



**Annual Meeting of Shareholders
to be held on
Wednesday, May 26, 2010**

**NOTICE OF MEETING
and
INFORMATION CIRCULAR**

March 30, 2010



**NOTICE OF ANNUAL MEETING OF
SHAREHOLDERS TO BE HELD ON WEDNESDAY, MAY 26, 2010**

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 Wednesday, May 26, 2010 at 3:00 p.m. (Calgary time) in the Cardium Room of the Calgary Petroleum Club located at 319 Fifth Avenue S.W., Calgary, Alberta. The purpose of the Meeting is to:

- (1) place before the Shareholders the audited financial statements of the Corporation for the financial period ended December 31, 2009, together with the auditors’ report thereon;
- (2) elect directors of the Corporation for the ensuing year;
- (3) appoint 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) transact such other business as may properly be brought before the Meeting or any adjournments thereof.

Shareholders are referred to the accompanying information circular dated March 30, 2010 (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 asked 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, Suite 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 Shareholders recorded on the Corporation's share register as of the close of business on April 8, 2010 are entitled to receive notice of and to vote at the Meeting, or any adjournment thereof. A transferee of Shares transferred after April 8, 2010 may vote such Shares at the Meeting, or any adjournment thereof, if 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.

DATED as of the 30th day of March, 2010.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Gregg Fischbuch"

Gregg Fischbuch
Chief Executive Officer

TABLE OF CONTENTS

	Page
GENERAL PROXY INFORMATION	1
Solicitation of Proxies by Management	1
Appointment and Revocation of Proxy.....	1
Exercise of Discretion by Proxyholders.....	2
Signing of Proxy	2
Advice to Beneficial Holders of Shares	2
Voting Securities.....	4
Record Date	4
Principal Holders of Shares	4
Interest of Certain Persons and Companies in Matters to be Acted Upon.....	4
Information Concerning the Corporation.....	4
MATTERS TO BE ACTED UPON AT THE MEETING	4
Financial Statements and Auditor’s Report	4
Election of Directors	5
Appointment of Auditor.....	7
OTHER MATTERS.....	7
COMPENSATION OF THE EXECUTIVE OFFICERS	7
Compensation Discussion and Analysis	7
Performance Graph	12
Summary Compensation Table for Named Executive Officers.....	13
Outstanding Share-Based Awards and Option-Based Awards as at December 31, 2009 for Named Executive Officers.....	14
Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year for Named Executive Officers.....	15
Stock Option Plan	16
Share Appreciation Rights Plan	17
Termination of Employment or Change of Control Benefits for Named Executive Officers	18
COMPENSATION OF DIRECTORS	19
Director Compensation	19
Director Compensation Table	20
Option-Based Awards for Directors as at December 31, 2009	20
Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year for Directors	21
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS.....	22
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS	22
CORPORATE GOVERNANCE DISCLOSURE.....	22
Board of Directors.....	22
Other Directorships.....	23
Regularly Scheduled Meetings of Independent Directors	23
Attendance Record.....	23

TABLE OF CONTENTS

(continued)

	Page
Board Mandate.....	24
Position Descriptions	24
Orientation and Continuing Education	24
Ethical Business Conduct	24
Audit Committee Disclosure.....	24
Nomination of Directors	24
Corporate Governance and Compensation	25
Other Board Committees	26
Assessments	26
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS	26
ADDITIONAL INFORMATION.....	26
APPENDIX A BOARD MANDATE.....	A-1



INFORMATION CIRCULAR

**For the Annual Meeting of Shareholders
to be held Wednesday, May 26, 2010 at 3:00 p.m. (Calgary time) in the Cardium Room of the
Calgary Petroleum Club located at 319 Fifth 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**"), and at any adjournments thereof, of the holders ("**Shareholders**") of common shares ("**Shares**") of the Corporation. The Meeting is to be held on Wednesday, May 26, 2010 at 3:00 p.m. (Calgary time) in the Cardium Room of the Calgary Petroleum Club located at 319 Fifth 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.

Solicitation of proxies will be primarily by mail, but may also be by telephone, facsimile, electronic or oral communication from the directors, officers and employees of the Corporation. No remuneration will be paid to any person for the solicitation of proxies, except for prescribed fees paid to intermediaries holding Shares in the name of others, for sending the Notice of Meeting, this Information Circular and the accompanying instrument of proxy furnished by the Corporation ("**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, 2010 unless otherwise 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, Suite 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 by (a) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing at (i) 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 commencement; or (b) in any other manner permitted by law. If the Shareholder is a corporation, a revoked proxy must be effected in its name under the corporate seal or by an officer or attorney of the corporation.

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. Shareholders who hold Shares through an intermediary 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 he or she is appointed proxyholder, in accordance with the instructions of the appointing Shareholder. **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 in it to vote Shares and otherwise exercise discretion with respect to any amendments or variations to matters identified in the Notice of Meeting and with respect to any other matter that may properly come before the Meeting or any adjournment thereof. As at the date of this Information Circular, 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 the Shareholder's attorney authorized in writing. If the Shareholder is a corporation, the proxy must be signed in the corporation's name under its corporate seal or by an officer or attorney of the Corporation, authorized in writing. A proxy signed by a person acting as attorney, executor, administrator, trustee or in some other representative capacity must, in the space provided in the proxy, indicate his or her capacity to act and must provide evidence of his or her 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. Shares owned by Beneficial Shareholders 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 registered Shareholders (i.e. Shareholders whose names appear on the records of the Corporation) 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. 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.** 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.

Applicable regulatory policy requires brokers and other intermediaries holding Shares for others to seek voting instructions from Beneficial Shareholders in advance of a shareholder meeting. 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 Beneficial Shareholders 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 Instrument 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 them and asks Beneficial Shareholders either to return the forms to Broadridge or to 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. **A voting instruction form from Broadridge cannot be used to vote Shares directly at the Meeting. Instead, Beneficial Shareholders must 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.**

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 a 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 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 form of proxy provided by the broker or intermediary and return it to their broker or other

intermediary (or its agent or nominee) well in advance of the Meeting, in accordance with the instructions provided by the broker or other intermediary (or its agent or nominee).

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, 2010, there are 54,779,598 Shares issued and outstanding, each carrying the right to one vote per share at the Meeting.

Record Date

The record date for determining which Shareholders are entitled to receive notice of the Meeting is April 8, 2010. 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, 2010. Each such Shareholder will be entitled to vote the Shares shown opposite the Shareholder's name on the list at the Meeting, or any adjournment thereof, except to the extent that: (a) such Shareholder has transferred the ownership of any Shares after the 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 of this Information Circular, no person or company beneficially owns, or controls or directs, directly or indirectly, more than 10% of the voting rights attached to all issued and outstanding Shares of the Corporation.

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

To the knowledge of the directors and officers of the Corporation, as at the date of this Information Circular, there are no directors, nominees for director, executive 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, directly or indirectly, in any matter to be acted upon at the meeting, except as disclosed in this Information Circular.

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 Toronto Stock Exchange.

MATTERS TO BE ACTED UPON AT THE MEETING

Financial Statements and Auditor's Report

The audited financial statements of the Corporation for the financial period ended December 31, 2009, 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 of the Corporation (the "Board").

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 management proposes to nominate 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. In addition, the articles of the Corporation currently allow the Board to appoint one or more additional directors between annual meetings to serve until the next annual meeting, but the number of additional directors shall not at any time exceed one-third of the number of directors who held office at the expiration of the last annual meeting of the Corporation. Each person elected as a director of the Corporation will hold office until the close of the next annual meeting of Shareholders, 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, province and country of residence of each person that management proposes to nominate 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 the principal occupation, business or employment of each during the past five years, and the number of Shares beneficially owned, or controlled or directed, directly or indirectly, by each of them as at March 30, 2010:

Name and Province/Country of Residence	Current Principal Occupation and Past 5 Years	Date Became a Director	Shares Beneficially Owned, Controlled or Directed, as at March 30, 2010
Gregg Fischbuch ⁽⁵⁾ <i>Alberta, Canada</i>	Chief Executive Officer (and, until May 2009, President) of Angle Energy Inc. since March 2004.	March 4, 2004	4,265,427
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	180,055
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	1,793,100
John Gareau ⁽¹⁾⁽³⁾⁽⁷⁾ <i>Alberta, Canada</i>	Corporate director and independent businessman.	June 15, 2004	399,500
Edward Muchowski ⁽²⁾⁽⁴⁾⁽⁸⁾ <i>Alberta, Canada</i>	Corporate director and independent businessman.	June 15, 2004	750,833

Name and Province/Country of Residence	Current Principal Occupation and Past 5 Years	Date Became a Director	Shares Beneficially Owned, Controlled or Directed, as at March 30, 2010
Timothy Dunne ⁽¹⁾⁽³⁾⁽⁹⁾ Alberta, Canada	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 1,793,100 Shares held by AGS Energy Fund II L.P., 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.
- (9) Includes 9,420 Shares held by an associate of Mr. Dunne.

At the Meeting, management of the Corporation proposes to nominate the persons identified in the foregoing table for election as directors of the Corporation. **Unless otherwise directed by the Shareholder appointing the 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

Unless otherwise disclosed in this Information Circular, no proposed director of the Corporation

- a. is, or has been within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company that, while that person was acting in that capacity
 - i. was subject to an order that was issued while he was acting in the capacity as a director, chief executive officer or chief financial officer; or
 - ii. was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while he was acting in the capacity of a director, chief executive officer or chief financial officer; or
- b. is, or has been within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- c. has, within 10 years before the date of this Information Circular become, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

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 of that company in December 2000. He was, however, a director within one year thereof.

Penalties or Sanctions

No director of Angle Energy has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, nor has any director entered into a settlement agreement with a Canadian securities regulatory authority. No director of Angle Energy has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely 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 person, has, within 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, 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

Management proposes to nominate the Corporation's existing auditor, KPMG LLP, Chartered Accountants, to act as the Corporation's independent auditor until the next annual meeting of Shareholders, at a remuneration to be fixed by the Board. KPMG LLP, Chartered Accountants was first appointed by the Board to be the Corporation's auditor in February 2008.

Unless otherwise directed by the Shareholders appointing them, 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.

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 Meeting accompanying this Information Circular. **However, if any other matter properly comes before the Meeting, the persons named in the enclosed Instrument 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 for the year ended December 31, 2009, and more specifically, to Gregg Fischbuch (Chief Executive Officer) and Stuart Symon (Vice President, Finance and Chief Financial Officer) as well as Heather Christie-Burns (President and Chief Operating Officer), Matthew Mazuryk (Vice President, Engineering) and Graham Cormack (Vice President, Operations) being the three other most highly compensated executive officers of the Corporation for the year ended December 31, 2009 (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 "**Compensation Committee**"). The Corporation's executive compensation program has the overall objective of attracting and retaining a qualified and cohesive group of executives, motivating team and individual performance and aligning the interests of executives with the interests of Shareholders through a package of compensation that is competitive with its peer group of junior/mid-sized oil and gas companies and simple and easy to understand and implement. Compensation under the program is designed to achieve both current and long-term goals of the Corporation and to optimize returns to Shareholders. In addition, to further align the interests of executives with the interests of Shareholders, the Corporation has implemented share ownership incentives through various mechanisms.

The Corporation sought to achieve the objectives of the executive compensation program in 2009 through the following components: an annual base salary, a bonus framework, share-based awards (stock options ("**Options**"), share appreciation rights ("**SARs**") and an employee stock savings plan), termination and change of control agreements, group benefits and perquisites and personal benefits. Base salary, employment agreements, benefits and perquisites are utilized by the Corporation as the fixed component of the executive compensation program for Named Executive Officers and are used to attract and retain qualified and experienced executives while reflecting an executive's primary duties and responsibilities to the Corporation. Decisions regarding these items of the executive compensation program are primarily focused on analysis of competitive positions within a peer group and are largely independent from decisions regarding short and long-term incentives. The bonus framework is utilized by the Corporation as a short-term incentive to reward team and individual performance in the year. The Options and SARs as well as the employee stock savings plan are designed to provide longer-term incentives to retain executives over time and to offer and encourage share ownership to align the interests of the Named Executive Officers with the interests of the shareholders.

The Compensation Committee meets at least once each year to review the compensation package for the Named Executive Officers, the other officers of the Corporation and the staff. The Compensation 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 plan, the SARs plan or the annual bonus program, is being amended or reviewed. In 2009, the Compensation Committee was asked by senior management to specifically review the SARs plan and whether it, together with the other elements of the share-based awards, were meeting the objectives specified by the Compensation Committee. During these reviews, the Compensation Committee decided that there were adjustments that needed to be made in several areas discussed below. The Compensation Committee met several times in July and August 2009 to consider the termination of the SARs plan and met in November and December 2009 to consider salary adjustments and to consider the determinations under the bonus framework.

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 in 2009 for the Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer was set by the Compensation Committee after receiving a recommendation from the Chief Executive Officer and conducting a review of information for salary levels of a peer group that was publicly available to ensure that the salary paid to the senior executives was competitive. Historically, the salary level for the three senior executives has been set slightly above the salaries of the other Named Executive Officers. The Compensation Committee recommended the Named Executive Officers' base salaries and all other components of the NEOs' compensation packages to the Board.

With respect to the base salaries in 2009 for other officers of the Corporation, the Compensation Committee received the recommendations of the Chief Executive Officer and Chief Operating Officer of the Corporation, who determined their compensation packages by reference to the publicly available information of peer group companies and to various publicly available surveys including sample industry compensation data aggregated by the Association of Professional Engineers, Geologists and Geophysicists of Alberta (“APEGGA”), from which a peer group is derived. This ensured that the Corporation’s salary compensation is within the range of expected annual base salaries for the group with those credentials.

Commencing in 2009, the Compensation Committee requested that the Corporation subscribe to an independent industry survey as an additional guide to the determination of the overall compensation packages of the senior management team. The annual compensation survey conducted by Mercer Human Resource Consulting Ltd. (the “**Mercer Survey**”) was used by the Compensation Committee in its meeting in December 2009 to determine salary adjustments for the Named Executive Officers. The Compensation Committee reviewed and discussed the recommendations of the Chief Executive Officer for salary adjustments in light of the Mercer Survey, other publicly available peer group data and in light of the fact that Heather Christie-Burns was appointed in 2009 as President in addition to Chief Operating Officer. When determining the appropriate comparison group for benchmarking purposes, the Compensation Committee recognized such measures as market capitalization, areas of operations, production levels and number of employees. The peer group used was Breaker Energy Ltd., Vero Energy Inc., Midnight Oil Exploration Ltd., Iteration Energy Ltd., Bonterra Energy Corp., Fairborne Energy Ltd., Storm Exploration Inc., Cinch Energy Corp., Open Range Energy Corp., Orleans Energy Ltd., ProspEx Resources Ltd., Zargon Oil and Gas Ltd., BlackPearl Resources Inc., Berens Energy Ltd. (now PetroBakken Energy Ltd.) and Crew Energy Inc. The review resulted in a determination that salary adjustments were warranted for the senior management team, which included the Named Executive Officers and other Vice-Presidents of the Corporation. The Compensation Committee advised the Board as to the details and the overall amount of the salary adjustments determined to be appropriate.

With respect to the balance of the staff of the Corporation, the Compensation Committee received and reviewed the recommendations of the Chief Executive Officer and the President of the Corporation regarding aggregate salary increases and certain individual variances determined to be appropriate given roles and responsibilities.

Bonus Framework

The Compensation 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 Compensation 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 although in 2009 senior management did establish certain corporate objectives for the team relating to establishing a development program and pursuing acquisitions. Based on those drivers, the Compensation Committee

declares a team bonus expressed as a fixed percentage of an individual's annual base salary. The bonus range is between 0% and 50% of base salary, payable in two instalments in each fiscal year. The percentage payable is set by the Compensation Committee, with input from the Chief Executive Officer and the President, which determines whether the Corporation's performance in relation to the Share-price drivers was, for example, good (assessing a 20% bonus), great (assessing a 30% bonus) or outstanding (assessing a 40% bonus).

The interim and final annual bonuses are paid, respectively, in December and prior to April 1st of each fiscal year. The interim (December) percentage paid is based on early indications of results for the fiscal year. Early indications come from quarterly results and include drilling success rates, production growth, meeting of targets and guidance, and other factors that provide a preliminary indication of the Corporation's performance prior to the receipt of annual reserve and annual audited financial information. The Chief Executive Officer and the President consult as necessary with officers of the Corporation and make a recommendation to the Compensation Committee with respect to the interim instalment payment. The final percentage payable in March or April is based on the final results for that year, following receipt of reserve information and final audited financial statements. For the year ended 2009, the results were also analyzed on a debt-adjusted basis and in light of certain strategic business decisions made by the Corporation. Based on such information, the Chief Executive Officer and the President, taking into account the interim instalment payment, made a recommendation to the Compensation Committee with respect to the final instalment for the annual team bonus prior to April 1st. The Compensation Committee had the final determination and reported the result to the Board.

The bonus program of the Corporation also provides discretionary individual bonuses for all employees except officers of the Corporation. If an individual employee's performance has been exceptional, then there is discretion to pay a bonus that recognizes the outstanding accomplishments of that employee. No more than \$25,000 in discretionary bonuses may be paid to any single employee in one fiscal year and no more than \$150,000 in discretionary individual bonuses may, in total, 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 an employee's particular area, based on the individual's initiative in executing the Corporation's plans.

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 Compensation Committee believes that ownership of Shares aligns the interests of executives and staff with the interests of Shareholders. In 2009, the Corporation's compensation program provided these incentives by granting Options and SARs and by managing an employee stock savings plan.

Options

Options are granted from time to time as the Corporation hires new executives, including Named Executive Officers, and other members of the Corporation's staff, and when compensation is reviewed by the Compensation Committee, at the request of and with input from the Chief Executive Officer and the President, in order to rebalance the compensation package at various levels throughout the Corporation. This review is done at least annually and when there has been a significant compensation event, which could be a significant new hire, promotions or a significant exercise or cancellation of options. When reviewing Option grants, consideration is given to the total compensation package of the executives and staff and to an appropriate weighting of incentive groupings at the senior, mid and junior levels of the staff, including past grants and performance by the executive or staff member. At the time an Option is

granted, consideration is also given to the available Option pool remaining for new positions being contemplated by the Corporation.

In the context of several new hires, promotions within the organization, a number of the original option grants from 2004 being exercised in July 2009 and the termination of the SARs plan (discussed below), the Compensation Committee was asked to conduct a review of the outstanding options for all participants, including Named Executive Officers, and based on senior management recommendations, option grants were recommended by the Compensation Committee to the Board in August 2009 for approval to rebalance the number of options held at the various levels of senior management and by the Board.

Given the option schedule for vesting and expiries in the near term, at a meeting in March 2010, the Compensation Committee agreed to conduct a quarterly review of the outstanding options to ensure that appropriate levels of incentives are replenished and rebalanced for various key members of the Corporation.

Share Appreciation Rights

Although the SARs plan, which was implemented in 2008, was not a plan where the executives or employees own shares, it effectively acted as an equity incentive plan as the benefit received from the program was dependent on the Corporation's share price. The SARs plan is described under the heading "Share Appreciation Rights Plan". As with Option grants, in 2009, SARs grants were considered from time to time as the Corporation made new hires or when compensation, at the request of the Chief Executive Officer and the President, was reviewed by the Compensation Committee. Under the SARs plan, the Board had the authority, without the rightholders' consent, to collapse the SARs plan into the Option plan under a specified formula taking into account the different tax treatment between an Option and a SARs grant. In March 2009, during the annual compensation review, senior management of the Corporation asked the Compensation Committee to consider suspending or collapsing the SARs plan due to a number of issues related to the plan, which resulted in the SARs plan not meeting the objectives set out by the Compensation Committee when the SARs plan was created. In particular, the SARs plan was not comparable to plans used by companies in the peer group and was not simple or easy to understand and administer. In addition, there was confusion about treatment of the SARs plan in calculating the Corporation's fully diluted share count. The Corporation maintained the SARs plan until August 4, 2009 at which time the Corporation exercised its right to collapse the outstanding SARs into Options and the SARs plan was terminated, all in accordance with the provisions of the SARs and the Option plans, as amended, and with approval from the Toronto Stock Exchange.

Employee Stock Savings Plan

On December 1, 2008, an employee stock savings plan was implemented. The employee stock savings plan provides an opportunity for all full time employees of the Corporation to purchase Shares of the Corporation through regular payroll deductions and a matching contribution by the Corporation. In this way, employees can benefit from the growth in the value of the Corporation and align their interests with those of the Shareholders. Participants contribute a minimum of 1% to a maximum of 7.5% of their regular salary. 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 NEOs that include payments for termination of employment or termination of employment in the event of a 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 NEOs have in their agreements are commensurate with executives in their industry peer group. In light of Heather Christie-Burns being appointed President as well as Chief Operating Officer of the Corporation, the Compensation Committee recommended to the Board that the employment agreement for Ms. Christie-Burns be amended to have the same terms as the agreement with the Chief Executive Officer.

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.

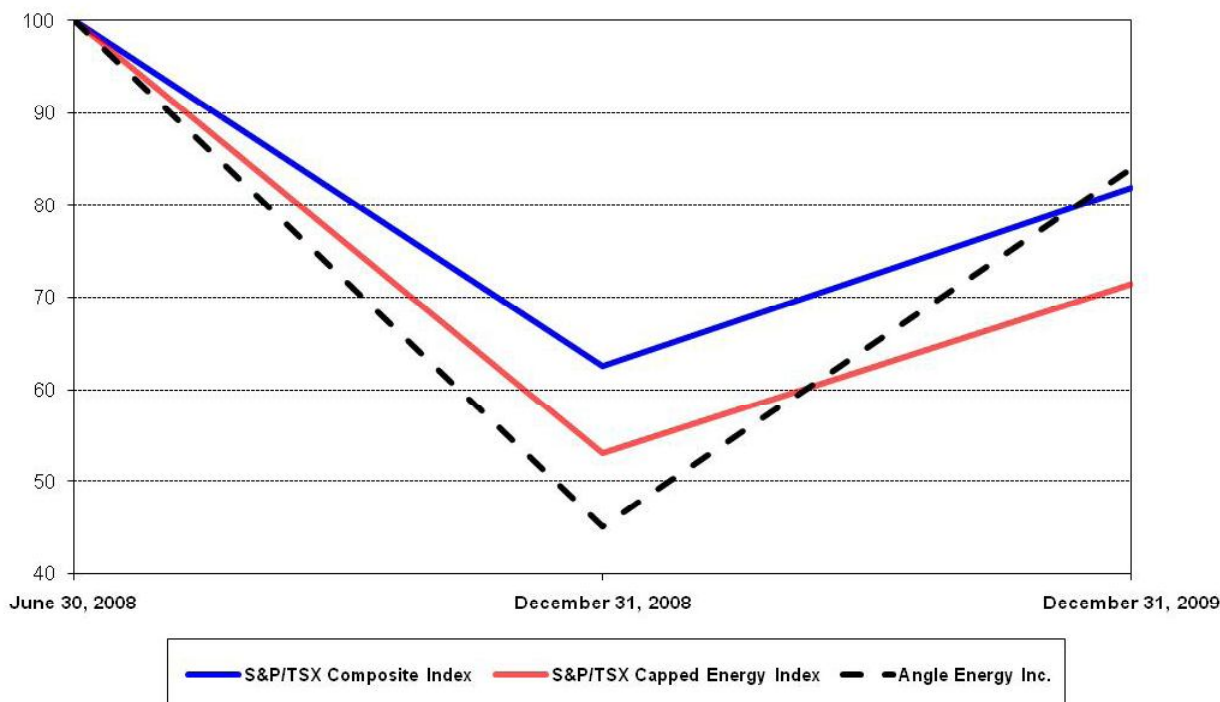
Perquisites and Personal Benefits

The Corporation provides a limited number of perquisites and personal benefits to its NEOs including life insurance premiums and parking expenses. The received perquisites were, in aggregate, not more than \$50,000 to each NEO in 2009. The value of perquisites provided is set out in the Summary Compensation Table for Named Executive Officers below. Each of the Named Executive Officer has an employment agreement, which limits these benefits to not more than 10% of salary compensation.

Performance Graph

The Shares are listed and posted for trading on the Toronto Stock Exchange under the trading symbol “NGL”. The Shares commenced trading on June 30, 2008. The following graph and table compare the yearly percentage change (converted into a fixed investment) in the cumulative shareholder return on the Shares (assuming a \$100 investment was made on June 30, 2008) with the cumulative total return of the S&P/TSX Composite Index and the S&P/TSX Capped Energy Index for the period that commenced on June 30, 2008 and ended on December 31, 2009, assuming reinvestment of dividends.

*Comparative Performance
June 30, 2008 to December 31, 2009*



The closing price for the Shares on the Toronto Stock Exchange on December 31, 2009 was \$6.72, which was the last trading day in the Corporation's fiscal year.

	Cumulative Total Return		
	June 30, 2008	December 31, 2008	December 31, 2009
Angle Energy Inc.	\$100	\$45	\$84
S&P/TSX Composite Index	\$100	\$63	\$82
S&P/TSX Capped Energy Index	\$100	\$53	\$71

The compensation philosophy of the Corporation has been that the Corporation's share price will not directly determine any aspect of an NEO's compensation. Accordingly, any correlation between the Corporation's share price and the compensation of the NEOs is indirect.

Summary Compensation Table for Named Executive Officers

The following table sets forth information concerning the total compensation paid to the Named Executive Officers by the Corporation for the Corporation's two most recently completed financial years, which ended on December 31, 2009 and 2008, respectively.

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>Chief Executive Officer</i>	2009	165,735	Nil	534,615	54,734	Nil	Nil	24,268	779,352
	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>	2009	165,735	Nil	39,943	53,134	Nil	Nil	24,219	283,031
	2008	160,908	Nil	279,291	100,227	Nil	Nil	7,494	547,920
Heather Christie-Burns <i>President and Chief Operating Officer</i>	2009	165,735	Nil	513,108	55,134	Nil	Nil	27,331	761,308
	2008	160,908	Nil	203,316	100,227	Nil	Nil	7,672	472,123
Matthew Mazuryk <i>Vice President, Engineering⁽⁵⁾</i>	2009	158,303	Nil	565,340	39,913	Nil	Nil	18,062	781,618
	2008	55,673	Nil	597,280 ⁽⁶⁾	28,832	Nil	Nil	3,342	685,127 ⁽⁶⁾
Graham Cormack <i>Vice President, Operations⁽⁷⁾</i>	2009	41,755	Nil	697,750	50,388 ⁽⁸⁾	Nil	Nil	4,538	794,431
	2008	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Option-based awards include Options and SARs. On August 4, 2009, the Corporation exercised its right to collapse the outstanding SARs into Options and the SARs plan was terminated. For more information, see “Compensation of the Executive Officers – Share-Based Awards.” The fair values of all option-based awards are equal to the accounting fair values determined in accordance with Section 3870 of the CICA 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 67%, risk-free interest rate of 2.33% 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 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. Contributions made by the Corporation in 2009 totalled \$12,430 for Mr. Fischbuch, Ms. Christie-Burns and Mr. Symon, \$11,873 for Mr. Mazuryk and \$3,132 for Mr. Cormack.
- (5) Mr. Mazuryk began employment with the Corporation in June 2008. The figures disclosed for Mr. Mazuryk therefore reflect the prorated portion of his annual compensation for 2008.
- (6) The incentives granted to Mr. Mazuryk in 2008 with a fair value of \$597,280 are no longer outstanding.
- (7) Mr. Cormack began employment with the Corporation in September 2009. The figures disclosed for Mr. Cormack therefore reflect the prorated portion of his annual compensation for 2009.
- (8) This figure includes two \$20,000 signing-bonuses paid to Mr. Cormack. \$20,000 was paid at the time Mr. Cormack commenced employment with the Corporation and the remaining \$20,000 was paid to him on the six-month anniversary of his employment.

Outstanding Share-Based Awards and Option-Based Awards as at December 31, 2009 for Named Executive Officers

The following table provides information relating to all awards outstanding as of December 31, 2009 for the NEOs.

Name	Option-based Awards ⁽²⁾				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					
Gregg Fischbuch	5,000	Nil	1.00	Apr. 26, 2010	28,600	Nil	Nil
<i>Chief Executive Officer</i>	55,000	Nil	3.00	Oct. 27, 2010	204,600		
	45,000	Nil	3.00	Feb. 9, 2011	167,400		
	60,000	Nil	3.75	Aug. 11, 2011	178,200		
	Nil	30,000	4.43	Apr. 7, 2013	68,700		
	Nil	15,000	5.30	Apr. 24, 2013	21,300		
	Nil	217,500	4.43	Aug. 7, 2014	498,075		
Stuart Symon	250,000	Nil	3.00	Feb. 23, 2011	930,000	Nil	Nil
<i>Vice President, Finance and Chief Financial Officer</i>	60,000	Nil	3.75	Aug. 11, 2011	178,200		
	Nil	30,000	4.43	Apr. 7, 2013	68,700		
	Nil	32,500	5.30	Apr. 24, 2013	46,150		
	Nil	16,250	4.43	Aug. 7, 2014	37,213		
Heather Christie-Burns	25,000	Nil	1.00	Apr. 26, 2010	143,000	Nil	Nil
<i>President and Chief Operating Officer</i>	50,000	Nil	3.00	Oct. 27, 2010	186,000		
	40,000	Nil	3.00	Feb. 9, 2011	148,800		
	60,000	Nil	3.75	Aug. 11, 2011	178,200		
	Nil	30,000	4.43	Apr. 7, 2013	68,700		
	Nil	17,500	5.30	Apr. 24, 2013	24,850		
Nil	208,750	4.43	Aug. 7, 2014	478,038			
Matthew Mazuryk	Nil	230,000	4.43	Aug. 7, 2014	526,700	Nil	Nil
<i>Vice President, Engineering</i>							
Graham Cormack	Nil	250,000	5.05	Sep. 28, 2014	417,500	Nil	Nil
<i>Vice President, Operations</i>							

Notes:

- (1) Value calculated by multiplying the difference between the December 31, 2009 closing share price of \$6.72 and the exercise price by the total number of unexercised Options or SARs (including unvested Options or SARs).
- (2) On August 4, 2009, the Corporation exercised its right to collapse the outstanding SARs into Options and the SARs plan was terminated. For more information, see "Compensation of the Executive Officers – Share-Based Awards".

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 2009 for each NEO.

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 ⁽²⁾	# Vested	In the Money Value on Date Vested ⁽¹⁾ (\$)		
Gregg Fischbuch <i>Chief Executive Officer</i>	Feb. 9, 2009	15,000	3,000	Nil	Nil
	Apr. 7, 2009	20,000	Nil		
	Apr. 24, 2009	10,000	Nil		
	Aug. 11, 2009	20,000	12,200		
Stuart Symon <i>Vice President, Finance and Chief Financial Officer</i>	Feb. 23, 2009	83,333	25,833	Nil	Nil
	Apr. 7, 2009	20,000	Nil		
	Apr. 24, 2009	21,667	Nil		
	Aug. 11, 2009	20,000	12,200		
Heather Christie-Burns <i>President and Chief Operating Officer</i>	Feb. 9, 2009	13,333	2,667	Nil	Nil
	Apr. 7, 2009	20,000	Nil		
	Apr. 24, 2009	11,667	Nil		
	Aug. 11, 2009	20,000	12,200		
Matthew Mazuryk <i>Vice President, Engineering</i>	Aug. 19, 2009	50,000	Nil	Nil	Nil
Graham Cormack <i>Vice President, Operations</i>	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) 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.
- (2) On August 4, 2009, the Corporation exercised its right to collapse the outstanding SARs into Options and the SARs plan was terminated. For more information, see “Compensation of the Executive Officers – Share-Based Awards”.

Stock Option Plan

Prior to the completion of the IPO, the Corporation adopted an amended and restated stock option plan (the “**Stock Option Plan**”) providing for the granting of Options 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 that complied with the Toronto Stock Exchange 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. If there are no trades of Shares on such day, the exercise price is

the average of the bid price and ask price of the Shares on the day immediately prior to the date the Option is granted. If the Shares are not listed on any stock exchange, the market price is such price as the Board determines, acting in good faith. The maximum aggregate number of Shares which may be subject to Options under the Stock Option Plan, together with any other security-based compensation arrangement (collectively, the “**security-based compensation arrangements**”) 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. This requires the Corporation to purchase all or any part of the optionee’s Options for the amount by which the market price (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 of each Option when the put right is exercised. 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 of the put right will be the consideration offered pursuant to the transaction.

The total number of Shares that may be *reserved* for issuance to insiders under any of the security-based compensation arrangements of the Corporation cannot exceed 10% of the issued and outstanding Shares of the Corporation. Similarly, no more than 5% of the issued and outstanding Shares may be reserved for issuance to an individual insider or his or her associates. Furthermore, in any one year no more than 10% of the issued and outstanding Shares may be *issued* by the Corporation to insiders under any of the security-based compensation arrangements of the Corporation. Individual insiders, including their associates, may not be issued more than 5% of the issued and outstanding Shares in any one year.

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, or 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. 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, unexercised Options 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 optionee’s Options 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 that the optionee was entitled to acquire at the time his or her employment ended. In any case, and unless the Option agreement provides otherwise, Options terminate at the earlier of (i) the close of business 180 days after the occurrence of the event, (ii) the close of business on the day the optionee has been provided with written notice of dismissal, and (iii) the expiry date of such Options.

The Board has the authority to make adjustments to the number of Shares subject to the Stock Option Plan. It also has the authority to determine the exercise price, to adjust the number of Shares resulting from sub-divisions, consolidations or re-classifications of the Shares, to effect payment of stock dividends by the Corporation (other than dividends in the ordinary course) and to effect other relevant changes in the authorized or issued capital of the Corporation.

If the Corporation sells all or substantially all of its assets or if there is a change of control of the Corporation, optionees may be authorized by the Board to exercise or surrender any unexercised Options previously granted, whether vested or not, on terms determined by 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 accelerate the vesting period of Options in the event of a take-over bid. 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 will be extended for a period of 10 business days following the end of the black-out period, subject to the rules and regulations of any exchange on which the Shares are listed for trading and Board approval.

The Board may amend or terminate the Stock Option Plan at any time without the consent of optionees, provided that such amendment does not alter or impair any Option previously granted under the Stock Option Plan, except as otherwise permitted by 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, 4,455,450 Options to acquire Shares granted to certain employees, executive officers and directors are currently outstanding, representing approximately 8.1% of the current number of issued and outstanding Shares. As at March 30, 2010, there remain approximately 1,020,510 Options available for future issuance, or approximately 1.9% of the current number of issued and outstanding Shares.

Share Appreciation Rights Plan

Effective April 7, 2008, the Corporation adopted a SARs 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. This was amended and restated prior to the closing of the IPO to ensure consistency with the Stock Option Plan.

The SARs plan was administered by the Board, which could delegate administration of the plan if permitted by applicable law and stock exchange rules. An exercised SAR entitled the holder to be paid the difference between the value of the SAR on its date of grant (the “**Base Value**”) and the market value of the SAR on its date of exercise (the “**Appreciation Amount**”). A SARs holder could be paid in stock rather than cash provided that in any single year the Corporation may not reserve for issuance or issue, under any of its security-based compensation arrangements, more than 10% of its issued and outstanding Shares. Moreover, in any single year the Corporation may not reserve for issuance or issue, under any of its security-based compensation arrangements, more than 5% of its issued and outstanding Shares *to any single individual*.

If Shares were listed on an exchange at the time when SARs was exercised, the market price was the closing price of Shares on such exchange on the day immediately prior to the day on which the SARs were exercised. In the event of a publicly announced take-over bid, amalgamation or other transaction involving the Shares, the market price was to be the consideration offered pursuant to such transaction.

SARs were to be exercised during a period established by the Board, which could not be more than 5 years from the date of the grant. SARs granted under the SARs plan vested 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 SARs plan were not assignable or otherwise transferable.

The Board was permitted to suspend or terminate the SARs plan at any time without prior notice to or the consent of rightholders, provided that such suspension or termination could not affect any SARs previously granted under the SARs plan, except as otherwise permitted in the SARs plan. Pursuant to the SARs plan, the Board also had the power and authority, subject to the rules of any stock exchange on

which the Shares are listed, to amend or revise the SARs plan and any SARs granted under it without further shareholder approval.

Pursuant to the SARs plan, the Board had the authority, without the rightholders' consent, to deem vested SARs to be exercised and to convert unvested SARs into that number of Options obtained by multiplying the number of unvested SARs by 0.75. The resulting Options would have an exercise price equal to the market price on the date the SARs were collapsed (unless it resulted in a reduced price for insiders in which case the Option was priced at the then current market price under the Stock Option Plan) and have a vesting schedule consistent with the original SARs granted. No such conversion of SARs to Options could have occurred to the extent that it would have caused the total number of Shares reserved for issuance under all of the security-based compensation arrangement of the Corporation to be greater than 10% of the issued and outstanding Shares of the Corporation. In connection with the Options held as a result of such conversion, the rightholder-turned-optionee would 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.

There was no limitation on the number of SARs that may be granted under the SARs plan. In 2009, no SARs were awarded. The Corporation maintained the SARs plan until August 4, 2009, at which time the Corporation exercised its right to collapse the outstanding SARs into Options and the SARs plan was terminated, all in accordance with the provisions of the SARs plan and the Stock Option Plan, as amended, and with approval from the Toronto Stock Exchange. At that time, 845,250 Options were granted at exercise prices ranging from \$4.43 to \$6.44 per Share to replace the outstanding SARs. There are no longer any SARs outstanding.

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. Mazuryk and Mr. Cormack. Mr. Fischbuch's agreement, which commenced September 1, 2004, and Ms. Christie-Burns agreement which was amended in 2010, provides for a base annual salary and benefits having a value not to exceed 10% of salary, 18 month's 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 other than for cause. Mr. Symon's, Mr. Mazuryk's and Mr. Cormack's agreements, and all other agreements of officers, provide for a base annual salary and benefits having a value not to exceed 10% of salary, 12 month 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 other 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 NEOs upon the specified termination events, assuming that each such event took place on the last business day of fiscal year 2009.

	Gregg Fischbuch (\$)	Stuart Symon (\$)	Heather Christie-Burns (\$)	Matthew Mazuryk (\$)	Graham Cormack (\$)
Involuntary Termination / Termination Without Cause					
Cash Portion ⁽¹⁾	303,337	218,869	220,869	200,363	199,563
Value of Option & Share Based Awards ⁽²⁾	578,800	1,108,200	656,000	Nil	Nil
Total	882,137	1,327,069	876,869	200,363	199,563
Termination Following Change in Control					
Cash Portion ⁽¹⁾	303,337	218,869	220,869	200,363	199,563
Value of Option & Share Based Awards ⁽²⁾⁽³⁾	1,166,875	1,260,263	1,227,588	526,700	417,500
Total	1,470,212	1,479,132	1,448,457	727,063	617,063

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. In 2010, Ms. Christie-Burns' employment agreement was amended to increase her severance entitlement to 18 months from 12 months. However, as at December 31, 2009, her severance entitlement was 12 months.
- (2) For estimates of incremental payments for Options or share-based awards, the closing market price of \$6.72 per share on December 31, 2009 was used.
- (3) Upon involuntary termination or termination without cause, all Options vested as of the date of termination are exercisable. It has been assumed that all such vested Options that are in-the-money would be exercised. Upon termination following a change in control, all Options vest immediately. It has been assumed that all in-the-money Options would be exercised at such time.

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 their service as directors. Mr. Fischbuch presented to the Compensation Committee a recommendation that Angle consider a payment in cash to directors, given the increased size and scope of the Corporation and to keep pace with junior gas peer group compensation. Among the alternatives available, including retainer payments and attendance-based fees, the Compensation Committee decided that for Angle's purposes, a flat retainer payment was preferable. This eliminates the need to keep track of attendance-based fees or to have to determine whether director conversations constitute meeting attendances.

On the recommendation of the Chief Executive Officer and supported by the Compensation Committee, the Board approved directors' fees for 2008 at \$15,000 per year for directors (other than management directors), an additional \$5,000 per committee chair position and \$2,000 per committee member on an annual basis. These fees were not adjusted in 2009; however, at the request of the Chief Executive Officer, the Compensation Committee conducted a review of directors' compensation in conjunction with its annual review of executive compensation. After reviewing publicly available information on directors' fees paid by a similar peer group that was referred to for executive compensation, the Compensation Committee recommended, and the Board approved, an increase in directors' fees. Beginning in 2010 director's (other than management directors) will each be paid \$30,000 annually, with an additional \$10,000 being paid to the Chair of the Board, \$5,000 to each committee chair and \$2,000 to each committee member. 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.

In the context of several new hires, promotions within the organization, a number of the original option grants from 2004 being exercised in July 2009 and the termination of the SARs plan, the Compensation Committee was ask to conduct a review of the outstanding options for all participants, including directors, and based on senior management recommendations, option grants were recommended by the Compensation Committee to the Board in August 2009 for approval to rebalance the number of options held by Board members and at the various levels of senior management. New grants of Options were approved for the purchase of 60,000 Shares to each of John Gareau, Noralee Bradley, Ed Muchowski and Clarence Chow to maintain an equal number of Options for each director.

Given the option schedule for vesting and expiries in the near term, at a meeting in March 2010, the Compensation Committee agreed to conduct a quarterly review of the outstanding options to ensure that appropriate levels of incentives are replenished and rebalanced for various key members of the Corporation, including directors.

Director Compensation Table

During 2009, the directors of the Corporation were compensated in the manner outlined in the table below. Mr. Gregg Fischbuch, 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	29,000	Nil	147,480	Nil	Nil	Nil	176,480
Clarence Chow	19,000	Nil	147,480	Nil	Nil	Nil	166,480
John Gareau	19,000	Nil	147,480	Nil	Nil	Nil	166,480
Edward Muchowski	25,000	Nil	147,480	Nil	Nil	Nil	172,480
Timothy Dunne	25,000	Nil	Nil	Nil	Nil	Nil	25,000

Notes:

- (1) Mr. Fischbuch is the sole director who is also an employee of the Corporation. His compensation is set out under the heading "Summary Compensation Table for Named Executive Officers".

Option-Based Awards for Directors as at December 31, 2009

The following table provides information relating to all awards outstanding as of December 31, 2009 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 ⁽²⁾	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	25,000	Nil	3.00	Oct. 27, 2010	93,000	Nil	Nil
Bradley	15,000	Nil	3.75	Aug. 11, 2011	44,550		
	Nil	60,000	4.43	Aug. 7, 2014	137,400		
Clarence	25,000	Nil	3.00	Oct. 27, 2010	93,000	Nil	Nil
Chow	15,000	Nil	3.75	Aug. 11, 2011	44,550		
	Nil	60,000	4.43	Aug. 7, 2014	137,400		
John Gareau	25,000	Nil	3.00	Oct. 27, 2010	93,000	Nil	Nil
	15,000	Nil	3.75	Aug. 11, 2011	44,550		
	Nil	60,000	4.43	Aug. 7, 2014	137,400		
Edward	25,000	Nil	3.00	Oct. 27, 2010	93,000	Nil	Nil
Muchowski	15,000	Nil	3.75	Aug. 11, 2011	44,550		
	Nil	60,000	4.43	Aug. 7, 2014	137,400		
Timothy	85,000	Nil	3.00	Mar. 30, 2011	316,200	Nil	Nil
Dunne	15,000	Nil	3.75	Aug. 11, 2011	44,550		

Notes:

- (1) Value calculated by multiplying the difference between the December 31, 2009 closing share price of \$6.72 and the exercise price by the total number of unexercised Options (including unvested Options).
- (2) Mr. Fischbuch is the sole director who is also an employee of the Corporation. His compensation is set out under the heading "Summary Compensation Table for Named Executive Officers".

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 2009 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⁾ (\$)		
Noralee Bradley	Aug. 11, 2009	5,000	3,050	Nil	Nil
Clarence Chow	Aug. 11, 2009	5,000	3,050	Nil	Nil
John Gareau	Aug. 11, 2009	5,000	3,050	Nil	Nil
Edward Muchowski	Aug. 11, 2009	5,000	3,050	Nil	Nil
Timothy Dunne	Mar. 30, 2009 Aug. 11, 2009	28,333 5,000	28,050 3,050	Nil	Nil

Notes:

- (1) 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.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Corporation has reserved an aggregate of 5,475,960 Shares for issuance pursuant to the exercise of Options. To the date of this Information Circular, the Board has approved the grant of an aggregate of 4,455,450 Options, each of which entitles the holder thereof to subscribe for and purchase one Share from the Corporation, on payment of the stipulated exercise price per share. All outstanding Options are held by officers, employees, directors and certain consultants of the Corporation and vest 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). Each Option has 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. If there are no trades of Shares on such day, the exercise price is 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 for 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 (other 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 as at December 31, 2009:

	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))
	(a)	(b)	(c)
Equity compensation plans approved by securityholders	4,380,916	\$4.14	1,095,044
Equity compensation plans not approved by securityholders	-	-	-
Total	4,380,916	\$4.14	1,095,044

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date of this Information Circular, no executive officer, director, employee, former executive officer, former director or former employee of the Corporation or any associate of any such person is now, or has been at any time since the beginning of the most recently completed financial year, indebted to the Corporation, or been the subject of a guaranteed support agreement or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

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, as an executive officer of the Corporation, not independent. The Chair of the Board, Ms. Bradley, is a partner in the law firm that provides legal services to the Corporation. The Board has specifically considered this relationship in the context of 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:

<u>Name</u>	<u>Reporting Issuer</u>
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 held regularly scheduled *in camera* sessions at which members of management are not in attendance. Six such meetings took place since the beginning of the Corporation's most recently completed financial year.

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, 2009.

<u>Name</u>	<u>Board</u> (9 Meetings)	<u>Audit</u> <u>Committee</u> (4 Meetings)	<u>Corporate Governance</u> <u>and Compensation</u> <u>Committee</u> (7 Meetings)	<u>Reserves</u> <u>Committee</u> (1 Meeting)	<u>Environmental Health</u> <u>and Safety Committee</u> (1 Meeting)
Gregg Fischbuch <i>Alberta, Canada</i>	8	N/A	N/A	N/A	N/A
Noralee Bradley <i>Alberta, Canada</i>	9	N/A	7	N/A	1
Clarence Chow <i>Alberta, Canada</i>	7	4	N/A	1	N/A
John Gareau <i>Alberta, Canada</i>	8	4	7	N/A	N/A
Edward Muchowski <i>Alberta, Canada</i>	9	N/A	N/A	1	1
Timothy Dunne <i>Alberta, Canada</i>	9	4	7	N/A	N/A

Board Mandate

The Board has adopted a written mandate, a copy of which is attached to this Information Circular 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 Compensation Committee, the Reserves Committee and the Environmental Health and Safety 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 and the Compensation Committee provide 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 such person obtains 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 for the year ended December 31, 2009 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 Compensation Committee, in addition to its compensation and governance role, assumes a nominating function. Such committee is comprised entirely of independent directors. The responsibilities, powers and operation of the 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 Compensation Committee, which is comprised entirely of independent directors, determines the compensation for the Corporation's directors and officers based on industry standards. The 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 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
- 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. No consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the Corporation's directors and officers. However, the Corporation does subscribe to the annual compensation survey conducted by Mercer Human Resources Consulting Ltd., which serves as a guide to evaluate the compensation packages of the senior management team.

Other Board Committees

In addition to the Audit Committee and the Compensation Committee, the Corporation currently has a Reserves Committee and an Environmental Health and Safety Committee. The primary function of the Reserves Committee is to assist the Board with respect to the annual review of the Corporation's petroleum and natural gas activities. The primary function of the Environmental Health and Safety 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 in this Information Circular, 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 commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

Noralee Bradley, a 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's discussion and analysis of the Corporation may be obtained from Mr. Stuart Symon at Suite 700, 324 Eighth Avenue S.W., Calgary, Alberta T2P 2Z2 or by facsimile at (403) 263-4179.

APPENDIX A BOARD MANDATE

ANGLE ENERGY INC. (THE “COMPANY”)

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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