by applicable law and the rules of each stock exchange on which the Shares are listed, the Stock Option Plan is administered by the Board. The exercise price of Options granted under the Stock Option Plan cannot be less than the market price of the Shares on any exchange on which the Shares are posted for trading on the day immediately prior to the date an Option is granted or, if there are no trades of Shares on such day, the average of the bid price and ask price of the Shares on the day immediately prior to the date the Option is granted; provided that if the Shares are not listed on any exchange, the market price shall be such price as is determined by the Board, acting in good faith. The maximum aggregate number of Shares which may be subject to Options under the Stock Option Plan, together with those Shares issued in lieu of cash payable pursuant to the exercise of SARs (as defined below) granted in accordance with the SAR Plan (as defined below) and pursuant to any other security-based compensation arrangement of the Corporation, cannot exceed 10% of the issued and outstanding Shares.

In addition to exercising Options to acquire Shares, the optionee may instead exercise a put right, which requires the Corporation to purchase all or any part of the optionee's Options for the amount that the market price at such time (or such lower price as the Board, or a committee thereof to whom the operation of the Stock Option Plan has been delegated, may determine) exceeds the exercise price for each Option forming the subject of the put right; however, the Board (or any committee of the Board to whom the operation of the Stock Option Plan has been delegated) may, at its sole discretion, decline to accept the exercise of a put right. In the event of a publicly announced take-over bid, amalgamation or other transaction involving the Shares, while such transaction is still outstanding, the market price with respect to such put right shall be the consideration offered pursuant to the transaction.

The number of Shares that may be reserved for issuance to insiders (as that term is defined in the Stock Option Plan) under the Stock Option Plan, together with those Shares that the Corporation issues in lieu of cash pursuant to the exercise of SARs granted in accordance with the SAR Plan and pursuant to any other security-based compensation arrangement of the Corporation, cannot at any time exceed 10% of the issued and outstanding Shares. The number of Shares issued to insiders under the Stock Option Plan, together with those Shares that the Corporation issues pursuant to the exercise of SARs granted pursuant to the SAR Plan and pursuant to any other security-based compensation arrangement of the Corporation, within a one-year period, cannot exceed 10% of the outstanding issue of Shares, and the number of Shares issued to any one insider and such insider's associates under the Stock Option Plan, together with those Shares that the Corporation issues pursuant to the exercise of SARs granted pursuant to the SAR Plan and pursuant to any other security-based compensation arrangement of the Corporation, within a one-year period, cannot exceed 5% of the outstanding issue of Shares. Further, the aggregate number of Shares that may be reserved for issuance to any one person under the Stock Option Plan, together with those Shares that the Corporation issues in lieu of cash pursuant to the exercise of SARs granted in accordance with the SAR Plan and pursuant to any other security-based compensation arrangement of the Corporation, cannot exceed 5% of the issued and outstanding Shares.

Shares subject to an Option that expires or terminates without having been fully-exercised can become the subject of a further Option. Options must be exercised during a period established by the Board, which may not be greater than five years from the date of the grant, of such later date as permitted by the exchange on which the Shares are listed. Options granted under the Stock Option Plan vest as determined by the Board. All Options granted pursuant to the Stock Option Plan are not assignable or otherwise transferable except by will or the applicable laws of descent and distribution.

If an optionee's employment, office or directorship with the Corporation is terminated at the optionee's election, Options not then exercised shall terminate if not exercised within 30 days from the date of termination. If an optionee's employment, office or directorship with the Corporation is terminated for cause, such Options shall terminate immediately. If an optionee dies or becomes permanently disabled (as determined by the Board), retires or is terminated other than for cause, Options may be exercised for that number of Shares by which the optionee was entitled to acquire at the time of death, permanent disability, normal retirement or termination other than for cause, as the case may be; provided, however, that such Options, unless otherwise provided in the Option agreements, shall terminate at the earlier of: (i) the close of business 180 days after the occurrence of such event; (ii) the close of business after the optionee has been provided with written notice of dismissal related to (i) above; and (iii) the expiry date of such Options.

Pursuant to the Stock Option Plan, the Board has the authority to make adjustments in the number of Shares subject to the Stock Option Plan and, with respect to Options granted or to be granted, in the number of Shares optioned and in the exercise price, to give effect to adjustments in the number of Shares resulting from sub-divisions, consolidations or re-classifications of the Shares, the payment of stock dividends by the Corporation (other than dividends in the ordinary course) or other relevant changes in the authorized or issued capital of the Corporation.

In the event of a sale by the Corporation of all or substantially all of its assets or in the event of a change of control (as such term is defined in the Stock Option Plan) of the Corporation, then, in the sole and absolute discretion of the Board, optionees may be authorized to exercise or surrender, in full or in part, any unexercised Options previously granted, whether vested or not, on such terms as determined in the sole and absolute discretion of the Board, subject to any approvals or consents required by any stock exchange on which the Shares are posted and listed for trading. The Board may also accelerate the vesting period of Options in the event of a take-over bid. In addition, subject to the rules and regulations of any exchange on which the Shares are listed for trading, if the expiry date of any Option occurs during or within 10 business days following the end of a black-out period, the expiry date of such Option shall be extended for a period of 10 business days following the end of the black-out period, or such longer period as permitted by the rules of any exchange on which the Shares are listed and as approved by the Board.

The Board may amend or terminate the Stock Option Plan at any time without the consent of optionees, provided that such amendment shall not alter or impair any Option previously granted under the Stock Option Plan, except as otherwise permitted thereby. Pursuant to the Stock Option Plan, the Board has the power and authority, subject to the rules of any stock exchange on which the Shares are listed, to amend the Stock Option Plan and any Options granted under it without further shareholder approval.

Pursuant to the Stock Option Plan, 2,945,000 Options to acquire Shares granted to certain employees, executive officers and directors are currently outstanding, representing approximately 7.5% of the current number of issued and outstanding Shares. As at March 30, 2009, there remain approximately 984,657 Options available for future issuance, or approximately 2.5% of the current number of issued and outstanding Shares.

Share Appreciation Rights Plan

Effective April 7, 2008, the Corporation adopted a SAR plan providing for the granting of ("**SARs**") by the Board to employees, officers, directors and certain other persons who perform services for the Corporation and its subsidiaries, which the Corporation amended and restated prior to the closing of the IPO (such amended and restated plan referred to herein as the "**SAR Plan**") to effect certain amendments to ensure a certain degree of consistency and interface with the Stock Option Plan. All SARs previously

granted pursuant to the Corporation's predecessor share appreciation rights plan are administered pursuant to the SAR Plan.

Subject to delegation by the Board, as permitted by applicable law and the rules of each stock exchange on which the Shares are listed, the SAR Plan is administered by the Board. Each SAR granted pursuant to the SAR Plan entitles the holder thereof, on the exercise of such SAR, to receive from the Corporation, an amount (the “**Appreciation Amount**”) per SAR being exercised equal to the positive difference, if any, obtained by subtracting the market price of the SARs at the date of the grant (the “**Base Value**”) from the market price immediately preceding the date of exercise. If, however, the number of Shares previously issued on an exercise of SARs, together with the Shares reserved for issuance under the Stock Option Plan and all other security-based compensation arrangements of the Corporation, do not then exceed 10% of the issued and outstanding Shares at the time a SAR is exercised, the Board may issue, in lieu of such cash payment, the number of Shares per SAR being exercised (or deemed to be exercised) determined by the fraction equal to the Appreciation Amount divided by the market price immediately preceding the date of exercise; provided that the Board may not issue Shares pursuant to the SAR being exercised if, as a result of such issuance of Shares, it would result in such Shares, when added to the number of Shares reserved for issuance under the Stock Option Plan and pursuant to any other security-based compensation arrangement of the Corporation, representing more than 10% of the issued and outstanding Shares.

In addition, the number of Shares that may be issued to insiders in lieu of cash upon exercise of SARs under the SAR Plan, together with those Shares that the Corporation has reserved for issuance pursuant to the exercise of Options granted pursuant to the Stock Option Plan and pursuant to any other security-based compensation arrangement of the Corporation, cannot at any time exceed 10% of the issued and outstanding Shares. Further, the number of Shares that may be issued to insiders in lieu of cash under the SAR Plan, together with those Shares that the Corporation has reserved for issuance pursuant to the Stock Option Plan and pursuant to any other security-based compensation arrangement of the Corporation, within a one-year period, cannot exceed 10% of the outstanding issue of Shares, and the number of Shares issued to any one insider and such insider's associates in lieu of cash under the SAR Plan, together with those Shares that the Corporation has reserved for issuance pursuant to the Stock Option Plan and pursuant to any other security-based compensation arrangement of the Corporation, within a one-year period, shall not exceed 5% of the outstanding issue of Shares. In addition, the aggregate number of Shares that may be issued to any one person upon exercise of SARs under the SAR Plan, together with those Shares that the Corporation has reserved for issuance pursuant to the exercise of Options granted pursuant to the Stock Option Plan and pursuant to any other security-based compensation arrangement of the Corporation, cannot exceed 5% of the issued and outstanding Shares.

Notwithstanding the foregoing, the prescribed maximums may be increased to any specified amount, subject to the approval of the exchange on which the Shares are listed for trading, if applicable, and such shareholder approvals as may be required by such exchange.

If the Shares are listed on an exchange at the time when a determination of market price is being made pursuant to the SAR Plan, the market price shall be the closing price of Shares on such exchange on the day immediately prior to the day on which such determination is required; provided, however, that if there are no trades of Shares on such exchange on such day, the market price will be the average of the bid price and ask price of the Shares on the day immediately prior to the day on which such determination is required. If the Shares are not listed on an exchange at the time when a determination of the market price is required, the Board will make such determination each financial quarter, provided that the Board take into consideration the estimate of the net asset value of the Shares at the relevant time considering working capital, deficiency and debt, reserve estimates (proved plus probable at 10% discount), future capital, value of undeveloped land, value of seismic and liquidity discounts applicable at the time of

determination. In the event of a publicly announced take-over bid, amalgamation or other transaction involving the Shares, the market price shall be the consideration offered pursuant to such transaction.

SARs must be exercised during a period established by the Board, which cannot be greater than 5 years from the date of the grant. SARs granted under the SAR Plan vest as determined by the Board. Subject to the exercise by a legal representative in the case of the death or permanent disability of a rightholder, all SARs granted pursuant to the SAR Plan are not assignable or otherwise transferable.

Where a rightholder ceases to be a director, officer, employee or other service provider of the Corporation or any subsidiary thereof for any reasons other than death, permanent disability, or, in the case of an employee, normal retirement (including early retirement in accordance with the Corporation's then current policies or practices with respect thereto) or termination by the Corporation other than for cause, such rightholder will be deemed to have exercised any vested portion of his or her SARs and the Corporation will be required to pay the aggregate Appreciation Amount in cash (net of any amounts required to be withheld under applicable withholding legislation) to such rightholder along with his or her final pay from the Corporation.

In the event of the death, permanent disability, normal retirement or termination other than for cause of a rightholder, any SARs previously granted to him or her shall be exercisable until the end of the exercise period of such SARs or until the expiration of 180 days from the date of death, permanent disability, normal retirement or termination other than for cause, whichever is earlier. During such period, the SARs, or portion thereof, shall be exercisable only to the extent that such person was entitled to exercise the SARs at the date of death, permanent disability, normal retirement or termination without cause.

The Board may suspend or terminate the SAR Plan at any time without prior notice to or the consent of rightholders, provided that such suspension or termination may not affect any SAR previously granted under the SAR Plan, except as otherwise permitted thereby. Pursuant to the SAR Plan, the Board also has the power and authority, subject to the rules of any stock exchange on which the Shares are listed, to amend or revise the SAR Plan and any SARs granted under it without further shareholder approval.

Pursuant to the SAR Plan, the Board has the authority, without the rightholder's consent, to deem SARs that are vested to be exercised and to convert unvested SARs into that number of Options to purchase Shares obtained by multiplying the number of unvested SARs by 0.75, each such Option having an exercise price equal to the market price on the date of termination and having a vesting schedule consistent with the original SARs granted; provided that at no time can the number of Options granted in connection with such conversion, together with all Shares reserved for issuance by the Corporation under the Stock Option Plan and any other security-based compensation arrangement, exceed 10% of the issued and outstanding Shares. In connection with the Options held as a result of such conversion, the rightholder turned optionee will be entitled to a cash payment equal to the positive difference obtained by subtracting the Base Value of the original SARs from the market price.

The Board has the authority to increase or decrease, as applicable, the Base Value of the SARs in the event of a stock split, stock dividend, combination of shares, or subdivision or consolidation of outstanding Shares. In the event of a reorganization, merger, consolidation or amalgamation, appropriate provision may be made by the Board for the continuation of the SARs and to prevent dilution or enlargement. In the event of a sale by the Corporation of all or substantially all of its assets or in the event of a change of control of the Corporation (as such term is defined in the SAR Plan), the rightholder will be entitled to exercise in full or in part any unexercised SARs previously granted, whether vested or unvested, until the earlier of the expiry of the exercise period or the expiration of 30 days after the date of the change of control of the Corporation.

There is no limitation on the number of SARs that may be granted under the SAR Plan. In May 2008, 242,000 SARs were awarded at a price of \$4.00 per SAR and 223,000 SARs were awarded at a price of \$5.30 per SAR. In June 2008, 200,000 SARs were awarded at a price of \$5.30 per SAR and 173,000 SARs were awarded at a price of \$6.44. In August 2008, 200,000 SARs were awarded at a price of \$6.25 per SAR, 12,000 SARs were awarded at a price of \$6.70 per SAR and 44,000 SARs were awarded at a price of \$7.00 per SAR. In September 2008, 28,000 SARs were awarded at a price of \$6.90 per SAR. In October 2008, 200,000 SARs were awarded at a price of \$3.80 per SAR. As at March 30, 2009, no SARs have been exercised.

Termination of Employment or Change of Control Benefits for Named Executive Officers

The Corporation has employment agreements with Mr. Fischbuch, Ms. Christie-Burns, Mr. Symon, Mr. Richardson and Ms. More. Mr. Fischbuch's agreement, which commenced September 1, 2004, provides for a base annual salary and benefits having a value not to exceed 10% of salary, 18 months' severance, and payment of any accrued bonus to date (prorated from the last bonus payment), plus a lump sum equal to the annual bonus received for the last completed fiscal year, in the event of termination by the Corporation otherwise than for cause. Ms. Christie-Burns', Mr. Symon's, Mr. Richardson's and Ms. More's agreements provide for a base annual salary and benefits having a value not to exceed 10% of salary, 12 months' severance, and payment of any accrued bonus to date (prorated from the last bonus payment) plus a lump sum equal to the annual bonus received for the last complete fiscal year, in the event of termination by the Corporation otherwise than for cause. In the event of a change of control of the Corporation, all agreements entitle the executives to terminate their employment with the Corporation and receive the same severance payment as would be payable by the Corporation on an involuntary termination.

The following table sets forth estimates of the amounts payable to each of the Named Executive Officers upon the specified termination events, assuming that each such event took place on the last business day of fiscal year 2008.

	Gregg Fischbuch	Stuart Symon	Heather Christie-Burns	Glen Richardson	Elizabeth More
	(\$)	(\$)	(\$)	(\$)	(\$)
Involuntary Termination / Termination Without Cause					
Cash Portion ⁽¹⁾	331,589	261,135	261,135	213,750	213,750
Value of Option & Share Based Awards ⁽²⁾⁽³⁾	649,000	100,000	631,000	Nil	Nil
Total	980,589	361,135	892,135	213,750	213,750
Termination Following Change in Control					
Cash Portion ⁽¹⁾	331,589	261,135	261,135	213,750	213,750
Value of Option & Share Based Awards ⁽²⁾⁽³⁾	658,000	150,000	639,000	Nil	Nil
Total	989,589	411,135	900,135	213,750	213,750

Notes:

- (1) Includes 18 months' severance (in the case of Mr. Fischbuch) or 12 months' severance (in the case of each remaining NEO) plus a lump sum equal to the bonus received for the most recently completed fiscal year.
- (2) For estimates of incremental payments for option or share based awards, the closing market price of \$3.60 per share on December 31, 2008 was used.
- (3) Upon involuntary termination/termination without cause, all Options/SARs vested as of the date of termination are exercisable. Assumed that all such vested Options/SARs that are in-the-money would be exercised. Upon termination following change in control, all Options/SARs vest immediately. Assumed that all in-the-money Options/SARs would be exercised.

COMPENSATION OF DIRECTORS

Director Compensation

Prior to 2008, Board members were compensated through founder stock and Option grants. In early 2008, the Chief Executive Officer on his own initiative did research on director compensation and found that a majority of companies in the junior gas peer group pay directors fees for services provided in their capacity as directors. Mr. Fischbuch presented to the Compensation Committee at the time a recommendation that Angle consider a payment in cash for director fees given the increased size and scope of the Corporation and to keep pace with the junior gas peer group compensation. When considering the alternatives available for director fees including retainer payments and attendance-based fees, the Compensation Committee decided that for Angle's purposes, a flat retainer payment was preferable than keeping track of attendance based fees and whether or not director conversations constituted meeting attendances. On the recommendation of the Compensation Committee, the Board approved directors' fees at \$15,000 per year for directors (other than management directors) and an additional \$5,000 per Committee chair and \$2,000 per Committee member on an annual basis. In addition, directors are reimbursed for all reasonable expenses incurred by them while acting in their capacity as directors and may, where appropriate, be granted further Options in the Corporation. There have been no Option grants to directors since 2006.

The Corporate Governance and Compensation Committee will be conducting a review of directors' compensation in conjunction with its annual review of executive compensation.

Director Compensation Table

During 2008, the directors of the Corporation were compensated in the manner outlined in the table below. Mr. Gregg Fischbuch, President and Chief Executive Officer of the Corporation, does not receive compensation for services as a director.

Name	Fees earned (\$)	Share- based awards (\$)	Option- based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Noralee Bradley	27,000	Nil	Nil	Nil	Nil	Nil	27,000
Clarence Chow	19,000	Nil	Nil	Nil	Nil	Nil	19,000
John Gareau	19,000	Nil	Nil	Nil	Nil	Nil	19,000
Edward Muchowski	20,000	Nil	Nil	Nil	Nil	Nil	20,000
Timothy Dunne	25,000	Nil	Nil	Nil	Nil	Nil	25,000

Option-Based Awards for Directors as at December 31, 2008

The following table provides information relating to all awards outstanding as of December 31, 2008 for Directors. Options granted to Directors are granted under the Corporation's Stock Option Plan described under "Compensation of the Executive Officers – Stock Option Plan".

Name	Option-based Awards (Stock Option Plan)				Share-based Awards (Performance Awards)		
	Number of securities underlying		Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options (\$) ⁽¹⁾	Number of Shares that have not vested (#)	Market or payout value of Share-based awards that have not vested (\$)
	exercisable (#) Options	unexercisable (#) Options					
Noralee Bradley	60,000	Nil	1.00	Jul. 29, 2009	156,000	Nil	Nil
	25,000	Nil	3.00	Oct. 27, 2010	15,000		
	10,000	5,000	3.75	Aug. 11, 2011	Nil		
Clarence Chow	60,000	Nil	1.00	Jul. 29, 2009	156,000	Nil	Nil
	25,000	Nil	3.00	Oct. 27, 2010	15,000		
	10,000	5,000	3.75	Aug. 11, 2011	Nil		
John Gareau	60,000	Nil	1.00	Jul. 29, 2009	156,000	Nil	Nil
	25,000	Nil	3.00	Oct. 27, 2010	15,000		
	10,000	5,000	3.75	Aug. 11, 2011	Nil		
Edward Muchowski	60,000	Nil	1.00	Jul. 29, 2009	156,000	Nil	Nil
	25,000	Nil	3.00	Oct. 27, 2010	15,000		
	10,000	5,000	3.75	Aug. 11, 2011	Nil		
Timothy Dunne	56,667	28,333	3.00	Mar. 30, 2011	51,000	Nil	Nil
	10,000	5,000	3.75	Aug. 11, 2011	Nil		

Notes:

- (1) Value calculated by multiplying the difference between the December 31, 2008 closing share price of \$3.60 and the exercise price by the total number of unexercised Options (including unvested Options).

Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year for Directors

The following table provides the value, if any, that vested or was earned during 2008 for each Director.

Name	Option-based awards – Value vested during the year				Share-based awards-Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
	Date Vested	# Vested	In the Money Value on Date Vested ⁽¹⁾ (\$)	In the Money Value at Year End of remaining Option-based awards that had vested during year ⁽²⁾ (\$)		
Noralee Bradley	Aug. 11, 2008	5,000	14,850	Nil	Nil	Nil
	Oct. 27, 2008	8,333	5,833	5,000		
Clarence Chow	Aug. 11, 2008	5,000	14,850	Nil	Nil	Nil
	Oct. 27, 2008	8,333	5,833	5,000		
John Gareau	Aug. 11, 2008	5,000	14,850	Nil	Nil	Nil
	Oct. 27, 2008	8,333	5,833	5,000		
Edward Muchowski	Aug. 11, 2008	5,000	14,850	Nil	Nil	Nil
	Oct. 27, 2008	8,333	5,833	5,000		
Timothy Dunne	Mar. 30, 2008	28,333	28,333	17,000	Nil	Nil
	Aug. 11, 2008	5,000	14,850	Nil		

Notes:

- (1) For vesting dates after the IPO on June 30, 2008, value calculated by multiplying the difference between the closing share price on the day prior to vesting and the exercise price by the number of options vested. For vesting dates prior to the IPO, value calculated by multiplying the difference between the Board's estimate of fair value at the time of vesting (based on internally calculated net asset value) and the exercise price by the number of Options vested.
- (2) Value calculated by multiplying the difference between the December 31, 2008 closing share price of \$3.60 and the exercise price by the number of Options vested.

**SECURITIES AUTHORIZED FOR ISSUANCE
UNDER EQUITY COMPENSATION PLANS**

The Corporation has reserved for issuance pursuant to the exercise of Options an aggregate of 3,929,657 Shares. To the date hereof, the Board of the Corporation has approved the grant of an aggregate of 2,945,000 Options, each of which entitles the holder thereof to subscribe for and purchase from the Corporation, on payment of the stipulated exercise price per share, one Share for each Option held. All outstanding Options are held by officers, employees and directors of the Corporation, vest in equal tranches of 1/3 on the first second and third anniversary of the date of grant (subject to acceleration in the event of a change of control of the Corporation), and have an exercise price of not less than the market price of the Shares on any exchange on which the Shares are posted for trading on the day immediately prior to the date of grant or, if there are no trades of Shares on such day, the average of the bid price and ask price of the Shares on the day immediately prior to the date of grant. The Options expire five years from the date of grant, subject to early termination in the event that: (i) the holder's office or employment is involuntarily terminated (other than with cause) or the holder dies or retires, in which case the vested Options may be exercised for 180 days thereafter, subject to the earlier expiry of the Option, or (ii) the holder's office or employment is terminated with cause or the holder resigns (otherwise than on a normal retirement), in which case all Options shall immediately terminate.

The following table provides information regarding the total number of Shares authorized for issuance pursuant to the exercise of Options and Warrants as at December 31, 2008:

	Number of securities to be issued upon exercise of outstanding Options, warrants and rights	Weighted-average exercise price of outstanding Options, warrants and rights	Number of securities remaining available for future issuance under equity compensation arrangements (excluding securities reflected in column (a))
Category	(a)	(b)	(c)
Options	2,945,000	\$2.81	984,657
Warrants	-	-	-
Total	2,945,000	\$2.81	984,657

No securityholder approval has been given or is required to be given with respect to the outstanding Options or any future grants of Options.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No executive officer, director, employee, former executive officer, former director or former employee is now, or has been in the recently completed financial year, indebted to the Corporation.

CORPORATE GOVERNANCE DISCLOSURE

Board of Directors

The Board is currently comprised of six directors. Five of the Corporation's six directors, being Ms. Bradley and Messrs. Chow, Gareau, Muchowski and Dunne, are "independent" (as defined in National Instrument 58-101 *Corporate Governance Disclosure* ("NI 58-101")). The Board has concluded that Mr. Fischbuch is not independent by virtue of the fact that he is an executive officer of the Corporation. The Chair of the Board, Ms. Noralee Bradley, is a partner in the law firm that provides legal services to the Corporation. The Board has specifically considered this relationship when determining independence and has concluded that the relationship is not expected to interfere with Ms. Bradley's exercise of independent judgement on Chair or Board mandates. The Chair's primary role and responsibilities include the following:

- ensuring that the Board is organized properly, functions effectively, and meets its obligations and responsibilities in all aspects of its work; and
- working with the Chief Executive Officer, coordinating the affairs of the Board and, together with the Chief Executive Officer, ensuring effective relations with directors, securityholders, other stakeholders and the public.

Other Directorships

The following table sets forth the directors of the Corporation who currently hold directorships with other reporting issuers or its general partner:

Name	Reporting Issuer
Clarence Chow	AGS Energy 2006 – 1 Limited Partnership
	AGS Energy 2006 – 2 Limited Partnership
	AGS Energy 2007 – 1 Limited Partnership
	Black Bore Exploration Ltd.

Regularly Scheduled Meetings of Independent Directors

The independent directors will be holding regularly scheduled “in camera” sessions at which members of management are not in attendance. No such meetings took place since the beginning of the Corporation’s most recently completed financial year but “in camera” sessions are now planned for every regularly scheduled quarterly board meeting. The Board has attempted to facilitate open and candid discussions among its independent directors by ensuring that there is effective and efficient communication between the independent directors and between the Board as a whole.

Attendance Record

The following table reflects the attendance record for each of the Corporation’s directors at Board and committee meetings held during the year ended December 31, 2008.

<u>Name</u>	<u>Board (6 Meetings)</u>	<u>Audit Committee (5 Meetings)</u>	<u>Corporate Governance and Compensation Committee (2 Meetings)</u>	<u>Reserves Committee (1 Meeting)</u>
Gregg Fischbuch <i>Alberta, Canada</i>	5	N/A	N/A	N/A
Noralee Bradley <i>Alberta, Canada</i>	6	N/A	2	N/A
Clarence Chow <i>Alberta, Canada</i>	5	4	N/A	1
John Gareau <i>Alberta, Canada</i>	5	5	2	N/A
Edward Muchowski <i>Alberta, Canada</i>	6	N/A	N/A	1
Timothy Dunne <i>Alberta, Canada</i>	6	5	2	N/A

Notes:

- (1) The Environmental Health and Safety Committee (“**EHS Committee**”) was established in February 2009. As such, there were no meetings of the EHS Committee held in 2008.

Board Mandate

The Board has adopted a written mandate, a copy of which is attached hereto as Appendix “A”.

Position Descriptions

Position descriptions have been adopted for the Chair of the Board, as well as for the Chair of each of the Audit Committee, the Corporate Governance and Compensation Committee, the Reserves Committee and the EHS Committee. A position description has also been adopted for the Chief Executive Officer.

Orientation and Continuing Education

Each director is responsible for ensuring that he or she maintains the skill and knowledge necessary to satisfy his or her obligations as a director. Members of the Board are encouraged to communicate with management of the Corporation, auditors, legal counsel and consultants to keep themselves up-to-date on developments within the oil and gas industry. In this regard, management provides members of the Board with information on industry and regulatory changes on an ongoing basis. The Board is of the view, however, that formal continuing education programs for directors are not required by virtue of the fact that directors are nominated and elected with the necessary experience and expertise to satisfy their duties and responsibilities.

Ethical Business Conduct

The Corporation has adopted a written code of business conduct (the “**Code**”) for its directors, officers and employees. Each of such persons obtain a copy of the Code upon joining the Corporation and the Code is filed on SEDAR at www.sedar.com under the Corporation’s filings. The Board monitors compliance with the Code through certifications by those persons subject to the Code. The Corporation also has in place a conflict of interest policy, which provides formal procedures regarding transactions and agreements in respect of which a director or executive officer might have a material interest. All employees, contractors, consultants and agents of the Corporation are required to certify their review and compliance with such policy.

Audit Committee Disclosure

Details concerning the audit committee and external auditor service fees are contained in the Annual Information Form of the Corporation under the heading “Audit Committee”.

Nomination of Directors

The recruitment of new directors has generally resulted from recommendations made by directors, shareholders and senior management of the Corporation. The Corporate Governance and Compensation Committee, in addition to its compensation and governance role, assumes a nominating function. Such committee will be comprised entirely of independent directors. The responsibilities, powers and operation of the Corporate Governance and Compensation Committee with respect to its nomination function include, but are not limited to, the following:

- assisting the Board in identifying candidates to act as directors of the Corporation and recommending to the Board qualified director candidates for approval by shareholders at each annual meeting;
- reviewing annually the competencies, skills and personal qualities required of each director in order to add value to the Corporation;
- reviewing any significant change in the primary occupation of each director;
- identifying and recommending to the Board qualified director nominees for approval at each annual meeting;
- recruiting, as required, candidates for the position of director and recommending candidates based on the competencies, skills and personal qualities required;
- ensuring candidates understand the demands on and expectations of directors and the role of the Board and its committees;
- overseeing an orientation program to familiarize new directors with the business and operations of the Corporation, as the case may be, including the reporting structure, strategic plans, significant financial, accounting and risk issues, compliance policies, management and the Corporation’s auditors; and

- making recommendations to the Board in respect of director resignations submitted as a result of a major change in a director's principal occupation.

Corporate Governance and Compensation

The Corporate Governance and Compensation Committee, which is comprised entirely of independent directors, determines the compensation for the Corporation's directors and officers based on industry standards. The Corporate Governance and Compensation Committee's responsibilities, powers and operations include, but are not limited to, the following:

- reviewing, at appropriate intervals, compensation and benefit levels for the Board, and compensation and benefit levels for the Chair;
- reviewing the terms of all benefit, incentive and other compensation plans for management and staff of the Corporation, including bonus plans, option plans, share appreciation rights plans, share purchase plans and profit sharing plans, and any amendments thereto, and recommending to the Board the establishment, review and approval of amendments from time to time to such plans, as the Corporate Governance and Compensation Committee may deem appropriate;
- recommending to the Board, or approving of, those officers, employees or classes of employees to be designated as eligible for participation in any benefit, incentive, compensation or other benefit plan and the terms of such participation;
- overseeing the administration of the Stock Option Plan and the SAR Plan; and
- reviewing compensation policies applicable to the senior officers and other personnel of the Corporation, and reviewing and recommending to the Board for approval the compensation of the Corporation's senior officers and guidelines of compensation for other personnel.

In addition to the compensation and nominating arms of this committee, the purpose of the corporate governance component to this committee will be to assist the Board in reviewing corporate governance issues in respect of the Corporation and making recommendations thereon to the Board as appropriate to assist in establishing effective corporate governance for the Corporation.

Other Board Committees

In addition to the Audit Committee and the Corporate Governance and Compensation Committee, the Corporation currently has a Reserves Committee and an EHS Committee. The primary function of (i) the Reserves Committee is to assist the Board with respect to the annual review of the Corporation's petroleum and natural gas activities and (ii) the EHS Committee is to assist the Board with respect to oversight on environmental, health and safety matters including approval of policies and review of compliance with policies and any regulatory directives regarding those matters.

Assessments

At present, the Board, its committees and individual directors are not regularly assessed in terms of effectiveness and contribution. Although assessments are not regularly conducted at this time, the Board satisfies itself that the Board, its committees and individual directors are performing effectively through informal discussions with and feedback it receives from management and Shareholders.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, to the knowledge of the directors and officers of the Corporation, none of the directors or executive officers of the Corporation, nor any person or company that beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the voting rights attached

to all outstanding voting securities of the Corporation, nor any of their respective associates or affiliates, has or has had any material interest, direct or indirect, in any transaction since the start of the Corporation's last financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

Noralee Bradley, a current director of the Corporation, is a partner of Osler, Hoskin & Harcourt LLP, a law firm that provides legal services to the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is on SEDAR at **www.sedar.com**. Financial information of the Corporation is provided in the financial statements and management's discussion and analysis of the Corporation for the most recently completed financial year. Copies of the financial statements and management discussion and analysis of the Corporation may be obtained from Mr. Stuart Symon at 700, 324 – Eighth Avenue S.W., Calgary, Alberta, T2P 2Z2 or by facsimile at (403) 263-4179.

APPENDIX “A”

BOARD MANDATE

General

The board of directors of the Company (the “**Board**”) has the responsibility to oversee the conduct of the business of the Company and to oversee the activities of management who are responsible for the day-to-day conduct of the business. The primary responsibilities of the Board are:

- enhancing and preserving long-term shareholder value;
- ensuring the Company meets its legal obligations on an ongoing basis; and
- ensuring that the Company operates in a reliable and safe manner.

In performing its functions, the Board should also consider the legitimate interests of other stakeholders in the Company, such as employees, customers and communities. In broad terms, the Board's stewardship of the Company requires involvement in strategic planning, risk management and mitigation, the hiring of senior management, communication planning, and internal control integrity.

Composition and Operation

The Board consists of a minimum of 3 directors and a maximum of 15 directors. At least one-quarter of the directors must be residents of Canada, and a majority of the directors must be Independent.

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility of managing its own affairs including selecting its Chair, nominating candidates for election to the Board, constituting committees and determining director compensation. Subject to the articles and by-laws of the Company and all applicable laws, the Board may constitute, seek the advice of, and delegate powers, duties and responsibilities to committees of the Board.

The Board establishes general authority guidelines that place limits on management's approval authority depending on the nature and size of any proposed transaction. These limits anticipate that some flexibility exists within approved budgets but otherwise must not be exceeded without prior Board or appropriate committee approval.

Directors and committee members may, as necessary or desirable, retain independent advisors or consultants to assist them in the performance of their responsibilities, on the terms and conditions, including fees, the Board or committees consider appropriate.

Directors will have full access to senior management of the Company and other employees on request to discuss the business and affairs of the Company. The Board expects that there will be regular opportunities for directors to meet with the Chief Executive Officer of the Company (the “**CEO**”) and other members of management in board and committee meetings and in other formal or informal settings.

Mandate

The Board's specific duties and responsibilities are set forth below.

Overall Responsibility

The Board is responsible for meeting the Company's legal requirements and for properly preparing, approving and maintaining the Company's documents and records.

The Board has the following statutory responsibilities:

- manage the business and affairs of the Company;
- act honestly and in good faith with a view to the best interests of the Company;
- exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and
- act in accordance with its obligations contained in the Company's articles and by-laws and all relevant legislation and regulations.

Further, the Board is responsible for considering the following matters (which in law may not be delegated to management or a committee of the Board):

- any submission to the shareholders of a question or matter requiring the approval of the shareholders;
- the filling of a vacancy on the Board, or the appointment of additional directors;
- the issuance of securities;
- the declaration of dividends;
- the purchase, redemption or any other form of acquisition of securities issued by the Company;
- the payment of a commission to any person who purchases, agrees to purchase, or facilitates the purchase by others, the Company's securities;
- the approval of management information circulars of the Company;
- the approval of financial statements of the Company; and
- the adoption, amendment or repeal of governing laws of the Company.

Appointing and Monitoring Senior Management

The Board has the responsibility to determine that management is developing corporate strategy and long-term goals and that a strategic planning process is in place for the Company. The Board participates with management directly or through its committees in approving the corporate strategy, and the strategic plan by which the Company proposes to achieve its goals. It is the role of the Board to review, question, validate and approve material changes in the strategies of the Company.

The Board has the responsibility to appoint the CEO, to monitor and assess CEO performance, to determine CEO compensation, and to provide advice and counsel in the execution of the CEO's duties.

The Board also has the obligation to approve the appointment and remuneration of all officers; and to satisfy itself that adequate provision has been made to train and develop management and for the orderly succession of management.

Governance Procedures

The Board should be aware of, and ensure that the Company complies with National Policy 58-201 “Corporate Governance Guidelines” and National Instrument 58-101 “Disclosure of Corporate Governance Practices” and must assess the Company's compliance with these policies. The Board should also be aware of and satisfy itself that the Company complies with applicable securities legislation or policies of any stock exchange on which the Company's securities are listed for trading regarding corporate governance. The Board will have some latitude in determining the form that the Company's substantive compliance takes.

The Board, along with the Corporate Governance and Compensation Committee (as applicable), is responsible for:

- the implementation of structures and procedures to permit the Board to function independently of management;
- establishing appropriate practices for the regular evaluation of the effectiveness of the Board, its committees and its members;
- establishing committees and approving those committees' mandates;
- reviewing and re-assessing the adequacy of the Audit Committee Mandate on a regular basis, but not less frequently than annually; and
- establishing limits on the authority delegated to management.

Risk Management

The Board has the responsibility to understand the principal risks of the business in which the Company is engaged, to achieve a proper balance between risks incurred and the potential return to securityholders, and to confirm that there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Company. It is the responsibility of management to ensure that the Board and the appropriate committees are kept well informed of changing risks on a timely basis.

Public Disclosure

The Board has overall responsibility for the Company's disclosure obligations, and must therefore:

- verify that the financial performance of the Company is adequately reported to shareholders and other stakeholders of the Company and regulators on a timely and regular basis;
- verify that the financial results are reported fairly and in accordance with generally accepted accounting standards;
- verify the timely reporting of any other developments that have a significant and material impact on the value of the Company;

- verify the Company has policies and programs in place to enable the Company to communicate effectively with its securityholders, other stakeholders and the public; and
- verify compliance with appropriate financial controls and internal reporting.

Compliance Monitoring

The Board is also charged with the responsibility of monitoring the Company's overall compliance with material legal obligations. In this regard, the Board has the following obligations:

- verify that the Company operates at all times within applicable laws and regulations to the appropriate ethical and moral standards;
- approve and monitor compliance with significant policies and procedures by which the Company is operated;
- verify the Company sets high environmental standards in its operations and is in compliance with environmental laws and legislation;
- verify the Company has in place appropriate programs and policies for the health and safety of its employees in the workplace;
- monitor the Company's progress towards its goals and objectives and revise and alter its direction through management in response to changing circumstances;
- take action when performance falls short of its goals and objectives or when other special circumstances warrant; and
- verify that the Company has implemented adequate internal control and information systems which ensure the effective discharge of its responsibilities.

Other Duties

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

- calling meetings of the Board at such time and place as may be determined, giving 48 hours notice of such meeting to all directors, provided that such meeting and notice are in compliance with the Company's By-Laws;
- ensuring that Board meetings are properly attended by directors;
- ensuring that a majority of directors are present in order to transact any business; and
- ensuring that all decision making at Board meetings are made by a majority of votes or in accordance with the Company's Bylaws, and in the event that decisions are made by written resolution, that such resolution is signed by all of the directors.



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