

CARACAL ENERGY INC.

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 6, 2014**

NOTICE IS HEREBY GIVEN that, pursuant to an order (the “**Interim Order**”) of the Court of Queen’s Bench of Alberta dated May 8, 2014, a special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (“**Common Shares**”) of Caracal Energy Inc. (“**Caracal**”) will be held in the Westwinds Room located at 2nd Floor, 555 – 4th Avenue S.W., Calgary, Alberta, Canada, on June 6, 2014 at 10:30 a.m. (Calgary time) for the following purposes:

- (a) to consider, pursuant to the Interim Order, and, if deemed advisable, to pass, with or without variation, a special resolution (the “**Arrangement Resolution**”), the full text of which is set forth in Appendix A to the accompanying management information circular and proxy statement dated May 9, 2014 (the “**Circular**”), to approve a statutory plan of arrangement (the “**Arrangement**”) under section 192 of the *Canada Business Corporations Act* (“**CBCA**”), all as more particularly described in the Circular; and
- (b) to transact such further or other business, as may properly be brought before the Meeting or any adjournment or postponement thereof.

The full text of the arrangement agreement dated April 14, 2014, as amended and restated April 24, 2014, among Caracal, Glencore International AG and 8682321 Canada Inc. (the “**Arrangement Agreement**”), and the Interim Order are attached as Appendix B and Appendix D, respectively, to the Circular. This Notice of Special Meeting of Shareholders is accompanied by the Circular and form of proxy. The Circular contains additional information relating to matters to be dealt with at the Meeting.

Caracal has set May 7, 2014 as the record date for the determination of the Shareholders entitled to receive notice of and to vote at the Meeting.

If you are a registered Shareholder who is unable to attend the Meeting in person please complete and sign the enclosed form of proxy and deliver it to Computershare Investor Services Inc. (a) by mail to Proxy Department, 135 West Beaver Creek Road, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5, or (b) by hand delivery to 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1. A registered Shareholder may also vote using the internet at www.investorvote.com or telephone at 1-866-732-VOTE (8683). In order to be valid and acted upon at the Meeting, the form of proxy must be received not less than 48 hours (excluding Saturdays and holidays) before the date of the Meeting or any adjournment(s) or postponement(s) thereof or be deposited with the Chairman of the Meeting prior to its commencement.

If you are not a registered Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or by the other intermediary. Non-registered Shareholders who hold their Common Shares through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary, should carefully follow the instructions of their intermediary to ensure that their Common Shares are voted at the Meeting in accordance with such Shareholder’s instructions, to arrange for their intermediary to complete the necessary transmittal documents and to ensure that they receive payment for their Common Shares if the Arrangement is completed.

Holders of depositary interests (“**DI Holders**”) will be invited to attend the Meeting by Computershare Company Nominees Limited in its capacity as issuer of the depositary interests and trustee of the underlying Common Shares. DI Holders should fill in the Form of Instruction which will be provided and return such Form of Instruction to Computershare Investor Services PLC (the “**DI Trustee**”), The Pavilions, Bridgwater Road, Bristol, BS99 6ZY, United Kingdom, no later than 10:30 a.m. (Calgary time) on June 3, 2014, or in the case of an adjourned or postponed Meeting, not less than 72 hours (excluding weekends and holidays) prior to the time appointed for the adjourned or postponed Meeting. The completion and return of the Form of Instruction will not preclude a DI Holder from attending the Meeting and voting in person. DI Holders who wish to attend and vote in person in

respect of Common Shares which are represented by their depositary interests should notify the DI Trustee (in accordance with the instructions set out in the Form of Instruction) so that an appropriate Letter of Representation can be issued.

CREST members who wish to give voting instructions by utilizing the CREST electronic voting instruction service may do so for the Meeting and any adjournment(s) or postponement(s) thereof by utilizing the procedures described in the CREST Manual, available at www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a “**CREST Voting Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s (“**Euroclear**”) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by Caracal’s agent (ID number 3RA50) not less than 72 hours (excluding weekends and holidays) before the commencement of the Meeting or any adjournment or postponement thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Caracal’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Voting Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this regard, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Caracal may treat as invalid a CREST Voting Instruction in the circumstances set out in Regulation 35(5)(a) of the *Uncertificated Securities Regulations 2001* (United Kingdom).

Shareholders of record at the close of business on May 7, 2014 are entitled to notice of the Meeting and to attend and vote thereat or at any adjournment(s) or postponement(s) thereof on the basis of one vote for each Common Share held.

Pursuant to and in accordance with the Plan of Arrangement, the Interim Order and the provisions of section 190 of the CBCA (as modified or supplemented by the Interim Order, the Plan of Arrangement and any other order of the Court of Queen’s Bench of Alberta) registered Shareholders have a right to dissent in respect of the Arrangement Resolution and, if the Arrangement Resolution is passed and the Arrangement is implemented, to be paid the fair value of their Common Shares in accordance with the provisions of section 190 of the CBCA, as modified by the Interim Order. A registered Shareholder’s right to dissent is more particularly described in the accompanying Circular. **The dissent procedures require that a registered Shareholder who wishes to dissent must send to Caracal a written objection to the Arrangement Resolution, which written objection must be received by Caracal, c/o Stikeman Elliott LLP, Suite 4300, Bankers Hall West Tower, 888 – 3rd Street S.W., Calgary AB, T2P 5C5, Attention: Geoffrey D. Holub and Keith R. Chatwin, not later than 5:00 p.m. (Calgary time) on June 4, 2014 (or 5:00 p.m. (Calgary time) on the day that is two business days immediately preceding the date that any adjourned or postponed Meeting is reconvened or held, as the case may be). Failure to strictly comply with the requirements set forth in section 190 of the CBCA, as modified by the Interim Order, may result in the loss of any right of dissent. Persons who do not hold Common Shares in their own name or who are DI Holders (“Beneficial Holders”) with interests registered in the name of a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary who wish to dissent should be aware that only registered holders of Common Shares are entitled to dissent. Accordingly, a Beneficial Holder desiring to exercise the right of dissent must make arrangements for the Common Shares beneficially owned by such**

holder to be registered in the Beneficial Holders' name prior to the time the written objection to the Arrangement Resolution is required to be received by Caracal or, alternatively, make arrangements for the registered Shareholder of such Common Shares to dissent on the Beneficial Holder's behalf. It is strongly suggested that any Shareholders wishing to dissent seek independent legal advice, as the failure to comply strictly with the provisions in section 190 of the CBCA, as modified by the Interim Order, may prejudice such Shareholder's right to dissent.

In order to receive the payment for their Common Shares, registered Shareholders must complete and sign the Letter of Transmittal enclosed with the Circular and return it to Computershare Trust Company of Canada (or such other company as may be appointed as depositary, from time to time, the "**Depository**"), together with their share certificate(s) and any other documents or instruments reasonably required by the Depository in accordance with the procedures set out in the Letter of Transmittal. If the Arrangement is completed, registered Shareholders will receive payment for their Common Shares in U.S. dollars unless a currency election is made in the Letter of Transmittal. If the Arrangement is not completed, the share certificates will be returned.

Holders of Common Shares in a nominee account in the system of CDS Clearing and Depositary Services Inc. ("**CDS**") should follow the instructions provided to them by their intermediary to arrange for their intermediary to complete the necessary transmittal documents and to ensure payment for their Common Shares if the Arrangement is completed. Non-registered Shareholders holding Common Shares in a nominee account in CDS will receive payment for their Common Shares in U.S. dollars unless other arrangements are made with their intermediary to make a currency election on their behalf. Persons who hold Common Shares through depositary interests through CREST will receive payment for their Common Shares in pounds sterling unless they make a currency election in CREST, as described in the Form of Instruction.

Dated at the City of Calgary, in the Province of Alberta, this 9th day of May, 2014.

**BY ORDER OF THE BOARD OF DIRECTORS
OF CARACAL ENERGY INC.**

(Signed) "*Gary Guidry*"

Gary Guidry
President and Chief Executive Officer
Caracal Energy Inc.