



QUESTOR TECHNOLOGY INC.

Notice of Meeting

and

Management Information Circular

for the

ANNUAL GENERAL MEETING OF SHAREHOLDERS

to be held on June 9, 2009

Dated April 28, 2009

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QUESTOR TECHNOLOGY INC.

April 28, 2009

Dear Shareholder:

Please accept this as my personal invitation for you to attend the Annual General Meeting of the shareholders of Questor Technology Inc. (the "**Corporation**") to be held on Tuesday, June 9, 2009 at 3:00 p.m. (local time) in the Cardium Room of the Calgary Petroleum Club, located at 319 – 5th Avenue S.W., Calgary, Alberta.

The Notice of Meeting and Management Information Circular attached to this letter provide details as to the formal business items to be considered at the meeting, as well as information on the Corporation's executive compensation and approach to governance. In addition to the formal business items, I will be presenting an overview of the Corporation's results for the financial year ended December 31, 2008 and for the three months ended March 31, 2009 and discussing the Corporation's strategy for the future. The meeting is also an opportunity for you to meet the Board of Directors and the senior management of Questor Technology Inc.

If you are unable to attend the meeting in person, I encourage you to complete the enclosed form of proxy or, if applicable, voting instruction form and return it within the time frames indicated, so that your vote is counted at the meeting. Materials presented at the meeting will be available on the Corporation's website at www.questortech.com following the meeting.

Information concerning the Corporation's financial and operational performance for the financial year ended December 31, 2008 is presented in the 2008 Annual Report. Further information is available on the Corporation's website at www.questortech.com.

I appreciate your continued support of Questor Technology Inc., and look forward to seeing you at the meeting.

Yours truly,

QUESTOR TECHNOLOGY INC.

(signed) "Audrey Mascarenhas"

Audrey Mascarenhas
President and Chief Executive Officer



QUESTOR TECHNOLOGY INC.

NOTICE OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 9, 2009

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "**Meeting**") of the shareholders (the "**Shareholders**") of Questor Technology Inc. (the "**Corporation**") will be held on Tuesday, June 9, 2009 at 3:00 p.m. (local time) in the Cardium Room of the Calgary Petroleum Club, located at 319 - 5th Avenue S.W., Calgary, Alberta for the purposes of:

1. receiving the audited financial statements of the Corporation for the year ended December 31, 2008 and the auditors' report thereon;
2. fixing the number of members of the Board of Directors to be elected at the Meeting at six;
3. electing the Board of Directors of the Corporation for the ensuing year;
4. appointing Deloitte & Touche LLP as the auditors of the Corporation and authorizing the directors of the Corporation to fix Deloitte & Touche LLP's remuneration in that capacity; and
5. transacting such other matters as may properly be brought before the Meeting or any adjournment(s) thereof.

Information relating to the matters to be brought before the Meeting is set forth in the Management Information Circular which accompanies this notice and which is expressly made a part of this notice.

Only shareholders of record at the close of business on April 21, 2009 (the "**Record Date**") will receive notice of, and be entitled to attend and vote at, the Meeting.

Shareholders who cannot attend the Meeting in person are requested to complete and sign the enclosed form of proxy and to deliver it by regular mail to Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 for the attention of Proxy Department or to fax it to Computershare Trust Company of Canada at 1-866-249-7775. In order to be valid and acted upon at the Meeting, the form of proxy must be received no later than 3:00 p.m. (Calgary time) on the second business day before the date of the Meeting, or any adjournment(s) thereof, or may be, at the discretion of the Chairman, deposited with the Chairman of the Meeting prior to its commencement.

DATED at Calgary, Alberta, this 28th day of April, 2009.

**BY THE ORDER OF THE BOARD OF DIRECTORS
OF QUESTOR TECHNOLOGY INC.**

(signed) "Audrey Mascarenhas"

Audrey Mascarenhas
President and Chief Executive Officer

MANAGEMENT INFORMATION CIRCULAR

This Management Information Circular ("**Information Circular**") is furnished to shareholders in connection with the solicitation of proxies by and on behalf of the management of Questor Technology Inc. ("**Questor**" or the "**Corporation**") for use at the Annual General Meeting (the "**Meeting**") of the shareholders of the Corporation to be held in Calgary, Alberta on Tuesday, June 9, 2009 at 3:00 p.m. (local time), or any adjournment thereof, for the purposes set out in the Notice of Annual General Meeting of Shareholders (the "**Notice of Meeting**").

VOTING INFORMATION

Who is soliciting my proxy?

The management of the Corporation is soliciting your proxy for use at the Meeting. In connection with this solicitation, the management of the Corporation is providing you with this Information Circular.

How are proxies solicited?

The solicitation of proxies will be primarily by mail. However, certain employees of the Corporation may also solicit proxies by telephone or in person. The cost of solicitation will be borne by the Corporation.

What will I be voting on?

Shareholders will be voting on:

- Fixing the number of members of the Board of Directors to be elected at the Meeting at six;
- Election of directors; and
- Appointment of Deloitte & Touche LLP as auditors.

How will these matters be decided at the Meeting?

A majority of the votes cast, by proxy and in person, will constitute approval of matters at the Meeting. For a special resolution, 66 2/3% of the votes cast will constitute approval.

How many votes do I have?

You will have one vote for each common share you held at the close of business on April 21, 2009, the record date for the Meeting.

To vote common shares you acquired after the record date, you must, no later than 10 days before the Meeting:

- request that your name be added to the voters' list; and
- produce properly endorsed share certificates or otherwise establish that you own the common shares.

How many shares are entitled to vote?

The Corporation has an authorized capital consisting of an unlimited number of common shares without nominal or par value of which 24,007,370 common shares issued and outstanding as of the close of business on the Information Circular date.

The by-laws of the Corporation provide that a quorum for the transaction of business at any meeting of shareholders shall be at least two persons holding or representing at least 5% of the common shares entitled to vote at the Meeting.

Are there any principal shareholders?

To the best of the knowledge of the directors and officers of the Corporation, as of April 28, 2009, the following are the only shareholders owning, directly or indirectly, or exercising control or direction over common shares of the Corporation, which carry 10 percent or more of the voting rights attached to all common shares of the Corporation:

Name of Shareholder	Number of Common Shares Beneficially Owned, Controlled or Directed	Percentage of Outstanding Common Shares
Audrey Mascarenhas ⁽¹⁾	3,317,500	14%
Daniel Motyka	2,342,301	10%

⁽¹⁾ Ms. Mascarenhas, President and Chief Executive Officer and a director of the Corporation, is the President and a Director of Flare Energy Ltd., a family-owned business, which also owns common shares of the Corporation and such amount is included in the above total.

How do I vote?

If you are eligible to vote and your common shares are registered in your name, you may vote your common shares in person at the Meeting, or by proxy, as outlined below.

If your common shares are held in the name of a nominee, please read the instructions below under the heading "How can a non-registered shareholder or beneficial shareholder vote?" and "How can a non-registered shareholder vote in person at the Meeting?"

How do I vote in advance by proxy?

Your vote is important. Whether or not you attend the Meeting, you may appoint someone else to vote for you as your proxyholder. You may use the enclosed form of proxy, or any other acceptable form of proxy, to appoint your proxyholder. The persons named in the enclosed form of proxy, Gerald DeSorcy and Alvin Schreiner, are directors of the Corporation. **However, you may choose another person to act on your behalf at the Meeting.** The person of your choice need not be a shareholder. You may do so by inserting that person's name in the blank space provided on the enclosed form of proxy or by completing another acceptable form of proxy. To ensure being counted, the completed proxy forms must be deposited with Computershare Trust Company of Canada at the address indicated on the proxy form by 3 p.m. (Calgary time) on Friday, June 5, 2009.

How will my proxy be voted?

On your form of proxy, you may indicate how you wish your proxyholder to vote your common shares. Common shares represented by properly executed forms of proxy in favour of the Corporation's officers, named on the enclosed form of proxy, will be voted or withheld from voting on any ballot that may be called for and, where you have specified a choice with respect to any matter to be acted upon, your common shares will be voted in accordance with the choice you have made.

If you have not specified a choice, your common shares will be voted FOR the fixing of the number of members of the Board of Directors to be elected at the Meeting at six, FOR the election of the proposed nominees as directors and FOR the appointment of Deloitte & Touche LLP as auditors.

Proxy voting options

Registered shareholders may wish to vote by proxy whether or not they are able to attend the meeting in person. Registered shareholders must, (i) complete, date, sign and return by regular mail the accompanying form of proxy in the envelope enclosed, or any other acceptable form of proxy, to the Corporation's transfer agent, Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 for the attention of Proxy Department; or (ii) return the form of proxy by fax to Computershare Trust Company of Canada at 1-866-249-7775. Such votes must be received by the Corporation's transfer agent no later than 3:00 p.m. (Calgary time) on the second business day before the date of the Meeting, or any adjournment(s) thereof, or may be, at the discretion of the Chairman, deposited with the Chairman of the Meeting prior to its commencement.

Non-registered shareholders (e.g. those whose common shares are held through a "nominee", usually banks, trust companies, securities brokers or other financial institutions) will be provided with voting instructions by the nominee. Please see further instructions under the heading "How can a non-registered or beneficial shareholder vote?"

What if there are amendments or if other matters are brought before the Meeting?

The enclosed form of proxy gives the persons named on it authority to use their discretion in voting on amendments or variations to matters identified in the Notice of Meeting.

As of the time of printing of this Information Circular, management is not aware of any other matter to be presented for action at the Meeting. If, however, other matters properly come before the Meeting, the persons named on the enclosed form of proxy will vote on them in accordance with their judgement, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

What if I change my mind and want to revoke my proxy?

You may revoke your proxy at any time before it is acted upon. You may do this by stating clearly, in writing, that you wish to revoke your proxy and by delivering this signed written statement to the Corporation's Secretary at Questor Technology Inc., Suite 420, 1414 – 8th Street SW, Calgary, Alberta T2R 1J6, not later than 3:00 p.m. (Calgary time) on the second business day before the date of the Meeting, or any adjournment thereof, or to the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof. You may also revoke your proxy by delivering to the Corporation's transfer agent, Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 for the attention of Proxy Department, a properly executed proxy of later date, or in any other manner permitted by law.

Who counts the votes?

Proxies will be counted and tabulated by the Corporation's transfer agent, namely Computershare Trust Company of Canada.

Is my vote confidential?

The Corporation's transfer agent maintains the confidentiality of individual shareholder votes. However, proxies will be submitted to management where they contain comments clearly intended for management, in the event of a proxy contest or to meet legal requirements.

How can a non-registered or beneficial shareholder vote?

If you do not hold your common shares in your name, you are a Beneficial Shareholder. Only proxies for shareholders of record or registered shareholders can be recognized and voted upon at the Meeting. If common shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those shares will not be registered in the shareholder's 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. In Canada, most of such shares are registered under the name of CDS & Co. (the nominee of The Canadian Depository for Securities Limited, which acts as depository for many Canadian brokerage firms). Common 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 for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person.**

Intermediaries and brokers are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary and broker has its own mailing procedures and provides its own return instructions to clients, which should be followed carefully 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 (or the agent of the broker) is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder (broker or agent of the broker) as to the manner in which to vote on behalf of the Beneficial Shareholder. The majority of brokers delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Solutions, Inc. ("**Broadridge**"). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Shareholders' meeting. **A Beneficial Shareholder receiving a proxy with a Broadridge sticker on it cannot use such proxy to vote his or her shares directly at the Meeting. The proxy must be returned to Broadridge well in advance of the Meeting in order to have the shares voted at the Meeting.**

All references to shareholders in this Information Circular and the accompanying form of proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be shown upon request to registered shareholders who produce proof of their identity.

How can a non-registered shareholder vote in person at the Meeting?

Since the Corporation's Transfer Agent does not have a record of the names of the Corporation's non-registered shareholders, it will have no knowledge of your entitlement to vote, unless your nominee has appointed you as proxyholder. Therefore, if you are a non-registered shareholder and wish to vote in person at the Meeting, please insert your own name in the space provided on the form of proxy or follow the corresponding directions on the voting instruction form sent to you by your nominee. By doing so, you are instructing your nominee to appoint you as proxyholder. It is not necessary to otherwise complete the form of proxy on voting instruction, as you will be voting at the Meeting. **In either case, you should carefully follow the instructions of your intermediary and its service company and ensure that instructions respecting the voting of your shares is communicated to the appropriate person.**

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the directors of the Corporation, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting. **IN THE ABSENCE OF INSTRUCTIONS MADE ON A PROXY, IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE FOR THE APPROVAL OF ALL THE MATTERS REFERRED TO IN THE NOTICE OF MEETING AND AS OUTLINED BELOW.**

Presentation of Financial Statements

The audited financial statements of the Corporation for the year ended December 31, 2008 and the auditors' report thereon shall be placed before the shareholders. These audited financial statements have been approved by the Audit and Governance Committee of the Board of Directors and by the full Board of Directors of the Corporation.

Shareholders are not required to vote on these financial statements.

Fixing the Number of Members of the Board of Directors

Unless such authority is withheld, the management designees, if named as proxy, intend to vote the common shares represented by any such proxy for the fixing the number of members of the Board of Directors to be elected at the Meeting at six.




Election of Directors




The following six nominees are proposed by management as the nominees for election as directors of the Corporation to serve until the next annual meeting of the shareholders of the Corporation or until their successors are duly elected or appointed. All nominees are currently elected directors and have consented to be named as nominees herein and to serve if elected at the Meeting:

Gerald DeSorcy
James Inkster
Audrey Mascarenhas
Richard Miller
Daniel Motyka
Alvin Schreiner

The persons named in the enclosed proxy, in the absence of contrary directions, intend to vote the common shares represented thereby for the election of the nominees of management so listed. Management does not contemplate that any of the nominees will be unable to serve as directors but, if that should occur for any reasons prior to the Meeting, the persons named in the proxy reserve the right to vote for another nominee in their discretion.

The names of the nominees for election as directors, their jurisdictions of residence, present principal occupations, their principal occupations during the last five years, whether they are independent within the meaning of NI 58-101, the year in which each became a director of the Corporation and numbers of common shares, if any, beneficially owned or over which control or direction is exercised by those persons, as at December 31, 2008, are as follows:

	Name of Proposed Nominee ⁽¹⁾	Background	Board Attendance during 2008; Committee Membership and Attendance; and Outside Directorships
	<p>Gerald DeSorcy Alberta, Canada Independent Director</p> <p>Director since April 1998 Chairman since March 2000</p> <p>Ownership: Common Shares: 150,000 Share Options: 100,000</p>	<p>Gerald DeSorcy has been the President of DeSorcy Consulting Services Ltd. since 1993.</p>	<p>Attendance:</p> <p>Board (Chair) 6/7</p> <p>Audit and Governance Committee 4/4</p> <p>Human Resources and Compensation Committee (Chair) 3/3</p> <p>Nominating Committee 1/1</p> <p>Current Public Board Memberships:</p> <p>Mr. DeSorcy is not a member of any other public boards.</p>
	<p>James Inkster British Columbia, Canada Independent Director</p> <p>Director since January 1995</p> <p>Ownership: Common Shares: 1,759,165 Share Options: 100,000</p>	<p>James Inkster has been the President of Inland Motor Holding Ltd., a private company, since 1975.</p>	<p>Attendance:</p> <p>Board 7/7</p> <p>Audit and Governance Committee 4/4</p> <p>Human Resources and Compensation 3/3</p> <p>Current Public Board Memberships:</p> <p>Mr. Inkster is not a member of any other public boards.</p>
	<p>Audrey Mascarenhas Alberta, Canada Non-Independent Director ⁽²⁾</p> <p>Director since June 2001</p> <p>Ownership: Common Shares: 3,317,500 Share Options: 650,000</p>	<p>Audrey Mascarenhas has been the President and Chief Executive Officer of the Corporation since June 2005. Prior to this Ms. Mascarenhas served as Executive Vice-President and Chief Operating Officer from June 2001 to June 2005 and as Interim Chief Financial Officer from November 2006 to July 2007.</p>	<p>Attendance:</p> <p>Board 7/7</p> <p>Audit and Governance Committee ⁽³⁾ 2/4</p> <p>Health, Safety and Environment Committee 2/2</p> <p>Human Resources and Compensation 3/3</p> <p>Nominating Committee 1/1</p> <p>Current Public Board Memberships:</p> <p>Ms. Mascarenhas is not a member of any other public boards.</p>

	Name of Proposed Nominee ⁽¹⁾	Background	Board Attendance during 2008; Committee Membership and Attendance; and Outside Directorships
	<p>Richard Miller Alberta, Canada Independent Director</p> <p>Director since June 2007</p> <p>Ownership: Common Shares: Nil Share Options: 100,000</p>	<p>Richard Miller has been the Chief Financial Officer of MGM Energy Corp. since July 2007. Prior to this Mr. Miller was the VP Finance and Chief Financial Officer of Wave Energy Ltd. from April 2006 to July 2007, Treasurer of Precision Drilling Corporation from October 2004 to December 2005, and Senior Manager of Bank of Montreal from May 2003 to October 2004.</p>	<p>Attendance:</p> <p>Board 7/7</p> <p>Audit and Governance Committee (Chair) 4/4</p> <p>Nominating Committee 1/1</p> <p>Current Public Board Memberships:</p> <p>Mr. Miller is not a member of any other public boards.</p>
	<p>Daniel Motyka Alberta, Canada Non-Independent Director⁽⁴⁾</p> <p>Director since June 1995</p> <p>Ownership: Common Shares: 2,342,301 Share Options: 75,000</p>	<p>Daniel Motyka has been the Chief Operating Officer of CTI Resources Corporation since November 2006. Prior to and partially concurrent with this, Mr. Motyka served as Vice President of the Corporation from July 2005 to May 2008 and as President and Chief Executive Officer of the Corporation from 1995 to June 2005.</p>	<p>Attendance:</p> <p>Board 4/7</p> <p>Health, Safety and Environment Committee (Chair) 2/2</p> <p>Current Public Board Memberships:</p> <p>Garneau Inc.</p>
	<p>Alvin Schreiner Alberta, Canada Independent Director</p> <p>Director since April 1998</p> <p>Ownership: Common Shares: 300,000 Share Options: 100,000</p>	<p>Until his retirement on March 31, 2009, Mr. Schreiner had been the President and Chief Operating Officer of Stream-Flo Industries Ltd. since 1995.</p>	<p>Attendance:</p> <p>Board 7/7</p> <p>Health, Safety and Environment Committee 2/2</p> <p>Nominating Committee (Chair) 1/1</p> <p>Current Public Board Memberships:</p> <p>Mr. Schreiner is not a member of any other public boards.</p>

(1) At December 31, 2008 the nominees for directors of the Corporation collectively held approximately 33 percent of the total issued and outstanding common shares. The information as to the common shares owned includes both common shares beneficially owned, directly or indirectly, and common shares over which control or direction is exercised, and has been furnished by each of the nominees as of December 31, 2008.

(2) Ms. Audrey Mascarenhas, as President and Chief Executive Officer of the Corporation and a member of management, is not considered independent.

(3) Ms. Mascarenhas was appointed to the Audit and Governance Committee from August 28, 2007 to May 21, 2008. Two Audit and Governance Committee meetings took place in 2008 during Ms. Mascarenhas' appointment.

- (4) Mr. Daniel Motyka, as a former Vice President of the Corporation and a member of management within the last three years, is not considered independent.

Appointment of Auditors

On November 8, 2007, subject to all applicable regulatory and shareholder approvals, the Board of Directors of the Corporation approved the appointment of Deloitte & Touche LLP (the "successor auditor") as auditor of the Corporation and removed Grant Thornton LLP (the "former auditor").

Unless such authority is withheld, the management designees, if named as proxy, intend to vote the common shares represented by any such proxy for the appointment of Deloitte & Touche LLP as auditors of the Corporation for the ensuing year with remuneration to be determined by the Board of Directors.

Fees paid to Deloitte & Touche LLP during 2007 and 2008 were as follows:

Category of External Auditor Service Fee	2008	2007
Audit Fees	\$ 83,500	\$ 6,000
Audit-Related Fees ⁽¹⁾	-	1,500
Tax Fees ⁽²⁾	-	-
All Other Fees ⁽³⁾	-	-
Total	\$ 83,500	\$ 7,500

Fees paid to Grant Thornton LLP, the former auditor, during 2007 and 2008 are detailed below:

Category of External Auditor Service Fee	2008	2007
Audit Fees	\$ 406	\$ 70,206
Audit-Related Fees ⁽¹⁾	-	-
Tax Fees ⁽²⁾	-	-
All Other Fees ⁽³⁾	-	-
Total	\$ 406	\$ 70,206

- (1) Represent the aggregate fees billed by the auditors for assurance and related services that were reasonably related to the performance of the audit or review of the Corporation's financial statements and were not reported under "Audit Fees". The nature of the services was for accounting advice.

- (2) Represent the aggregate fees billed by the auditors for professional services for tax compliance, tax advice and tax planning. No fees of this nature were invoiced in 2007 and 2008.

- (3) Represent the aggregate fees billed by the auditors for products and services, other than those reported with respect to the other categories of service fees. No fees of this nature were invoiced in 2007 and 2008.

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

Other than as set forth in this Management Information Circular, none of the directors or senior officers of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any proposed nominee for election as a director of the Corporation, has any material interest, direct or indirect by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Information Circular, none of the Corporation's insiders, proposed nominees for election as directors of the Corporation or their associates and affiliates, has any material interest in any transaction with the Corporation since the commencement of the Corporation's last financial year or in any proposed transaction which has materially affected or would materially affect the Corporation which has not been previously disclosed.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who, during the most recent completed financial year of the Corporation, was a director, or senior officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate nor affiliate of any one of them is or has been indebted to the Corporation or its subsidiaries at any time since the beginning of the most recent completed financial year of the Corporation.

CORPORATE GOVERNANCE

The Corporation is committed to ensuring that the Corporation has an effective corporate governance system. The Corporation's current governance practices pursuant to NI 58-101 are specifically set out in Appendix "A" to this Information Circular in the form required by Form 58-101F2.

Board Mandate

Generally speaking, the Corporation's Board of Directors (the "**Board**") supervises the management of the business and affairs of the Corporation. More specifically, the Board has a mandate to provide guidance to the Corporation's management in the following areas:

- long-term strategic planning;
- risk analysis and monitoring of risk management systems;
- overseeing the appointment and training of senior management and monitoring their performance, including succession planning;
- establishing and monitoring the Corporation's communications policy as implemented by the Corporation's investor relations personnel and ensuring that they address the feedback and concerns of shareholders in particular;
- ensuring the integrity of the Corporation's systems for internal controls and management information;
- developing and implementing the Corporation's corporate governance guidelines;
- reviewing management's performance on a regular basis, being at least annually;
- reviewing the Corporation's business plan on a regular basis, being at least annually;
- reviewing and approving the terms of all debt and equity financings, mergers, acquisitions and divestitures and the granting of incentive share options;
- reviewing and approving all major public disclosure documents; and
- appointing members to the various committees.

Board Committees

The Board of Directors has established four committees: the Audit and Governance Committee, the Health, Safety and Environment Committee, the Human Resources and Compensation Committee and the Nominating Committee.

Audit and Governance Committee

The Board of Directors has developed a written charter that sets out the mandate and responsibilities of the Audit and Governance Committee. See Appendix B to this Information Circular for the text of this charter.

The Committee currently consists of Gerald DeSorcy, James Inkster and Richard Miller. All of the members of the Audit and Governance Committee are independent and financially literate within the meaning of NI 52-110 and as further disclosed in Appendix C to this Information Circular. Mr. Miller is the Chair of the Committee.

Health, Safety and Environment Committee

The Health, Safety and Environment Committee monitors and makes recommendations to the Board of Directors with respect to the environment, health and safety policies, practices and procedures of the the Corporation.

The Committee currently consists of Audrey Mascarenhas, Daniel Motyka and Alvin Schreiner. Mr. Motyka is the chair of the Committee.

Human Resources and Compensation Committee

The Human Resources and Compensation Committee reviews the competitiveness of the Corporation's compensation programs and approves compensation recommendations in respect of the named Executive Officers of the members.

The Committee currently consists of Gerald DeSorcy, James Inkster and Audrey Mascarenhas, a majority of whom are independent directors. Mr. DeSorcy is the chair of the Committee.

Nominating Committee

The Nominating Committee is responsible for identifying, evaluating and nominating candidates for election to the Board of Directors.

The Committee currently consists of Gerald DeSorcy, Audrey Mascarenhas, Richard Miller and Alvin Schreiner, a majority of who are independent directors. Mr. Schreiner is the chair of the Committee.

COMPENSATION DISCUSSION

The Corporation compensates its executive officers through a combination of base salary, bonuses and share options. The base salary provides an immediate cash incentive for the executive officers. Bonuses encourage and reward exceptional performance over the financial year. Share options ensure that the executive officers are motivated to achieve long-term growth of the Corporation and continuing increases in shareholder value.

Base Salary

Base salaries of the President and Chief Executive Officer and of the Chief Financial Officer are set by the Board of Directors on the basis of the applicable executive officer's responsibilities, experience and past performance.

Bonus

An annual bonus may be paid for each fiscal year based on the Board's assessment of the Corporation's general performance and the relative contribution of each of the executive officers. Bonuses are related to personal and corporate performance and may form a greater or lesser part of the entire compensation package in any given year.

Share Options

The Board grants share 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 Corporation, its current stage of development, the need to retain or attract particular key personnel, the number of share options already outstanding and overall market conditions.

The Board of Directors has adopted and approved a share option plan for the directors, officers, consultants and key employees of the Corporation and affiliates of the Corporation (the "**Plan**"). The Plan was approved by the shareholders of the Corporation on June 15, 2001 and as amended on June 3, 2005.

Under the Plan, the Board of Directors may make available that number of common shares that may be granted as Options ("**Options**") under the Plan and under any other share option plan of the Corporation that does not exceed the number of common shares authorized by the regulatory bodies having jurisdiction over the Corporation. The number of common shares which may be granted pursuant to the Plan has been established at 4,708,474 shares. No individual shall be granted Options that exceed five percent of the issued and outstanding common shares of the Corporation in any 12-month period. The exercise price of the Option shall not be less than such price as may be acceptable to any stock exchange on which the Corporation's common shares are listed. The maximum length of any Option shall be five years from the date the Option is granted.

If a person to whom Options have been granted ceases to be a director, officer, employee or consultant of the Corporation, he must exercise his outstanding options within three months (or less, if the designated participant's option agreement with the Corporation so provides) of his or her ceasing to act, after which all his outstanding Options shall expire. In the event of the death of an optionee, his or her estate shall have twelve months within which to exercise the outstanding Options.

In the event of any consolidation, division or other relevant change in the capital of the Corporation, the number of common shares available under the Plan and the number of common shares subject to any option and the option price shall be adjusted accordingly.

The Board of Directors of the Corporation may, subject to any stock exchange or other regulatory body having jurisdiction, amend or discontinue the Plan at any time, provided that no such amendment may increase the maximum number of shares that may be optioned under the Plan, change the manner determining the minimum option price, extend the period during which options may be granted or, without the consent of the optionee, alter or impair any option previously granted to an optionee under the Plan.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth, for the periods indicated, the compensation paid by the Corporation to the Chief Executive Officer and the Chief Financial Officer who are the only Named Executive Officers of the Corporation within the meaning of NI 51-102F6. During the 2008 financial year, aggregate remuneration in the amount of \$325,965 was paid to the Named Executive Officers.

Name and Principal Position	Year Ended Dec. 31	Salary (\$ Cdn)	Share-Based Awards (\$ Cdn)	Option Based Awards (\$ Cdn)	Non-Equity Incentive Plan Compensation (\$ Cdn)		Pension Value (\$ Cdn)	All Other Compensation (\$ Cdn)	Total Compensation (\$ Cdn)
					Annual Incentive Plans	Long-Term Incentive Plans			
Audrey Mascarenhas ⁽¹⁾ President and Chief Executive Officer	2008	135,417	-	-	35,000	-	-	3,180	173,597
Diane Koenig Chief Financial Officer and Corporate Secretary	2008	130,208	-	-	20,000	-	-	2,160	152,368

⁽¹⁾ Although Ms. Mascarenhas serves as a director of the Corporation, she did not receive any compensation for her duties as director or attendance at board or committee meetings.

No other executive officer or employee of the Corporation received total compensation of more than \$150,000 in the fiscal year ended December 31, 2008.

Outstanding Option-Based Awards – Named Executive Officers

The following table reflects all option-based awards outstanding to Named Executive Officers at December 31, 2008:

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$/Share)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$) ⁽¹⁾
Audrey	250,000	0.10	November 21, 2010	12,500
Mascarenhas	150,000	0.18	September 29, 2011	Nil
	250,000	0.67	August 28, 2012	Nil
Diane Koenig	250,000	0.67	August 28, 2012	Nil

⁽¹⁾ For all unexercised options held as of December 31, 2008, the aggregate dollar value provided is the excess of the market value of the shares underlying those options over the exercise price of those options. The closing price of the common shares on the TSX Venture Exchange on December 30, 2008 was \$0.15 per share, which was the trading day of the common shares in the Corporation's fiscal year.

There were no grants of options to Named Executive Officers of the Corporation during the fiscal year ended December 31, 2008.

Incentive Plan Awards – Value Vested or Earned During the Year – Named Executive Officers

The following table reflects all option-based awards to Named Executive Officers that vested during the Corporation's fiscal year ended December 31, 2008:

Name	Option-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Audrey Mascarenhas	10,750	35,000
Diane Koenig	Nil	20,000

The following table provides additional information with respect to the option-based awards granted to the Named Executive Officers and vested during the year:

Name	Number of Shares Underlying Options Vested During the Year (#)	Option Exercise Price (\$/Share)	Vesting Date	Market Price of Shares on Vesting Date (\$)
Audrey	62,500	0.10	November 21, 2008	0.20
Mascarenhas	37,500	0.18	September 29, 2008	0.30
	62,500	0.67	August 28, 2008	0.36
Diane Koenig	62,500	0.67	August 28, 2008	0.36

Termination of Employment, Change in Responsibilities and Employment Contracts

The Corporation has entered into employment agreements with certain senior executives of the Corporation. The agreements establish the terms and conditions that will apply during their employment with the Corporation as well as terms and conditions regarding the termination of the employment of the individual.

On July 1, 2007, the Corporation entered into an employment agreement with Audrey Mascarenhas, for the provision of services as President and Chief Executive Officer of the Corporation for an indefinite term. In the event of termination for cause or her resignation, the Corporation will pay to Ms. Mascarenhas her full annual base salary, benefits and any other amounts earned under any performance, bonus or other incentive plan through to the date of termination. In the event of termination without cause or resignation following constructive dismissal or change of control, Ms. Mascarenhas is entitled to any unpaid annual base salary and all accrued but unpaid bonuses and vacation pay through to the date of termination, a severance payment equal to 18 months of her annual base salary and accelerated vesting of any share options not then exercisable but which would have become exercisable within six months of the date of termination. In the event of a change of control, all share options that are not then exercisable shall vest immediately and become exercisable. Ms. Mascarenhas' salary in accordance with the agreement was \$125,000 in 2007 and has been adjusted by the Board of Directors on an annual basis and as of December 31, 2008 is \$150,000.

Diane Koenig, Chief Financial Officer and Corporate Secretary, has an employment agreement with the Corporation that is effective July 3, 2007 and continues for an indefinite term. The terms and conditions of Ms. Koenig's employment agreement are substantially the same as for Ms. Mascarenhas. Ms. Koenig's salary in accordance with the agreement was \$125,000 in 2007 and has been adjusted by the Board of Directors on an annual basis and as of December 31, 2008 is \$137,500.

DIRECTORS COMPENSATION

The directors of the Corporation do not receive any cash compensation as directors of the Corporation, however, they are entitled to reimbursement for out of pocket expenses for attendance at meetings of the Board of Directors and any Committees of the Board of Directors and are entitled to receive share options under the share option plan. During the fiscal year ended December 31, 2008, no directors of the Corporation have received from the Corporation any grants of options or other non-cash compensation for services in their capacity as directors or participation in Board and Committee meetings.

Outstanding Option-Based Awards – Non-Management Directors

The following table reflects all option-based awards outstanding to non-management directors at December 31, 2008:

Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$/Share)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$) ⁽¹⁾
Gerald DeSorcy	100,000	0.10	November 21, 2010	5,000
James Inkster	100,000	0.10	November 21, 2010	5,000
Richard Miller	100,000	0.67	August 28, 2012	Nil
Daniel Motyka	75,000	0.10	November 21, 2010	3,750
Alvin Schreiner	100,000	0.10	November 21, 2010	5,000

(1) For all unexercised options held as of December 31, 2008, the aggregate dollar value provided is the excess of the market value of the shares underlying those options over the exercise price of those options. The closing price of the common shares on the TSX Venture Exchange on December 30, 2008 was \$0.15 per share, which was the trading day of the common shares in the Corporation's fiscal year.

Incentive Plan Awards – Value Vested or Earned During the Year – Non-Management Directors

The following table reflects all option-based awards to non-management directors that vested during the Corporation's fiscal year ended December 31, 2008:

Name	Option-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Gerald DeSorcy	2,500	Nil
James Inkster	2,500	Nil
Richard Miller	Nil	Nil
Daniel Motyka	1,875	Nil
Alvin Schreiner	2,500	Nil

The following table provides additional information with respect to the option-based awards granted to the non-management directors and vested during the year:

Name	Number of Shares Underlying Options Vested During the Year (#)	Option Exercise Price (\$/Share)	Vesting Date	Market Price of Shares on Vesting Date (\$)
Gerald DeSorcy	25,000	0.10	November 21, 2008	0.20
James Inkster	25,000	0.10	November 21, 2008	0.20
Richard Miller	25,000	0.67	August 28, 2008	0.36
Daniel Motyka	18,750	0.10	November 21, 2008	0.20
Alvin Schreiner	25,000	0.10	November 21, 2008	0.20

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLAN

Certain Named Executive Officers, directors and employees have been granted share options pursuant to the Plan of the Corporation. As at December 31, 2008, the Corporation had outstanding share options granted to its directors, officers and employees as set out in the following table:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in first column) ⁽¹⁾
Equity compensation plan: approved by security holders	1,775,000	\$0.35	2,468,474
Equity compensation plan: not approved by security holders	-	-	-
Total	1,775,000	\$0.35	2,468,474

⁽¹⁾ In 2006, 2007 and 2008, 40,000 options, 212,500 options and 212,500 options, respectively, to purchase common shares were exercised, consequently reducing the number of securities remaining available for future issuance under equity compensation plans from 4,708,474 to 4,243,474.

OTHER MATTERS

Management knows of no amendment, variation or other matters to come before the Meeting other than the matters referred to in the Notice of the Meeting. However, if any other matter properly comes before the Meeting, the accompanying instrument of proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the Corporation's profile on SEDAR at www.sedar.com. Shareholders who wish to obtain copies of the Corporation's annual report may contact the Corporation at 420, 1414 – 8th Street SW, Calgary, Alberta, T2R 1J6.

Financial information is provided in the Corporation's financial statements and management's discussion and analysis for its most recently completed financial year.

SCHEDULE "A"

STATEMENT OF GOVERNANCE PRACTICES

The following table sets forth the disclosure requirements for Corporate Governance Disclosure set forth in NI 58-101F2 together with the Corporation's governance approach.

Corporate Governance Guideline	Comments
1. Board of Directors	
Disclose the identity of directors who are independent.	The independent directors are: <ul style="list-style-type: none"> ▪ Gerald DeSorcy; ▪ James Inkster; ▪ Richard Miller; and ▪ Alvin Schreiner.
Disclose the identity of directors who are not independent and describe the basis for that determination.	The non-independent directors are: <ul style="list-style-type: none"> ▪ Audrey Mascarenhas who is the current President and Chief Executive Officer; and ▪ Daniel Motyka who, within the last three years, served as Vice President and, before that, President and Chief Executive Officer.
2. Directorships	
Disclose if a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Daniel Motyka is a director of Garneau Inc.
3. Orientation and Continuing Education	
Briefly describe what steps the Board takes to orient Board members, and describe any measures the Board takes to provide continuing education for directors	There is no specific education and orientation for new Board members. No formal orientation process is necessary at this time as new directors are appointed infrequently.
4. Ethical Business Conduct	
Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct	A Code of Business Ethics and related policy is in place to describe the desired culture of ethical business conduct.
5. Nomination of Directors	
Describe the process by which the Board identifies new candidates for Board nomination including:	
(i) who identifies new candidates	Directors and senior management may identify new candidates to the Nominating Committee.

Corporate Governance Guideline	Comments
5. Nomination of Directors (continued)	
Describe the process by which the Board identifies new candidates for Board nomination including:	
(ii) the process of identifying new candidates	The Nominating Committee, the majority of whom are independent directors, meet at least once annually to determine the competency requirements for new Board members and to review the candidate recommendations provided by the directors and senior management. The Nominating Committee then identifies those candidates to consider and the Chair of the Nominating Committee interviews the candidates and reports his findings to the Committee and to the Board.
6. Compensation	
Describe the process by which the Board determines the compensation for the directors and CEO, including:	
(i) who determines compensation	The Human Resources and Compensation Committee, a majority of whom are independent directors, establish compensation for the directors and CEO and, in cooperation with the CEO, establish the compensation for the Chief Financial Officer and Corporate Secretary.
(ii) the process of determining compensation	The Human Resources and Compensation Committee reviews the compensation arrangements of senior management on an annual basis with input from management and the use of outside consultants, if considered necessary. Compensation for directors is not contemplated at this time.
7. Other Board Committees	
If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The Board has established the Health, Safety and Environment Committee which monitors and makes recommendations with respect to the environment, health and safety practices, policies and procedures of the Corporation.
8. Assessments	
Disclose what steps the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.	In 2007, the Board conducted a formal assessment of the effectiveness of the Board of Directors, each committee of the Board of Directors and individual members of the Board of Directors through a self-assessment and inquiry questionnaire. The results of this self-assessment established a benchmark against which the Board will measure its effectiveness. The Board's intent is to conduct this self-assessment and inquiry questionnaire annually and did so in February 2009.

SCHEDULE "B"

AUDIT AND GOVERNANCE COMMITTEE CHARTER

A. PURPOSE

The overall purpose of the Audit and Governance Committee of the Board of Directors of the Corporation (the "**Committee**") is to ensure that the Corporation's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the financial statements of the Corporation and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosures of material facts.

B. AUTHORITY

1. The Committee is appointed by the Board pursuant to the provisions of the *Business Corporations Act (Alberta)*, the Corporation's by-laws and applicable securities regulatory rules and policies.
2. Primary responsibility for the Corporation's financial reporting, accounting and internal controls is vested in senior management of the Corporation and is overseen by the Committee. The Committee is a standing committee of the Board of Directors of the Corporation (the "**Board**") and has the powers inherent in such appointment as a committee of the Board. The Committee is established to discharge and fulfill the roles, duties and obligations set out herein.
3. The Committee may engage independent counsel and other advisors as it determines necessary to carry out its roles, duties and obligations. The Committee shall set the compensation for any advisors so engaged, to be paid by the Corporation.
4. The Committee shall have access to such officers and employees of the Corporation and to the Corporation's external auditors, and to such information respecting the Corporation, as it considers to be necessary or advisable in order to perform its roles, duties and responsibilities.
5. The Committee shall have direct communication channels with the internal auditors (if any) and the external auditors to discuss and review specific issues as appropriate. The Corporation will require that its external auditors report directly to the Committee.
6. This charter sets out the Committee's mandates, roles, duties and responsibilities. The Committee will (a) report annually to the Board on the Committee's undertakings in respect of those mandates, roles, duties and responsibilities and how the Committee has discharged them, and (b) review the Committee's charter annually and propose recommended changes to the Board.

C. COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Committee shall consist of at least three members of the Board, two of whom shall be "independent", as that term is defined in *National Instrument 52-110 - Audit Committees*, except if the Corporation is an "exchange issuer" under *National Instrument 52-110 - Audit Committees*, in which case this requirement is voluntary.
2. All of the members of the Committee shall be "financially literate" as that term is considered in *National Instrument 52-110 - Audit Committees* (i.e., able to read and understand a balance sheet, an income statement and a cash flow statement that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements. If the Corporation is an "exchange issuer" under *National Instrument 52-110 - Audit Committees*, this requirement is voluntary.
3. The Board, at its organizational meeting held in conjunction with (or at its first meeting following) each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair from among their number.
5. The secretary of the Committee shall be an officer of the Corporation, selected by the Committee that is "financially literate" (i.e., able to read and understand a balance sheet, an income statement and a cash flow statement), unless otherwise determined by the Committee.
6. The Committee shall meet at least four times annually, and may convene special meetings as required, at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee.
7. Meetings of the Committee shall be conducted as follows:
 - (a) the Committee chairman shall, in consultation with management and the external auditors and internal auditors (if any), establish the agenda for Committee meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting;
 - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee;
 - (c) the following management representatives shall be invited to attend all meetings, except executive sessions and private sessions with the external auditors:
 - Chief Executive Officer
 - Chief Financial Officer
 - (d) other management representatives may be invited to attend as necessary;
 - (e) the quorum for meetings is a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other; and
 - (f) minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to Committee members with copies to the Board, the chief executive officer of the Corporation, the chief financial officer of the Corporation, and the external auditor, and copies thereof shall be kept by the secretary of the Corporation with the records of the Corporation.
8. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

D. ROLES AND RESPONSIBILITIES

1. The overall mandate, duties, roles and responsibilities of the Committee are as follows:
 - (a) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly financial statements and management's discussion and analysis of financial condition and operating results;
 - (b) to establish and maintain a direct line of communication with the Corporation's internal and external auditors and assess their performance;
 - (c) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and

- (d) to report regularly to the Board on the fulfillment of its mandate, roles, duties and responsibilities.
2. The mandate, duties, roles and responsibilities of the Committee as they are related to the external auditors are as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Corporation, and to verify the independence of such external auditors;
 - (b) to review and recommend to the Board the fee, scope and timing of the audit and other related services rendered by the external auditors;
 - (c) the Committee is directly responsible for overseeing the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;
 - (c) to review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to review with the external auditors, upon completion of their audit:
 - (i) contents of their report;
 - (ii) scope and quality of the audit work performed;
 - (iii) adequacy of the Corporation's financial and auditing personnel;
 - (iv) co-operation received from the Corporation's personnel during the audit;
 - (v) internal resources used;
 - (vi) significant transactions outside of the normal business of the Corporation;
 - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - (viii) the non-audit services provided by the external auditors;
 - (e) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles;
 - (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management; and
 - (j) review and pre-approve all engagements (including fees for such services) for non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditors (or an entity affiliated with the external auditors), and consider the impact thereof on the independence of the external auditors, all in accordance with *National Instrument 52-110 - Audit Committees*;
 - (g) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation;
 - (h) establish a periodic review procedure to ensure that the external auditors of the Corporation comply with the Canadian Public Accountability Regime under *National Instrument 52-108 - Auditor Oversight*;
3. The mandate, duties, roles and responsibilities of the Committee as they relate to the internal control procedures of the Corporation are to:
- (a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (b) review compliance under the Corporation's business conduct policy, if any, and to periodically review this policy and recommend to the Board changes which the Committee may deem appropriate,

- (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
 - (d) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented;
4. The Committee is also charged with the responsibility to:
- (a) review the Corporation's quarterly and annual financial statements, including the impact of unusual items and changes in accounting principles and estimates, and management's discussion and analysis of financial condition and operating results, and report to the Board with respect thereto;
 - (b) review and approve the financial sections of:
 - (i) the annual report to shareholders;
 - (ii) the annual information form;
 - (iii) prospectuses; and
 - (iv) other public reports requiring approval by the Board;and report to the Board with respect thereto;
 - (c) review regulatory filings and decisions as they relate to the Corporation's financial statements;
 - (d) review the appropriateness of the policies and procedures used in the preparation of the Corporation's financial statements and other required disclosure documents and consider recommendations for any material change to such policies;
 - (e) review and report on the integrity of the Corporation's financial statements;
 - (f) review the minutes of any Audit and Governance Committee meeting of subsidiary companies;
 - (g) review with management, the external auditors and if necessary with legal counsel any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the financial statements;
 - (h) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, management's discussion and analysis of financial condition and operating results, tax matters and disclosure of material facts; and
 - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.
5. Acknowledging that the Corporation is required to make certain public disclosures under applicable securities laws, the Committee will (without in any way limiting the generality of the foregoing matters set forth in this charter):
- (a) *General:* review the Corporation's financial statements, management's discussion and analysis of financial condition and operating results ("**MD&A**"), and annual and interim earnings press releases before the Corporation publicly discloses this information;
 - (b) *AIF/ Management Information Circular:* review the disclosures required under *National Instrument 52-110 - Audit Committees* for inclusion in the Corporation's annual information form or proxy-related materials sent to shareholders, as applicable;

- (c) *Annual Financial Information:* prior to the Corporation's filing with applicable securities regulatory authorities or sending to its shareholders, review and consider for approval the annual audited financial statements, annual MD&A, any Letter to Shareholders, and related press releases, and if approved recommend the approval of such financial information to the Board, after discussing matters such as the selection of accounting policies (and changes thereto), major accounting judgments, accruals and estimates with management and the external auditors;
 - (d) *Annual Report:* review the MD&A section and all other relevant section so the annual report to ensure consistency of all financial information included in the annual report;
 - (e) *Interim Financial Information:* prior to the Corporation's filing with applicable securities regulatory authorities or sending to its shareholders, review and consider for approval, review the quarterly interim financial statements, Interim MD&A, any Letter to Shareholders, and related press releases, and, if approved, recommend the approval of such financial information to the Board; and
 - (f) *Earnings Guidance/Forecasts:* review forecasted financial information and forward looking statements prior to any public dissemination of same.
6. The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of the Corporation (or its subsidiary entities) of concerns regarding questionable accounting or auditing matters.

SCHEDULE "C"

AUDIT AND GOVERNANCE COMMITTEE INDEPENDENCE AND FINANCIAL LITERACY

The Audit and Governance Committee reviews the annual financial statements of the Corporation and meets with the external independent auditors to review and consider audit procedures and to assess the appropriateness and effectiveness of the Corporation's policies, business practices, internal controls and management information systems that impact the financial integrity of the Corporation. The members of the Audit and Governance Committee have direct access to the external auditors of the Corporation. The Audit and Governance Committee also reviews the unaudited quarterly financial statements and management's discussion and analysis of financial results. The Charter of the Audit and Governance Committee is attached as Schedule "B".

All members have the ability to read, question and understand the financial statements of the Corporation, and understand the concepts of Canadian Generally Accepted Accounting Principles. In addition, the Audit and Governance Committee has the authority to engage the advice of specialists and professionals on complex topics. The members understand and can evaluate internal control and procedures.

The relevant experience of the Audit and Governance Committee members are as follows:

Name of Member	Independent	Financially Literate	Relevant Education and Experience
Gerald DeSorcy	Yes	Yes	Gerald DeSorcy is a regulatory consultant with more than 50 years experience at technical and advisory levels. He spent 38 years with the Alberta Energy and Utilities Board and was Chairman and CEO at the time of his retirement. He also has experience in budgeting and general management.
James Inkster	Yes	Yes	James Inkster is an entrepreneur and is experienced in business management, supervision of accounting departments and financing arrangements. His volunteer experience with numerous community organizations includes oversight of budgeting and planning processes for large capital projects.
Audrey Mascarenhas ⁽¹⁾	No	Yes	Audrey Mascarenhas has a Bachelor of Science in Engineering degree and holds a Master of Petroleum Engineering degree. She is also a professional engineer (P.Eng.) Ms Mascarenhas currently serves as President and Chief Executive Officer of the Corporation. For the 17 years immediately prior to joining the Corporation, Ms. Mascarenhas held progressively senior roles in engineering and business development with Gulf Canada Resources Ltd. (now ConocoPhillips).
Richard Miller	Yes	Yes	Richard Miller has 23 years of experience in accounting, banking and treasury. He holds a Bachelor of Commerce degree and an MBA degree and is a Chartered Financial Analyst (CFA). He is currently the Chief Financial Officer of MGM Energy Corp.

⁽¹⁾ Ms. Mascarenhas was appointed to the Audit and Governance Committee from August 28, 2007 to May 21, 2008.



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