



**MARAUDER RESOURCES EAST COAST INC.**

**Annual and Special Meeting of the Shareholders**

**to be held on June 18, 2009**

**NOTICE OF ANNUAL AND SPECIAL MEETING**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**May 22, 2009**

This Management Information Circular (“**Circular**”) is furnished in connection with the solicitation of proxies by and on behalf of the management of Marauder Resources East Coast Inc. (the “**Company**”) for use at the Annual and Special Meeting of the Shareholders of the Company to be held on Thursday, June 18, 2009 at the time and place and for the purposes set out in the accompanying Notice of Annual and Special Meeting and any adjournment thereof.

No person has been authorized to give any information or make any representation in connection with any matters to be considered at the Annual and Special Meeting, other than as contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

## MARAUDER RESOURCES EAST COAST INC.

### Notice of Annual and Special Meeting of Shareholders

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of Marauder Resources East Coast Inc. (the “**Company**”) will be held at the **Aquitaine Tower, 2<sup>nd</sup> Floor, 540 – 5<sup>th</sup> Avenue S.W., Calgary, Alberta, Canada**, on Thursday, June 18, 2009 at 2:00 p.m. (Calgary time), for the following purposes:

1. to receive the financial statements for the fiscal year ended December 31, 2008 and the report of the auditors thereon;
2. to elect directors for the ensuing year;
3. to reappoint auditors for the ensuing year and to authorized the directors of the Company to fix their remuneration;
4. to ratify the stock option plan of the Company;
5. to consider and, if deemed advisable, pass with or without variation, an ordinary resolution (the “**Stock Option Re-Pricing Resolution**”), the full text of which is set forth in Appendix “B” to this Information Circular, approving an amendment to the exercise price of stock options previously granted to Insiders of the Company to an exercise price which shall not be less than the Market Price (as defined in TSX Venture Exchange Policy 1.1) of the Common Shares at the time of the amendment; and
6. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The Circular and the form of proxy prepared in respect of the Meeting accompany this Notice.

Only Shareholders of record at the close of business on May 14, 2009 (the “**Record Date**”) are entitled to notice of and to attend the Meeting or any adjournment or adjournments thereof and to vote thereat unless after the Record Date a holder of record transfers his or her Common Shares and the transferee upon producing properly endorsed share certificates, or otherwise establishing that he or she owns such Common Shares requests, not later than ten (10) days before the Meeting, that the transferee’s name be included in the list of shareholders entitled to vote such Common Shares, in which case such transferee shall be entitled to vote such Common Shares, as the case may be, at the Meeting.

Shareholders may vote in person at the Meeting or any adjournment or adjournments thereof, or they may appoint another person (who need not be a Shareholder) as their proxy to attend and vote in their place.

**Shareholders unable to be present at the Meeting are requested to date and sign the enclosed form of proxy and return it to the Company’s agent, Computershare Trust Company of Canada, 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, in the enclosed envelope provided for that purpose. In order to be valid, proxies must be received by Computershare Trust Company of Canada no later than 2:00 p.m. (Calgary time), on or prior to the second last business day preceding the day of the Meeting or any adjournment thereof or deposited with the Chairman of the Meeting on the day of the Meeting prior to the commencement of the Meeting.**

A Management Information Circular relating to the business to be conducted at the Meeting and the financial statements of the Company for the fiscal year ended December 31, 2008 accompany this Notice.

DATED as of the 22<sup>nd</sup> day of May, 2009.

BY ORDER OF THE BOARD OF DIRECTORS

*(signed) “Robert V. Shields”*

Robert V. Shields  
President and Chief Executive Officer

# MANAGEMENT INFORMATION CIRCULAR

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**MARAUDER RESOURCES EAST COAST INC.**  
**Suite 720, 440 - 2<sup>nd</sup> Avenue S.W.**  
**Calgary, Alberta**  
**T2P 5E9**

**MANAGEMENT INFORMATION CIRCULAR**

The information contained in this Management Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies by or on behalf of management of Marauder Resources East Coast Inc. (“Marauder” or the “Company”) for use at the Annual and Special Meeting (the “Meeting”) of the holders (the “Shareholders”) of common shares (“Common Shares”) of the Company to be held on Thursday, June 18, 2009 at 2:00 P.m. (Calgary time) at the Aquitaine Tower, 2<sup>nd</sup> Floor, 540 – 5<sup>th</sup> Avenue S.W., Calgary, Alberta, Canada, and at all adjournments or postponements thereof, for the purposes set forth in the Notice of Annual and Special Meeting of Shareholders (the “Notice”).

**PROXY INFORMATION**

**Solicitation of Proxies**

The solicitation of proxies is being made by or on behalf of the management of the Company. The Company will bear the entire cost of solicitation of proxies including preparation, assembly, printing and mailing of this Circular, the Notice, the financial statements of the Company for the fiscal year ended December 31, 2008 and the form of proxy (collectively, the “Documents”). Copies of the Documents are being sent by mail to those Shareholders entitled to receive notice of the Meeting. The Documents will also be furnished to banks, securities dealers, and clearing agencies holding Common Shares of the Company in their names, beneficially owned by others to forward to such beneficial owners. Original solicitation of proxies by mail may be supplemented by telephone, facsimile or other electronic or by personal solicitation by directors, officers, or other regular employees of the Company. No additional compensation will be paid to directors, officers, or other regular employees for such services.

**Appointment of Proxies**

Shareholders may vote at the Meeting in person or by proxy. **The persons named in the accompanying form of proxy are executive officers and/or directors of the Company. A Shareholder has the right to appoint a person other than the persons specified in such form of proxy (who need not be a shareholder of the Company) to attend and act on behalf of the Shareholder at the Meeting. To exercise this right, a Shareholder may either insert the name of the desired person in the blank space provided in the accompanying form of proxy, or complete another appropriate form of proxy.**

**Completion of Proxies**

The form of proxy affords Shareholders or intermediaries an opportunity to specify that the Common Shares registered in their name shall be voted for or against or withheld from voting in respect of the elections of directors, the appointment of auditors, including a resolution authorizing the directors to fix the remuneration of the auditors and on certain other matters as specified in the accompanying Notice.

The persons named in the enclosed form of proxy are the President and Chief Executive Officer and the Corporate Secretary, respectively, of the Company.

**A REGISTERED SHAREHOLDER OR AN INTERMEDIARY HOLDING COMMON SHARES ON BEHALF OF AN UNREGISTERED SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE A SHAREHOLDER, TO ATTEND AND ACT ON THEIR BEHALF AT THE MEETING, IN THE PLACE OF THE PERSONS DESIGNATED IN THE FORM OF PROXY FURNISHED BY THE COMPANY. TO EXERCISE THIS RIGHT, THE SHAREHOLDER OR INTERMEDIARY SHOULD STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE FORM OF PROXY AND INSERT THE NAME OF THEIR NOMINEE IN THE BLANK SPACE PROVIDED, OR SUBMIT ANOTHER APPROPRIATE PROXY.**

A proxy must be dated and signed by the registered Shareholder or by his or her attorney authorized in writing or by the intermediary. In the case of a Shareholder that is a Company, the proxy must be executed under its corporate seal or signed by a duly authorized officer or attorney for the Company with proof of authority accompanying the proxy.

In order to be effective, the proxy, together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof, must be mailed so as to be deposited at the office of the Company's agent, Computershare Trust Company of Canada, 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not later than 2:00 p.m. (Calgary time) on the second last business day preceding the day of the Meeting or any adjournment thereof or deposited with the Chairman of the Meeting on the day of the Meeting prior to the commencement of the Meeting. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution. If a proxy is not dated, it will be deemed to bear the date on which it was mailed by management of the Company.

### **Revocation of Proxies**

A Shareholder or intermediary who has submitted a form of proxy may revoke it by depositing an instrument in writing executed by the Shareholder or by his attorney, authorized in writing, or if the Shareholder is a body corporate, under its corporate seal or by an officer or attorney thereof duly authorized, either (i) to Computershare Trust Company of Canada, 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, any time up to 2:00 p.m. (Calgary time) on the second last business day immediately preceding the date of the Meeting, or any adjournment or postponement thereof, or (ii) with the Chair of the Meeting on the day of the Meeting, or any adjournment or postponement thereof, prior to the time of voting and, upon either of such deposits, the earlier proxy shall be revoked.

### **Voting of Common Shares Represented by Management Proxies**

The persons named in the enclosed form of proxy will vote for or against or withhold from voting the Common Shares for which they are appointed proxy holders in accordance with the instructions of the Shareholder indicated on the form of proxy. **In the absence of such instructions, the executive officers named in the enclosed form of proxy intend to vote the Common Shares represented by the proxy IN FAVOUR of each motion put forth by management of the Company.**

If a Shareholder appoints a person, other than the persons named in the accompanying form of proxy to represent them, such person will vote the Common Shares for which they are appointed proxy holder in accordance with the instructions of the Shareholder indicated on the form of proxy. In the absence of such instructions, such person may vote the Common Shares for which they are appointed proxy holder at their discretion.

The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations of matters identified in the Notice, and with respect to any other matters, if any, which may properly come before the Meeting. At the time of printing of this Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting. However, if any such amendments, variations or other matters which are not now known to management should properly come before the Meeting, the persons named in the form of proxy will vote on such other business in accordance with their best judgment.

## Voting Securities and Principal Holders of Voting Securities

As at May 22, 2009, the Company had 53,989,501 Common Shares issued and outstanding, each carrying the right to one vote per Common Share. The directors have set the close of business on May 14, 2009 as the record date (the “**Record Date**”) for the Meeting. Only the holders of Common Shares of record at the close of business on the Record Date will be entitled to notice of, and to attend and vote at, the Meeting. Any transferee or person acquiring Common Shares after the Record Date may, on establishing acceptable proof of ownership of such Common Shares, make a written demand, not later than 10 days before the Meeting, or such other time as the Company determines in its sole discretion, is acceptable to be included in the list of Shareholders entitled to vote at the Meeting, in which case the transferee will be entitled to vote his or her Common Shares at the Meeting or any adjournment or postponement thereof.

As at the date hereof to the knowledge of the directors and executive officers of the Company, there are no persons beneficially owning, directly or indirectly, or exercising control or direction over more than 10% of the issued and outstanding Common Shares of the Company.

### ADVICE TO BENEFICIAL HOLDERS OF SECURITIES

**The information set forth in this section is provided to beneficial holders of Common Shares of the Company who do not hold their Common Shares in their own name (“Beneficial Shareholders”).** Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Beneficial Shareholder’s name on the records of the Company. Such Common Shares will more likely be registered under the name of the Beneficial Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominees for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting Common Shares for their clients. The Company does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held. Therefore, Beneficial Shareholders cannot be recognized at the Meeting for the purposes of voting the Common Shares in person or by way of proxy except as set forth below.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**BFS**”) in the United States and Canada. BFS typically provides a scannable voting request form or applies a special sticker to proxy forms, mails those forms to the Beneficial Shareholders and requests the Beneficial Shareholders to return the proxy forms to BFS. BFS then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a proxy from BFS cannot use that proxy to vote Common Shares directly at the Meeting as the proxy must be returned as directed by BFS well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

In addition, a proxy may be revoked by the Shareholder executing another form of proxy bearing a later date and depositing same at the offices of Computershare Trust Company of Canada, 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 within the time period set out under the heading “Revocation of Proxies” or by the Shareholder personally attending the Meeting and voting his or her Common Shares.

**IF YOU ARE A BENEFICIAL SHAREHOLDER AND WISH TO VOTE IN PERSON AT THE MEETING, PLEASE CONTACT YOUR BROKER OR AGENT WELL IN ADVANCE OF THE MEETING TO DETERMINE HOW YOU CAN DO SO.**

### **BUSINESS TO BE TRANSACTED AT THE MEETING**

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate:

- (i) by ordinary resolution, elect the directors of the Company for the ensuing year;
- (ii) by ordinary resolution, appoint auditors for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors;
- (iii) by ordinary resolution, to ratify the stock option plan of the Company;
- (iv) by ordinary resolution (the “**Stock Option Re-Pricing Resolution**”), the full text of which is set forth in Appendix “B” to this Information Circular, approving an amendment to the exercise price of stock options previously granted to Insiders of the Company to an exercise price which shall not be less than the Market Price (as defined in TSX Venture Exchange Policy 1.1) of the Common Shares at the time of the amendment; and
- (v) to transact such other business as may properly come before the meeting.

Additional detail regarding each of the matters to be acted on at the Meeting is contained below.

### **Consolidated Financial Statements and Auditors’ Report**

The Company’s audited consolidated financial statements for the year ended December 31, 2008, and the auditors’ report thereon will be submitted at the Meeting. No vote will be taken regarding the Company’s audited consolidated financial statements for the year ended December 31, 2008.

### **Election of Directors**

Action is to be taken at the Meeting with respect to the election of directors. The Shareholders will be asked to pass an ordinary resolution at the Meeting to elect, as directors, the nominees whose names are set forth in the table below. Each nominee elected will hold office until the next annual meeting of the Shareholders, or until his successor is duly elected or appointed, unless his office is vacated earlier in accordance with the Company’s bylaws. The Company is required by applicable corporate legislation to have an Audit Committee comprised of members of the board of directors (the “**Board**”). The Company does not have an executive committee. The Company does have a Reserves Committee. The present members of the Audit Committee and Reserves Committee of the Board are identified in the table below.

The following information relating to the nominees as directors is based partly on the records of the Company and partly on information received by the Company from said nominees, and sets forth the name and municipality of residence of the persons proposed to be nominated for election as directors, all other positions and offices within the Company now held by them, their principal occupations or employments, the periods during which they have served as directors of the Company and the approximate number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as at May 22, 2009.

Name and Municipality of Residence	Position(s) Presently Held	Principal Occupation	Director Since	Number of Common Shares Beneficially Owned or Controlled as at May 22, 2009
Robert V. Shields <sup>(2)</sup> Calgary, Alberta, Canada	Director, President and Chief Executive Officer	President, Chief Executive Officer and Director of the Company  President/Part Owner, The Predator Corporation Ltd.	June 2004	4,791,411 Common Shares
John C. Loewen <sup>(1)</sup> Toronto, Ontario, Canada	Director and Interim Chief Financial Officer	Chief Executive Officer, Loewen & Partners Corporate Services Inc.	November 2006	Nil Common Shares
Donald J. Kempf <sup>(1)</sup> Calgary, Alberta, Canada	Director and Consultant	Consultant, MGM Energy Corp.	October 2007	3,000 Common Shares
D. Jon Axford <sup>(1),(2)</sup> Calgary, Alberta, Canada	Director	President, D.W. Axford & Associates Ltd.	April 2008	687,641 Common Shares
Paul Gouin <sup>(4)</sup> Calgary, Alberta, Canada	Director	Independent oil and gas engineering consultant since 1986, working with major oil companies including Chevron Canada, Petro Canada and Husky Oil.	September 2008	63,000 Common Shares

**Notes:**

- (1) Member of Audit Committee.
- (2) Member of the Reserves Committee.
- (3) Robert V. Shields holds 4,685,411 Common Shares directly; 100,000 Common Shares are held by a family trust, 1133812 Alberta Ltd., and 6,000 Common Shares are held in trust by Mr. Shields to the benefit of his three children.
- (4) Mr. Gouin is currently a director of the Company. Mr. Gouin has 32 years experience in the oil and gas industry. After graduating from university with a Bachelor of Sciences in Chemical Engineering, Mr. Gouin was employed by Gulf Canada, working as a facilities engineer in Gulf Canada's Edmonton plant. Mr. Gouin was then employed by Amoco as an offshore drilling engineer in the Louisiana Gulf Coast, USA. Mr. Gouin became an independent drilling and completions consultant in 1986 and has worked extensively in the Canadian Western Sedimentary Basin, primarily supervising the drilling of deep, over-pressured, critical sour wells, for Chevron Canada, Petro Canada and Husky Oil.

**In the absence of contrary instructions, the persons named in the accompanying form of proxy intend to vote the Common Shares represented thereby in favour of the election to the Board of those persons hereinafter designated as nominees for election as directors. The Board does not contemplate that any of such nominees will be unable to serve as a director. However, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee in their discretion unless the Shareholder has specified in his proxy that his or her Common Shares are to be withheld from voting on the election of directors.**

No proposed director:

- (a) is at the date of this Circular, or has been, within ten (10) years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that, while that person was acting in that capacity,

- (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than thirty (30) consecutive days; or
  - (ii) was subject to an event that resulted, after the director, chief executive officer or chief financial officer ceased to be a director, chief executive officer or chief financial officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than thirty (30) consecutive days; or
- (b) is at the date of this Circular, or has been, within ten (10) years before the date of this Circular, a director or executive officer of any company (including the 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 the ten (10) years before the date of this 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.

#### **Appointment and Remuneration of the Auditors**

The Shareholders will be asked to pass an ordinary resolution at the Meeting to appoint KPMG LLP as auditors of the Company, to hold office until the next annual meeting of the Shareholders, at a remuneration to be determined by the Board. KPMG LLP has acted as the auditors of the Company since 2004.

**The persons in the enclosed Form of Proxy, unless instructed otherwise, intend to vote for the appointment of KPMG LLP as auditors of the Company.**

#### **Approval of the Stock Option Plan**

##### ***The Stock Option Plan***

The rules of the TSX Venture Exchange (the “**Exchange**”) require shareholders to approve and confirm the stock option plan of a Company on a yearly basis. The Company’s stock option plan (the “**Plan**”) authorizes the Board to issue options to directors, officers, employees and consultants (the “**Participants**”) who are in a position to contribute to the future success and growth of the Company. On April 25, 2005, the Board approved the Plan.

On January 15, 2009, the Board approved an amended and restated Plan (the “**Amended Plan**”). The amendments approved by the Board were as follows: (i) the definition of Participant under the Plan was amended such that management company employees are now permitted to be Participants; (ii) for options granted to employees, consultants or management company employees, the Company must now represent that the Participant is a *bona fide* employee, consultant or management company employee, as the case may be, when the option is granted; (iii) disinterested shareholder approval is now required to be obtained for any reduction in the exercise price of an option after the option is issued, if the Participant is an insider of the Company at the time of the proposed amendment; and (iv) the definition of share compensation plan was amended such that a share purchase from treasury which is financially assisted by the Company by way of loan, guarantee or otherwise, is no longer included in the definition. The Amended Plan complies with the rules of the Exchange. The Exchange accepted the Amended Plan for filing on January 16, 2009. At the Meeting, Shareholders will be asked to, if deemed advisable, approve by ordinary resolution the confirmation of the Company’s Amended Plan.

The Amended Plan is administered by the Board which has final authority and discretion, subject to the express provisions of the Amended Plan, to interpret the Amended Plan, to prescribe, amend and rescind rules and regulations relating to it and to make all other determinations deemed necessary or advisable for the administration of the Amended Plan. This includes the discretion to decide who will be a Participant. The exercise price is determined by the Board, but will in no event be less than the market price of the Common Shares on the day prior to the grant of the option less the maximum discount, if any, permitted by the Exchange or such other price as may be set by the Board and approved by the Exchange.

The maximum number of Common Shares that may be issued under the Amended Plan is 10% of the Company's issued and outstanding shares at any given time. The maximum number of Common Shares that may be reserved for issuance to any one eligible person is 5% of the number of Common Shares outstanding at the time of reservation.

Options granted are non-assignable and non-transferable and, if not exercised, will expire on the earlier of: (i) the expiry date of the options which shall not exceed 5 years from the later of either the date of grant or the date of vesting; (ii) 12 months from the date of death of the optionee; (iii) 90 days from the date the optionee ceases to be a Participant for any reason other than for cause; or (iv) immediately on the date the optionee ceases to be a Participant by reason of termination for cause. Options granted to a Participant who is engaged in Investor Relations Activities (as defined by the rules of the Exchange) will expire within 30 days after the Participant ceases work in that capacity. If option rights granted to a Participant expire or terminate for any reason without having been exercised, the optioned shares may be made available for other options to be granted under the Amended Plan.

The full text of the Amended Plan is available for review at the Company's office located at Suite 720, 440 – 2<sup>nd</sup> Avenue S.W., Calgary, Alberta, T2P 5E9.

**Unless specified in the deposited form of proxy that the Common Shares represented thereby are to be voted against the resolution to approve the confirmation of the Amended Plan, the persons designated in the enclosed form of proxy intend to vote those Common Shares in favour of the ordinary resolution:**

**“BE IT RESOLVED THAT:**

- 1. the 10% rolling incentive stock option plan adopted by the Board of Directors of the Company on April 25, 2005 and amended and restated by the Board of Directors of the Company on January 15, 2009, as described in the Management Information Circular of the Company dated May 22, 2009, be and is hereby ratified and approved for the ensuing year; and**
- 2. any one director or officer of the Company be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of the Company or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing.”**

#### **Approval to Amend Exercise Price of Outstanding Stock Options**

The recent turmoil in the financial markets has resulted in a considerable decline in the trading price of the Common Shares such that the exercise price of certain outstanding incentive stock options granted pursuant to the Plan are now significantly out-of-the-money. To ensure that stock options remain an integral component of the compensation paid to the Company's management and directors, the Board is seeking disinterested Shareholder approval to approve any amendment to the exercise price of certain outstanding stock options. Application must be made to the Exchange for acceptance of amendments to the terms of outstanding stock options pursuant to Exchange Policy 4.4. Insiders of the Company cannot exercise outstanding stock options at the amended exercise price until such amendment is approved by a majority of the disinterested Shareholders. The Amended Plan also requires disinterested Shareholder approval for an amendment to the exercise price of stock options granted to insiders of the Company.

As part of the Stock Option Re-Pricing Resolution, the Board is also seeking disinterested Shareholder approval with respect to two amendments to the exercise price of certain outstanding stock options that have been approved by the

Board. On December 16, 2008, the Board passed a resolution amending the exercise price of the following stock options granted to insiders of the Company, such amendments being conditional upon receipt of the approval of disinterested Shareholders at the Meeting and approval of the Exchange:

Name and Position of Insider	# of Optioned Shares	Original Exercise Price	Revised Exercise Price <sup>(1)</sup>	Expiry Date
Donald J. Kempf, Director	125,000	\$0.25	\$0.10	September 16, 2013
Paul Gouin, Director	425,000	\$0.25	\$0.10	September 16, 2013

**Note:**

(1) The Market Price of the Common Shares on December 16, 2008 was \$0.08 per Common Share.

Shareholders are asked to consider, and if deemed appropriate, approve and pass the Stock Option Re-Pricing Resolution in the form attached as Appendix B to the Information Circular. The Stock Option Re-Pricing Resolution authorizes the Board to amend the exercise price of the outstanding stock options held by insiders of the Company and authorizes the specific amendments to the options held by Messrs. Gouin and Kempf described herein. Pursuant to the Amended Plan and the policies of the Exchange, the exercise price of incentive stock options granted under the Amended Plan cannot be less than the Market Price (as defined in TSX Venture Exchange Policy 1.1) of the Common Shares.

The Stock Option Re-Pricing Resolution contemplates that the amendment of the exercise price will be subject to approval of the Exchange and that the directors may act, defer from acting or not act upon such resolution without further approval of holders of Common Shares. The Stock Option Re-Pricing Resolution will apply only to the outstanding stock options held by insiders of the Company and not to any lapsed or expired stock options or any future grant of stock options to insiders of the Company under the Amended Plan.

Approval of the Stock Option Re-Pricing Resolution requires the affirmative vote of the majority of the votes cast in respect thereof by Shareholders represented at the Meeting, excluding votes attaching to Common Shares beneficially owned by insiders of the Company who hold stock options which are the subject matter of the amendment to the exercise price and their Associates. For the purposes of determining entitlement to vote, an "Associate" means: (a) an Issuer which the insider of the Company beneficially owns or controls, directly or indirectly, voting securities entitling him or her to more than 10% of the voting rights attached to all outstanding Common Shares; (b) any partner of the insider of the Company; (c) any trust or estate in which the insider of the Company has a substantial beneficial interest or in respect of which the insider of the Company serves as trustee or in a similar capacity; and (d) a spouse, child or any relative of an insider of the Company or of his or her spouse who has the same residence as the insider of the Company.

**The Board recommends that Shareholders vote in favour of the Stock Option Re-Pricing Resolution. Unless specified in the deposited form of proxy that the Common Shares represented thereby are to be voted against the resolution to approve the Stock Option Re-Pricing Resolution, the persons designated in the enclosed form of proxy intend to vote those Common Shares in favour of the ordinary resolution.**

## STATEMENT OF EXECUTIVE COMPENSATION

The Board exercises general responsibility regarding overall compensation of employees and executive officers of the Company. The Board is responsible for the annual review of: (i) executive compensation policies, practices and overall compensation philosophy, (ii) total compensation packages for all employees who receive aggregate annual compensation in excess of \$150,000, (iii) bonuses and grants of stock options under the Amended Plan, and (iv) major changes in benefit plans. Final approval of all compensation items rests with the full Board.

### *Compensation Philosophy and Objectives*

The objectives of the Company's executive compensation policy are to attract and retain individuals of high calibre to serve as officers of the Company, to motivate their performance in order to achieve the Company's strategic objectives and to align the interests of executive officers with the long-term interests of the Shareholders. These objectives are designed

to ensure that the Company continues to grow on an absolute basis as well as to grow cash flow and earnings per Common Share. The Company's primary compensation policy is to pay for performance and, accordingly, the performance of the Company and of the Chief Executive Officer as an individual are both examined by the Board.

The Board does not set specific performance objectives in assessing the performance of the Chief Executive Officer, rather the Board uses its experience and judgment in determining an overall compensation package for the Chief Executive Officer.

### ***Compensation***

The Company intends to pay base compensation that is competitive with that, but not above, base compensation of comparable companies in the oil and gas industry. The Board compares the base compensation of the Chief Executive Officer of the Company with that of chief executive officers at peer surveyed companies in the oil and gas industry and expects to set the Chief Executive Officer's compensation at approximately the 75<sup>th</sup> percentile level of the industry average for such position while attempting to adjust for the Company's size, at the start of the year. Factors looked at in assessing peer companies include average daily production on a BOE basis, total revenue, total assets, funds from operations, total level of capital expenditures, total operating and general and administrative expenses and number of employees. The Board reviews comparative data provided by independent third parties. The Board has also used lower base compensation for its senior management to take into account the equity positions of these individuals.

### ***Bonuses***

The Company's philosophy with respect to executive officer bonuses is to bring overall executive officer total cash compensation to a level at or above that of the average total cash compensation of peer surveyed companies during the year in question. The Board reviews the factors mentioned above relative to peer companies in order to determine whether a bonus is in fact warranted. The amount of the bonus paid is set in relation to specific criteria as outlined above and is approved by the Board.

### ***Long-Term Incentive Compensation Program***

#### **Summary Compensation Table**

The following table provides a summary of compensation earned during the fiscal year ended December 31, 2006, 2007 and 2008 by the Company's President and Chief Executive Officer (the "CEO") and Interim Chief Financial Officer (the "CFO"). Except as disclosed below, no executive officer of the Company received in excess of Cdn. \$150,000 by way of salary, bonuses or other compensation during the fiscal years ended December 31, 2008.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(3)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) <sup>(4),(5),(6)</sup>	Total compensation (\$) <sup>(7)</sup>
					Annual incentive plans	Long-term incentive plans			
Robert V. Shields (President and Chief Executive Officer) <sup>(1)</sup>	2008	Nil	Nil	Nil	Nil	Nil	Nil	177,000	177,000
	2007	Nil	Nil	94,919	Nil	Nil	Nil	170,000	264,919
	2006	Nil	Nil	Nil	Nil	Nil	Nil	160,000	160,000
John C. Loewen (Interim Chief Financial Officer) <sup>(2)</sup>	2008	Nil	Nil	9,840	Nil	Nil	Nil	Nil	9,840
	2007	Nil	Nil	80,681	Nil	Nil	Nil	Nil	80,681
	2006	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) Mr. Shields became President and Chief Executive Officer of the Company on June 28, 2004.
- (2) Mr. Loewen was appointed Interim Chief Financial Officer of the Company on November 9, 2006.
- (3) The amounts disclosed herein for the option based awards are calculated based on the fair value of the options granted during the year based on the fair value of each grant as at the grant date using the Black-Scholes model using the following assumptions on the grant date: the grant price, risk free interest rate and the volatility of the Common Shares up to the grant date. The information is disclosed in the audited consolidated financial statements of the Company as at December 31, 2008 in Note 5.
- (4) Mr. Shields is compensated for his services to the Company by way of management fees.
- (5) In 2008, the Company recognized management fees of \$700,000 owed to Mr. Shields for past services for the period from 2004 to 2008.
- (6) Other than option based awards, Mr. Shields nor Mr. Loewen receive no additional compensation for serving as directors of the Company.
- (7) Management fees payable to Mr. Shields have accrued and will be paid once the Company receives its next cash injection.

**Incentive Plan Awards**

**Outstanding share-based awards and option-based awards as of December 31, 2008**

Name and principal position	Option-based Awards			Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Robert V. Shields (President and Chief Executive Officer)	600,000	\$0.25	September 20, 2009	Nil	Nil	Nil
	550,000	\$0.25	December 12, 2010	Nil		
	500,000	\$0.25	April 19, 2012	Nil		
John C. Loewen (Interim Chief Financial Officer)	425,000	\$0.25	April 19, 2012	Nil	Nil	Nil
	250,000	\$0.10	December 3, 2013	Nil		

**Note:**

- (1) This value was determined based on the difference between the grant price and the year end market close value of the same class of shares as listed on the TSX Venture Exchange.

**Incentive plan awards – value vested or earned during the year**

Name and principal position	Option-based awards – Value vested during the year (\$) <sup>(b)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Robert V. Shields (President and Chief Executive Officer)	Nil	Nil	Nil
John C. Loewen (Interim Chief Financial Officer)	Nil	Nil	Nil

**Note:**

(1) None of these options were exercised during the year ended December 31, 2008 and at year end, the value was nil in all cases.

**Stock Option Plan**

Key to the Company’s long-term incentive compensation program is its stock option plan. The purpose of the Amended Plan is to allow the Company to grant options to directors, officers, employees, consultants, advisors and management company employees, as additional compensation, and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of such persons and those of the shareholders. In granting such options, the Board takes into account prior grants of options. Options will be exercisable over periods of up to five (5) years as determined by the Board of the Company and are required to have an exercise price no less than the market price prevailing on the date the option is granted less applicable discount, if any, permitted by the policies of the Exchange and approved by the Board. Market price means the last closing price per Common Share on the trading day immediately preceding the day on which the Company announces the grant of the option or, if the grant is not announced, on the date of grant. Pursuant to the Amended Plan, the Board may from time to time authorize the issue of options to directors, officers, employees and consultants of the Company and its subsidiaries or employees or companies providing management or consulting services to the Company or its subsidiaries. The principal features of the Amended Plan are as follows:

1. The aggregate number of Common Shares subject to options granted under the Amended Plan, from time to time, cannot exceed 10% of the Common Shares outstanding and no one optionee is permitted to hold options entitling such optionee to purchase more than 5% of the issued and outstanding Common Shares.
2. The maximum aggregate number of Common Shares under option to the benefit of one person under the Amended Plan may not exceed 5%, on an annual basis, of the total of the issued and outstanding Common Shares of the Company at the time of grant.
3. Options granted under the Amended Plan will have an exercise price which is not less than the price allowed by regulatory authorities, will be non-transferable and will be exercisable for a period not to exceed five (5) years.
4. If an optionee ceases to be a director, officer, consultant, employee, advisor or management company employee of the Company or its subsidiaries, for any reason (other than death), any option held by such optionee may be exercised within ninety (90) days after the date that such optionee ceases to be employed by the Company or ceases to act as director or officer of the Company, as the case may be, or within thirty (30) days if the optionee is engaged in investor relation activities and ceases to be employed to provide investor relation activities.
5. In the event of the death of the optionee, options granted under the Amended Plan will be exercisable, whether vested or unvested, within one year of such death by the person or persons to whom the optionee’s rights under the option shall pass by the optionee’s will or the laws of descent and distribution.

The following table sets forth information with respect to compensation plans under which equity securities are authorized for issuance as at December 31, 2008, aggregated for all compensation plans previously approved by the Shareholders and all compensation plans not previously approved by the Shareholders.

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options<sup>(1)</sup>, Warrants and Rights</b>	<b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))</b>
	(a)	(b)	(c)
Equity compensation plans approved by security holders	6,460,333	\$0.28	148,950
Equity compensation plans not approved by security holders	Nil	Nil	Nil
<b>Total</b>	<b>6,460,333</b>	<b>\$0.28</b>	<b>148,950</b>

**Note:**

- (1) The Company has in place a “rolling” option plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to the option plan will not exceed 10% of the issued shares of the Company at the time of the stock option grant. As of December 31, 2008, 5,398,950 Common Shares could be reserved for issuance pursuant to the option plan.

**Retirement Plans**

The Company has no retirement plans for its directors, officers or employees.

**Employment Contracts and Termination of Employment or Changes of Control**

There are no employment contracts or other compensation plans or arrangements with regard to any of the officers which provide for specific compensation in the event of resignation, retirement, other termination of employment or from a change of control of the Company or from a change in an officer’s responsibilities following a change of control.

**Director Compensation Table**

No compensation was paid or is payable to the directors of the Company, in their capacity as directors, for the year ended December 31, 2008, other than option based awards. Directors of the Company are not reimbursed for expenses incurred in carrying out their duties, including expenses incurred to attend directors’ meetings and meetings of committees of directors.

<b>Name<sup>(1)</sup></b>	<b>Fees earned (\$)</b>	<b>Share-based awards (\$)</b>	<b>Option-based awards (\$)<sup>(2),(3),(4)</sup></b>	<b>Non-equity incentive plan compensation (\$)</b>	<b>Pension value (\$)</b>	<b>All other compensation (\$)</b>	<b>Total (\$)</b>
Donald J. Kempf	Nil	Nil	17,373	Nil	Nil	Nil	17,373
D. Jon Axford	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Paul Gouin	Nil	Nil	59,067	Nil	Nil	Nil	59,067

**Notes:**

- (1) Disclosure for Robert V. Shields and John C. Loewen is included in the summary compensation table for named executive officers.  
 (2) The amounts disclosed herein for the option based awards are calculated based on the fair value of the options granted during the year based on the fair value of each grant as at the grant date using the Black-Scholes model using the following assumptions on each grant date: the grant price, the risk free interest rate and the volatility of the shares up to the grant date.

- (3) As at December 31, 2008, none of the options granted to directors during the year ended December 31, 2008 or during the year ended December 31, 2007 were “in the money”. These values were determined based on the difference between the grant price and the year end market close value of the same class of shares as listed on the TSX Venture Exchange.
- (4) The option based award values of Messrs. Kempf and Gouin include the effect of the modification that was conditionally approved by the Board in December, 2008, a total of \$3,670. This information is disclosed in the audited consolidated financial statements of the Company as at December 31, 2008 in Note 5.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As at the date of this Circular, other than routine indebtedness as defined under applicable securities laws, there exists no indebtedness of any of the directors or executive officers to the Company.

### **INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

None of the Company’s directors or executive officers, nor any person who beneficially owns directly or indirectly or exercises control or direction over securities carrying more than 10% of the voting rights attaching to the Common Shares, nor any known associate or affiliate of these persons had any material interest, direct or indirect in any transaction since the commencement of the Company’s last completed financial year which has materially affected the Company, or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

### **INTERESTS OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON**

Other than as disclosed in this Circular, management of the Company is not aware of any material interest of any director or nominee for director, or senior officer or any one who has held office as such since the beginning of the Company’s last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting.

### **OTHER MATTERS**

Management knows of no matters to come before the Meeting other than the matters referred to in the Notice. However, if any other matters which are not now known to management should properly be brought before the Meeting, the accompanying form of proxy confers discretionary authority upon the person named therein to vote on such matters in accordance with their best judgment.

The contents of this Circular and the sending thereof have been approved by the Board of the Company.

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

### **AUDIT COMMITTEE DISCLOSURE**

#### **Composition of the Audit Committee**

The Board has an Audit Committee. The members of the Audit Committee are Messrs. Axford, Kempf and Loewen. The Chairman of the Audit Committee is Mr. Kempf, an independent director. Messrs. Axford and Kempf are considered “independent” and Messrs. Axford, Kempf, and Loewen are “financially literate” (as such terms are defined in MI 52-110).

#### **Audit Committee Charter**

The Board has adopted a Charter for the Audit Committee which sets out the Committee’s mandate, organization, powers and responsibilities, which is attached hereto as Schedule “A”.

## **Relevant Education and Experience**

The education and experience of each of the present Audit Committee members as well as those as at the most recently completed financial year that is relevant to the performance of his responsibilities as an audit committee member is as follows:

### *D. Jon Axford*

Mr. Axford is a director of the Company. An oil and gas landman with over 25 years of industry experience, Mr. Axford's chief responsibilities are to source and negotiate all aspects of oil and gas contracts. Mr. Jon Axford has an undergraduate degree in mathematics.

### *Donald J. Kempf*

Mr. Kempf is a director of the Company. Mr. Kempf has 43 years of experience in all land related aspects of the petroleum industry in both the domestic and international areas. After having spent 15 years at Pacific Petroleum Ltd. and a small portion of that time at Petro-Canada where he attained the position of Land Manager, he went on to Ocelot Energy Inc. Mr. Kempf stayed at Ocelot Energy Inc. for a period of 20 years in his capacity of Senior Manager - Land and Evaluations. With this company Mr. Kempf was involved in negotiations in Cameroon and the negotiation and signing of an Exploration and Production Contract as well as an Exploitation and Production Contract in Gabon. On the domestic front he was involved in all divestitures amounting to \$C 1.3 billion. For the past 5 years Mr. Kempf has worked at EnCana Company as Group Lead, Land, being responsible for all land related matters relative to the offshore area of Atlantic Canada and most recently the Northwest Territories as well.

### *John C. Loewen*

John Loewen is the Interim Chief Financial Officer of the Company as well as a member of the Board. Mr. Loewen is the CEO of Loewen & Partners and has 19 years of international experience in finance and building companies. From 1987 to 1996 he was a partner of the stock broking firm Ivor Jones, Roy & Co. in Johannesburg, South Africa, where he was a No.1 ranked research analyst. In 1996, the partners of Ivor Jones, Roy sold their business to Deutsche Bank and Mr. Loewen became a Director of Deutsche Bank Securities. During 1997 to 1999, Mr. Loewen worked primarily on investment banking transactions, executing deals over ZAR 1 billion in value. In 1999, he was transferred to Deutsche Bank's Toronto office, as head of Equities Sales and Trading, however, by 2000 Deutsche closed its Canadian equities operation. Mr. Loewen next worked with Accel Partners, Kohlberg Kravis Roberts & Co, and several international mining houses, to establish Global HubCo B.V. in London, England to develop global e-marketplaces for trading of commodities. In 2002, Mr. Loewen established Loewen & Partners, an investment banking firm that specializes in assisting private companies access institutional growth capital.

### *Mark F. Haughey*

Mr. Haughey resigned as a director of the Company in September, 2008. Mr. Haughey has been a self-employed oil and gas consultant since 1997. Prior to 1997, Mr. Haughey was Vice President of The Predator Corporation Ltd., a private oil and gas company that generated low risk development oil and gas prospects in Western Canada and entered into joint ventures with other oil and gas companies to drill wells. Mr. Haughey has a BSc in Geological Engineering.

## **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Company's Board.

## **Pre-Approval Policies and Procedures**

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

### Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, it has not relied on the exemption in section 2.4 (*De Minimus Non-Audit Services*) or an exemption granted under Part 8 (*Exemptions*) from MI 52-110. The Company is a "venture issuer" as defined in MI 52-110 and is relying on the exemption contained in section 6.1 of MI 52-110, which exempts it from the requirements of Part 3 (*Composition of Audit Committee*) and Part 5 (*Reporting Obligations*) of MI 52-110.

### External Auditor Service Fees

The fees paid to the Company's external auditor in each of the last two fiscal years are as follows:

Financial Year Ending	Audit Fees <sup>(1)</sup>	Audit-Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees
December 31, 2008	\$35,052	\$Nil	\$Nil	\$Nil
December 31, 2007	\$58,716	\$Nil	\$Nil	\$Nil

#### Notes:

- (1) The aggregate fees billed by the Company's auditor for audit fees.
- (2) The aggregate fees billed for assurance and related services by the Company's auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the "Audit fees" column.
- (3) The aggregate fees billed for professional services rendered by the Company's auditor for tax compliance, tax advice, and tax planning.

## CORPORATE GOVERNANCE DISCLOSURE

Effective June 30, 2005, National Instrument 58-101 – Disclosure of Corporate Governance Practices ("NI 58-101") and National Policy 58-201 – Corporate Governance Guidelines ("NP 58-201") were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. The Company is also subject to Multilateral Instrument 52-110 – Audit Committees ("MI 52-110"), which has been adopted in various Canadian provinces and territories and which prescribes certain requirements in relation to audit committees.

The Board is responsible for the governance of the Company. The Board and the Company's management consider good corporate governance to be central to the effective and efficient operation of the Company. Below is a discussion of the Company's approach to corporate governance.

### Board of Directors

The Board is responsible for overseeing the management of the Company. As at the date of this Circular, the Board is comprised of five members. The Board has determined that three of the five directors are independent directors pursuant to MI 52-110.

The following directors are independent in that they do not have a direct or indirect material relationship with the Company or a relationship which could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a Board member's independent judgment:

D. Jon Axford  
Paul Gouin  
Donald J. Kempf

The following directors are not independent:

John C. Loewen  
Robert V. Shields

Mr. Shields is not independent by virtue of being the President and Chief Executive Officer of the Company. Mr. Loewen is not independent by virtue of being the Interim Chief Financial Officer of the Company.

To provide leadership for its independent directors, the Board ensures that the independent directors have access to management of the Company. Further, at the Company's expense, the Board or any committee of the Board may retain, when it considers it necessary or desirable, outside consultants or advisors to advise the Board or any committee of the Board independently on any matter. The Board and any committee of the Board have the sole authority to retain and terminate any such consultants or advisors, including sole authority to review a consultant's or advisor's fees and other retention terms.

The following director of the Company is also currently a director of other reporting issuers:

<b>Name of Director</b>	<b>Name of Other Reporting Issuer</b>	<b>Position with Other Reporting Issuer</b>
<b>John C. Loewen</b>	Peat Resources Limited United Reef Limited	Director Director

The Board exercises its independent supervision over the Company's management through a combination of formal meetings of the Board as well as informal discussions amongst the Board members. The independent directors also hold scheduled meetings at which non-independent directors and members of management are not in attendance. At every meeting relating to the review of quarterly or annual financial statements, an *in camera* meeting of the independent directors is held (without management present). Where matters arise at Board meetings which require decision making and evaluation that is independent of management and interested directors, the meeting breaks into an *in camera* session among the independent and disinterested directors.

The Chairman of the Board is Mr. Shields. The role of the Chairman of the Board is to enhance the Board's effectiveness by ensuring that the responsibilities of the Board are understood by the Board members and management and ensuring the Board has adequate resources to support its decision-making requirements. The Chairman ensures there is a process in place for monitoring legislation and best practices and to assess the effectiveness of the Board, the Board committees and individual directors on a regular basis. The Chairman also prepares agendas for Board meetings, consults with the Board on the effectiveness of Board committees, ensures that the independent directors have adequate opportunities to meet to discuss issues without management present, chairs Board meetings and communicates to other members of management as appropriate the results of private discussions among independent directors. The Chairman presides at meetings of the Board, provides leadership to the Board, assists the Board in reviewing and monitoring the strategy, goals, objectives and policies of the Company and conducts quarterly meetings where the Board meets to review and discuss operational and financial information presented to the Board by management.

During the Company's most recently completed fiscal year ended December 31, 2008, the Board held 4 formal Board meetings. Set out below is information relating to the attendance of the directors of the Company at Board and Committee meetings.

**Summary of Board and Audit Committee Meetings Held**  
For the fiscal year ended December 31, 2008

Board	4
Audit Committee	1
Total Number of Meetings Held	5

**Summary of Attendance of Directors**  
For the fiscal year ended December 31, 2008

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<b>Director</b>	<b>Board Meetings Attended</b>	<b>Audit Committee Meetings Attended</b>
Robert V. Shields	4 of 4	1 of 1
John C. Loewen	4 of 4	1 of 1
Mark F. Haughey <sup>(1)</sup>	1 of 4	1 of 1
Donald J. Kempf	4 of 4	1 of 1
D. Jon Axford	4 of 4	1 of 1
Paul Gouin	3 of 4	0 of 1

**Note:**

(1) Mr. Haughey resigned from the Board in September, 2008.

**Board Mandate**

The Board is responsible for the overall stewardship of the Company and dealing with issues which are pivotal to determining the Company's strategy and direction. The Board has directly, and through the appointment of certain committees, put in place an effective system for monitoring the implementation of corporate strategies. The Board is not involved in the day to day operations of the Company, as these operations are conducted by the Company's management. The Board meets as required to consider and approve the strategic objectives of the Company and management plans designed to accomplish those objectives. Where appropriate, key management personnel and professional advisors are invited to attend Board meetings to speak to these issues. The Board also meets as necessary to consider specific developments and opportunities as they arise, including asset acquisitions and dispositions and financing proposals. The Board approves, among other things, all issuances of securities of the Company, the appointment of officers, the entering into of lines of credit or other significant borrowing activities and all significant transactions. The Board considers, but has no formal policies, concerning management development and succession, risk management and communications.

Essential to strategic planning is assessing and understanding business risks and related control systems. The Board helps set limits with respect to business risks, to the extent they can be managed, and approves strategies for minimizing risks. Implementation of these strategies is then monitored by the Board. The Board, through the Audit Committee, requires management of the Company to put into place systems to address financial risks and to periodically report to the Board on these systems and risks.

Management has implemented procedures to provide reasonable assurance of effective communication with the Shareholders and the public. The Company's management is responsible for the issuance of press releases and communications with the financial community. The Board reviews and approves all principal continuous disclosure documents, the release of interim and annual financial statements, the annual information form, prospectuses and information circulars.

The Board as a whole is responsible for carrying out its responsibilities by monitoring the governance systems of the Company with a view to ongoing improvements, reviewing the composition of the Board and developing criteria for new Board appointments. The Board as a whole also acts as a nominating committee for new directors, oversees and approves the Company's compensation plans and evaluates the overall Board effectiveness.

The Board is responsible for assessing the effectiveness and the contribution of the individual directors and committees of the Company. This is accomplished through ongoing communication between management and the directors and taking into consideration the skills and expertise the individual directors bring to the Board. To date, both management and the

directors are in agreement that the individuals involved are performing at a high level of expertise and that the group is functioning as required and meeting expectations and challenges as they are assessed.

### **Committees of the Board**

The Board does not have an executive committee, but has an Audit Committee and a Reserves Committee.

### **Position Descriptions**

The Chairman of the Board presides at meetings of the Board and the shareholders of the Company, provides leadership to the Board and assists the Board in reviewing and monitoring the strategy, goals, objectives and policies of the Company, schedules meetings of the Board and organizes and presents agendas for regular or special Board meetings and communicates with the Board to keep it current on all material developments. The Chair of each committee of the Board schedules meetings of the committee and organizes and presents agendas for such meetings.

The Board, in conjunction with management, sets the Company annual objectives which become the objectives against which the Chief Executive Officer's performance is measured. The Board has plenary power, any responsibility which is not delegated to management or a Board committee remains with the Board.

### **Orientation and Continuing Education**

The Company does not currently have any formal orientation and education programs for new directors of the Company. Each director has the responsibility to ensure that he maintains the skill and knowledge to meet his obligations as a director. Board members are encouraged to communicate with management of the Company, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, to attend related industry seminars and conventions and to visit the Company's operations. Board members have full access to the Company's records. As an ongoing process, the Board considers management development which includes training and monitoring management performance.

### **Ethical Business Conduct**

Any director with a conflict of interest or who is capable of being perceived as being in conflict of interest with respect to the Company must abstain from discussion and voting by the Board or any committee of the Board on any motion to recommend or approve the relevant agreement or transaction.

The Board itself must comply with conflict of interest provisions of the *Business Corporations Act* (Alberta), as well as the relevant agreement regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

### **Nomination of Directors**

The Board has the responsibility for selecting nominations for election to the Board. The Board will periodically review general and specific criteria to consider when directors are being appointed to the Board. The objective of this review will be to recommend that appointments be made to provide the best mix of skills and experience to guide the long-term strategy and ongoing business operations of the Company. The review will take into account the desirability of maintaining a balance of skills, experience and background, along with the key common characteristics required for effective Board participation.

The Company provides long term incentive compensation to its executive officers through its stock option plan. The Board as a whole recommends the granting of stock options from time to time based on its assessment of the appropriateness of doing so in light of the long term strategic objectives of the Company, its current stage of development, the need to retain or attract particular key personnel, the number of stock options already outstanding and overall market conditions. The Board views the granting of stock options as a means of promoting the success of the Company and higher returns to its Shareholders.

## **Other Board Committees**

The Board has a Reserves Committee.

### ***Reserves Committee***

The Reserves Committee is currently composed of two directors, Messrs. Axford, and Mr. Shields, one of whom is an independent director. Mr. Shields is the Chairman of the Reserves Committee. The Reserves Committee has the responsibility of meeting with the independent engineering firms commissioned to conduct the reserves evaluation on the Company's oil and natural gas assets and to discuss the results of such evaluation with each of the independent engineers and management. Specifically, the Reserves Committee's responsibilities include, but are not limited to: (i) reviewing management's recommendations for the appointment of independent engineers; (ii) reviewing the independent engineering reports and considering the principal assumptions upon which such reports are based; (iii) appraising the expertise of the independent engineering firms retained to evaluate the Company's reserves; (iv) reviewing the scope and methodology of the independent engineers' evaluations; (v) reviewing any problems experienced by the independent engineers in preparing the reserve evaluation (including any restrictions imposed by management or significant issues on which there was a disagreement with management); and (vi) reviewing reserve additions and revisions which occur from one report to the next. The Reserves Committee meets at least once annually or otherwise as circumstances warrant.

### **Assessments**

The Board is responsible to assess, on an ongoing basis, its overall performance and that of its committees. The objective of this review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. The review will identify any areas where the directors of the Company or management believe that the Board could make a better collective contribution to overseeing the affairs of the Company. The Board is also responsible for regularly assessing the effectiveness and contribution of each director, having regard to the competencies and skills each director is expected to bring to the Board.

## **ADDITIONAL INFORMATION**

Financial information of the Company is provided in the Company's financial statements and management's discussion and analysis for its most recently completed financial year. A copy of these documents may be obtained by contacting Robert V. Shields at Marauder Resources East Coast Inc. at Suite 720, 440 – 2<sup>nd</sup> Street SW, Calgary, Alberta, T2P 5E9 (Telephone: (403) 262-3907 or Fax: (403) 269-4232) or may be accessed through the Company's website at [www.maraudernrg.ca](http://www.maraudernrg.ca).

Copies of these documents as well as additional information relating to the Company contained in documents filed by the Company with the Canadian securities regulatory authorities may also be accessed through the SEDAR website at [www.sedar.com](http://www.sedar.com).

## SCHEDULE A – AUDIT COMMITTEE CHARTER

### 1. Audit Committee Charter

#### Composition of the Committee

1. The Audit Committee will be comprised of three directors as determined by the Board of Directors of Marauder Resources East Coast Inc. (the “Company”).
2. All Audit Committee members must have a fundamental understanding of financial statements, including the Company’s balance sheet, income statement, and statement of cash flows.
3. At least one member of the Audit Committee shall have past employment experience in finance or accounting, a professional designation in accounting or any other comparable experience or background which results in the individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.
4. Each director appointed to the Audit Committee by the Board of Directors of the Company (the “Board”) shall be an “outside director”, i.e. a director who is not an officer or employee of the Company.
5. The Board shall appoint the members of the Audit Committee at the first meeting of the Board following each annual meeting of the shareholders of the Company (an “Annual Meeting”).
6. The Board shall appoint one member of the Audit Committee to be the Chair of the Audit Committee.
7. A director appointed by the Board to the Audit Committee shall be a member of the Audit Committee until the next Annual Meeting or until his or her earlier resignation or removal by the Board. A member shall cease to be a member of the Audit Committee upon ceasing to be a director of the Company.
8. The Board may remove or replace any member of the Audit Committee at any time.
9. The Audit Committee shall appoint a Secretary of the Audit Committee.

#### Meetings of the Committee

1. The Audit Committee shall convene at such times and places designated by the Chair of the Audit Committee on a quarterly basis and whenever else a meeting is requested by the Board, a member of the Audit Committee, the external independent auditors (the “External Auditors”), or a senior officer of the Company.
2. Notice of each meeting of the Audit Committee shall be given to each member of the Audit Committee and to the External Auditors, who shall be entitled to attend each meeting of the Audit Committee and shall attend whenever requested to do so by a member of the Audit Committee.
3. Notice of a meeting of the Audit Committee shall:
  - (a) be in writing or by e-mail;
  - (b) state the nature of the business to be transacted at the meeting in reasonable detail;
  - (c) be accompanied by copies of documentation to be considered at the meeting; and

- (d) be given at least 72 hours preceding the time stipulated for the meeting, unless such requirement is waived by all of the Audit Committee members.
- 4. A quorum for the transaction of business at a meeting of the Audit Committee shall consist of a majority of the members of the Audit Committee.
- 5. A member or members of the Audit Committee may participate in a meeting of the Audit Committee by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other, and a member participating in such a meeting by any such means is deemed to be present at that meeting.
- 6. In the absence of the Chair of the Audit Committee, the members of the Audit Committee shall choose one of the members present to be Chair of the meeting and, in the absence of the Secretary of the Audit Committee, the members shall choose one of the persons present to be the Secretary of the meeting.
- 7. With the consent of a member of the Audit Committee, senior management of the Company and other parties may attend meetings of the Audit Committee.
- 8. The Audit Committee shall meet separately with the External Auditors and management at least annually and at such other times as deemed appropriate by the Audit Committee or requested by the auditors or management.
- 9. Minutes shall be kept of all meetings of the Audit Committee and shall be signed by the Chair and the Secretary of the meeting.

### **Mandate of the Committee**

#### *General Duties*

- 10. The primary duty of the Audit Committee is to assist the Board in the proper discharge of its statutory responsibilities in regard to the review, approval and issuance of the Company's financial statements.
- 11. The Board of Directors may authorize the Committee to investigate any activity of the Company.
- 12. The Audit Committee will review and approve on behalf of the Board the quarterly financial statements of the Company.
- 13. The Audit Committee will review and recommend for approval by the Board the annual financial statements of the Company.
- 14. The Audit Committee shall also assist the Board in communicating with the External Auditors, establishing the scope of the external audit, overseeing risk management programs; and in reviewing the effectiveness and integrity of management information systems, reporting systems and internal controls of the Company.
- 15. The Audit Committee shall establish procedures for receipt, retention and appropriate treatment of complaints against the Company regarding accounting, internal accounting controls, or auditing matters and for confidentiality addressing anonymous submissions by employees concerning questionable accounting or auditing matters.
- 16. In the performance of any of its duties and responsibilities, the Audit Committee shall have the right to:
  - (a) inspect any and all of the books and records of the Company, its subsidiaries and affiliates; and

- (b) discuss with any officer or with the External Auditors, such accounts, records and other matters as any member of the Audit Committee considers necessary and appropriate.

- 17. The Audit Committee shall report the results of reviews undertaken and any associated recommendations to the Board in the manner so agreed with or as directed by the Board.

#### *Audits and Financial Reporting*

Annual financial statements, before being approved by the Board, must be reviewed and recommended for approval by the Audit Committee in order to (i) obtain enough information from the Company's External Auditors and management to ensure effective discussion of the statements at Board meetings, (ii) determine that the External Auditor is satisfied with the quality, and not just acceptability, of the Company's accounting principles as applied in their financial reporting, and (iii) determine that the External Auditor is satisfied with the financial statement content and disclosure. The same review process shall take place for quarterly financial statements before they are approved by the Audit Committee on behalf of the Board. Therefore in conducting this review, the Audit Committee shall:

1. review the annual external audit plan for the Company with the External Auditors and with management;
2. review with management and, as deemed necessary, review with the External Auditors, any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
3. review with management and with the External Auditors, significant financial reporting issues arising during the fiscal period and the methods of resolution;
4. review any problems experienced by the External Auditors in performing an audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
5. review audited annual financial statements, in conjunction with the report of the External Auditors, and obtain an explanation from management of all significant variances between comparative reporting periods;
6. review the post-audit or management letter containing the recommendations of the External Auditors and management's response, if any, including an evaluation of the adequacy and effectiveness of the internal financial controls of the Company and subsequent follow-up to any identified weaknesses;
7. discuss interim unaudited financial statements with the External Auditors and management including any significant activities, any unresolved issues, suggestions for improvements, new accounting pronouncements likely to affect the financial statements, peer group comparisons;
8. review the evaluation of internal controls by the External Auditor with management;
9. enquire as to whether management has designed and implemented an effective system of internal controls over financial reporting through the request and review of management reports or other such means as the Audit Committee deems necessary;
10. direct that the work of the External Auditors provides an appropriate level of audit coverage and is effectively coordinated;
11. enquire into and determine the appropriate resolution of conflicts of interest in respect of audit or finance matters between or among any officer, director, shareholder, or the External Auditors of the Company, which are directed to the Audit Committee by the Chairman of the Board, the Board, a shareholder, the External Auditors, management, or other employees; and

12. enquire into and examine any of the financial affairs of the Company, its subsidiaries or affiliates, and, if deemed appropriate, make recommendations to the Board, to the External Auditors, or to management.

#### *The External Auditors*

The External Auditors shall report directly to the Audit Committee. Audit Committee practices intended to preserve the independence of the External Auditors shall include the following:

1. discussing with the External Auditors their accountability to the Board and the Audit Committee, as representatives of the shareholders to whom the auditor should be ultimately responsible;
2. reviewing the recommendations of management in respect of the appointment of the External Auditors and recommending to the Board the External Auditors to be put forward for shareholder approval at the Annual Meeting;
3. receiving assurance that the External Auditors participate in oversight programs established by the Canadian Public Accountability Board (the "CPAB") and are participants in good standing with the CPAB;
4. reviewing and approving the terms of the External Auditor's engagement, including the appropriateness and reasonableness of the proposed audit fees;
5. receiving a formal written document from the External Auditors detailing all relationships existing between the External Auditor and the Company, and pre-approving engagements for non-audit services to be provided by the External Auditors' firm or its affiliates, together with estimated fees, and considering the potential impact of such services on the independence of the External Auditors. The Chair is delegated authority to independently pre-approve non-audit engagements and related fees up to CDN\$25,000.00, for the Company, and shall report all such engagements to the Committee at its next regular meeting;
6. reviewing and approving the Company's decisions regarding hiring employees and former employees of the present and former External Auditors;
7. when there is to be a change of External Auditors, reviewing all issues and providing documentation related to the change; and
8. reviewing all matters raised by the External Auditors or others with respect to the External Auditors, including disagreements, unresolved issues and consultations on a routine basis, whether or not there is to be a change of External Auditors.

#### *Corporate Risk Management*

On an annual basis, presentations shall be made to the Audit Committee by senior management on behalf of the Company addressing the following topics:

1. Significant business risks and the processes in place to manage and monitor those risks.
2. Insurable risks and the corporate insurance program, including confirmation of all material uninsured risks.
3. The Audit Committee will review and recommend for approval by the Board of Directors, the corporate insurance program.

These presentations allow for Audit Committee oversight of key corporate financial risks in order to:

1. enquire as to the appropriateness of the policies and processes that exist within the Company and monitor the principal financial risks that could impact the financial reporting of the Company;
2. review with management the financial risks that are acceptable to the Company and to evaluate the systems, processes and controls that are in place to manage these risks;
3. provide updates to the Board in support of the Board's overall responsibility to the Company with respect to the oversight of corporate risk management.

*Review and Assessment of Audit Committee Mandate*

To assist in maintaining leading practices in discharging its mandate, the Audit Committee shall review and reassess its Charter at least annually and shall obtain approval of the Charter from the Board of Directors when changes are proposed.

**SCHEDULE B – STOCK OPTION RE-PRICING RESOLUTION**

BE IT RESOLVED THAT:

1. Subject to the approval of the TSX Venture Exchange, the directors of Marauder Resources East Coast Inc. (the “**Company**”) be and are hereby authorized to amend the exercise price of outstanding stock options granted to insiders of the Company pursuant to the Company’s incentive stock option plan, provided the amended exercise price shall not be less than the Market Price (as defined in TSX Venture Exchange Policy 1.1) of the Common Shares on the date of the amendment.
2. Subject to the approval of the TSX Venture Exchange, the amendment of the exercise price of the outstanding options held by each of Messrs. Gouin and Kempf, as approved by a resolution of the Board on December 16, 2008, and as further described in the Information Circular of the Company dated May 22, 2009, are hereby approved, ratified and confirmed.
3. The directors of the Company may act upon this resolution, defer or delay any action contemplated in this resolution or revoke this resolution before it is acted upon without further approval of the shareholders of the Company.
4. Any one of the officers or directors of the Company be and is hereby authorized for and on behalf of the Company (whether under its corporate seal or otherwise) to execute and deliver all documents and instruments and to take all such other actions as such officer or director may deem necessary or desirable to implement this resolution and the matters authorized hereby, such determinations to be conclusively evidenced by the execution and delivery of such documents and other instruments or the taking of any such actions.