Horizon Petroleum plc

Queensway House, Hilgrove Street
St Helier, Jersey JE1 1ES
www.horizon-petroleum.com

ANNUAL INFORMATION FORM

For the year ended August 31, 2013

Dated: February 14, 2014

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PRELIMINARY NOTES

Effective Date of Information

The information contained in this annual information form ("**AIF**" or "**Annual Information Form**") is presented as of August 31, 2013, unless otherwise stated. Unless the context otherwise requires, all references to the "**Company**" or "**Horizon**" shall mean **Horizon Petroleum plc**.

Currency

Unless specified otherwise, all references in this AIF to "dollars" or to "$" are to Canadian dollars unless otherwise noted.

Information Incorporated by Reference

Certain information referred to in this AIF is incorporated by reference to other documents previously filed on SEDAR under the Company's profile at www.sedar.com. The following documents, which have been filed on SEDAR are specifically incorporated by reference into and form an integral part of this AIF:

a) the Company's unaudited interim financial statements for the three months ended November 30, 2013, together with Management's Discussion and Analysis of such financial statements, filed on SEDAR on January 28, 2014;

b) the Company's audited financial statements for the fiscal year ended August 31, 2013; and the auditor's report thereon, together with Management's Discussion and Analysis of such annual financial statements, filed on SEDAR on December 19, 2013;

c) the Company's audited financial statements for the fiscal year ended August 31, 2012; and the auditor's report thereon, together with Management's Discussion and Analysis of such annual financial statements, filed on SEDAR on December 20, 2012;

d) the Company's audited financial statements for the fiscal year ended August 31, 2011; and the auditor's report thereon, together with Management's Discussion and Analysis of such annual financial statements, filed on SEDAR on December 29, 2011;

e) the management information circular dated as of February 20, 2013 prepared in connection with the annual general meeting of the Company's shareholders held on March 27, 2013; and

f) the management information circular dated May 24, 2013 prepared in connection with the special meeting of the Company's shareholders held on July 11, 2013.

The above documents as incorporated by reference in this AIF are not incorporated by reference to the extent their contents are modified or superseded by a statement contained in this AIF or in any other subsequently filed document that is also incorporated by reference in this AIF. Any statement contained in this AIF or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this AIF, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed in its unmodified or superseded form to constitute part of this AIF.

Forward-Looking Statements

This AIF contains or incorporates by reference "forward-looking information" which means disclosure regarding possible events, conditions, acquisitions, or results of operations that are based on assumptions about future conditions and courses of action.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", or "might" occur, suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These statements and information are only predictions and actual events or results may differ materially. Although the Company believes that the expectations reflected in the forward-looking statements and information are reasonable it cannot guarantee future results, levels of activity, performance or achievement since such expectations are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies.

In particular, forward-looking statements included in this AIF include, but are not limited to:

1. oil and gas properties in which the Company may acquire an interest;
2. the Company's business strategy and planned acquisition and development strategy;
3. expectations regarding the Company's ability to raise capital; and
4. the Company's future operating and financial results.

By their nature, forward-looking statements and information involve assumptions, inherent risks and uncertainties, many of which are difficult to predict and which are usually beyond the control of management, that could cause actual results to be materially different from those expressed by such forward-looking statements and information. Risks and uncertainties include, but are not limited to, volatility in market price for crude oil, condensate and natural gas; industry conditions; volatility of commodity prices; currency fluctuation; imprecision of reserve estimates; liabilities inherent in oil and natural gas operations; environmental risks; incorrect assessments of the value of acquisitions and exploration and development programs; competition from other producers; the lack of availability of qualified personnel or management; changes in income tax laws or changes in property tax laws relating to the oil and natural gas industry; ability to access sufficient capital from internal and external sources; and other risks identified in this AIF under the heading "*Risk Factors*".

With respect to forward-looking statements and information contained in this AIF, the Company has made assumptions that: the economic and political environment in which the Company operates or expects to operate will remain stable; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates or expects to operate will remain stable; and the Company will be able to obtain financing on acceptable terms when necessary.

Readers are cautioned that the foregoing lists of risks and assumptions are not exhaustive. Additional information on these and other factors that could affect the Company's operations and financial results are set out under Risk Factors herein. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, management cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements or information. Forward-looking statements and information contained in this AIF are made as of the date of this AIF and the Company disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

GLOSSARY

In this AIF, unless otherwise defined or unless there is something in the subject matter or context inconsistent therewith, the following terms have the meanings set forth herein or therein:

"**AIF**" or "**Annual Information Form**" means this annual information form and any appendices, schedules or attachments hereto.

"**Common Share**" or "**Share**" means a common share in the capital of the Company.

"**Exchange**" or "**TSX-V**" means the TSX Venture Exchange Inc.

"**Garibaldi**" means Garibaldi Resources Corp.

"**Horizon**" or the "**Company**" means Horizon Petroleum plc.

"**King Project**" or the "**Property**" means the six mineral claims comprising 1,720 hectares located in the Iskut River District, Liard Mining Division, northwest of Smithers, British Columbia, which is the subject matter of the King Option Agreement.

"**King Option Agreement**" means that option agreement dated December 22, 2010, as amended August 30, 2013, between the Company and Garibaldi whereby the Company was granted an option to acquire up to a 70% interest in the King Project.

"**NI 43-101**" means National Instrument 43-101- *Standards of Disclosure for Mineral Projects*.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval located at www.sedar.com.

"**Shareholder**" means the holder of one or more Shares.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company is a corporation governed by the *Companies (Jersey) Law 1991*. The Jersey head office, and registered and records office of the Company, is located at Queensway House, Hilgrove Street, St. Helier, Jersey, Channel Islands JE1 1ES. The Canadian head office of the Company is located at Suite 408, 837 W. Hastings Street, Vancouver, British Columbia V6C 3N6.

The Company was formed on December 13, 1994 under the *Business Corporations Act* (Alberta) as Saddle Mountain Timber Corporation pursuant to the amalgamation of two companies – Saddle Mountain Mining Corporation and Saddle Mountain Timber Corporation. The Company changed its name to Global Tree Technologies Inc. on February 25, 1997. The Company continued from Alberta to British Columbia with the name Acadia Resources Corporation on February 4, 2011. The Company continued out of British Columbia to Jersey, Channel Islands as a public company under the name Horizon Petroleum plc on September 23, 2013.

The Company's Common Shares are listed for trading on the Exchange as a Tier 2 mining issuer under the trading symbol "HPL". The Company is a reporting issuer under the *Securities Act* (British Columbia) and the *Securities Act* (Alberta) and as such is required to make filings on a continuous basis thereunder. Such filed material is available for inspection under the Company's profile on the SEDAR website at *www.sedar.com*. The authorized share capital of the Company consists of an unlimited number of Common Shares and an unlimited number of preferred shares, without nominal or par value.

Intercorporate Relationships

The Company has no subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Until recently, the Company's principal business has been the acquisition, exploration and development of mineral properties in Canada. Since 2011, the Company's only mineral property interest has been the King Project. In 2013, the Company began corporate changes designed to enable it to seek new opportunities in the oil and gas industry, primarily in Africa.

A summary of significant business, operations and management developments for the Company over the three most recently completed fiscal years is set out below.

Year Ended August 31, 2011

Pursuant the King Option Agreement, the Company was granted an option to earn up to a 70% interest in the King Project located northwestern British Columbia. To exercise its initial option to acquire a 50% interest in the King Project, the Company must complete $500,000 of exploration expenditures on the Property by June 30, 2014 and must make payments totaling $90,000 to the original property owner. If the first option is exercised, the Company will have a second option to increase its interest to 70% by incurring an additional $1.5 million of expenditures on the Property by December 31, 2014 and issuing 3,000,000 Shares to Garibaldi. The original owner, Carl von Einsiedel, has retained a 2% net smelter return royalty on the Property which may be purchased for $1,000,000.

During the year ended August 31, 2011, the Company paid $20,000 pursuant to the option agreement and incurred $94,883 of exploration costs on the Property consisting of trenching ($18,585), geological consulting ($25,263), mapping ($9,273) and field expenses ($41,762). The Company also accrued $18,977 as a recovery of mining tax credits relating to the 2011 fiscal year.

Year Ended August 31, 2012

During the year ended August 31, 2012, the Company incurred exploration costs totaling $71,826 on the Property consisting of trenching ($22,422), geological consulting ($23,546), assays ($5,805) and field expenses ($20,053). The Company also accrued $14,419 as a recovery of mining tax credits relating to the 2012 fiscal year.

Year Ended August 31, 2013

On February 5, 2013, the Company announced the appointment of Read B. Taylor to the Company's board of directors. Mr. Taylor has experience in the oil and gas industry. Concurrently, Thomas J. Kennedy resigned as a director of the Company, however he continued in his role as CEO and President.

On February 13, 2013, the Company announced that it was investigating oil and gas opportunities in Africa. During the fiscal year ended August 31, 2013, the Company expended a total of $439,744 toward investigating such opportunities.

On April 30, 2013, the Company announced the appointment of Yogeshwar Sharma and Peter

Clutterbuck to the Company's board of directors and the resignation of Mr. Carl Von Einsiedel. Both new board members have extensive experience in the international oil and gas industry.

On July 3, 2013, the Company announced (i) Chris Cherry had resigned as a director of the Company, (ii) Peter Clutterbuck was appointed as President and CEO upon the resignation of Tom Kennedy from that position, (iii) Yogeshwar Sharma was appointed as Chairman of the Board, (iv) Nigel Friend was appointed as Chief Financial Officer upon the resignation of Tyler Friesen, and (v) Tom Kennedy was appointed as Corporate Secretary of the Company upon the resignation of James Harris from that position.

On July 11, 2013, the Company held a special meeting of its shareholders whereas approval was received to (i) consolidate the Company's issued and outstanding share capital on the basis of one new share for every three shares currently issued and outstanding; (ii) continue the Company from the Province of British Columbia to Jersey, Channel Islands; and (iii) change the name of the Company to "*Horizon Petroleum plc*" upon completion of the continuation to Jersey, Channel Islands.

Commencing July 22, 2013, the Company's Shares began trading on a post-consolidated basis, as the three-to-one consolidation was effected.

On August 9, 2013, the Company announced it had raised an aggregate $577,500 through the issuance of 11,550,000 subscription receipts at $0.05 per receipt by way of a private placement.

On August 13, 2013, the Company announced it had granted 1,714,000 incentive stock options exercisable at $0.15 per Share for a period of ten years, to its directors and officers.

Effective August 30, 2013, the King Option Agreement was amended to extend the time for which the balance of the $500,000 work program is to be completed and the $90,000 payment is to be paid, from December 31, 2013 to June 30, 2014. No costs were incurred during the year ended August 31, 2013 toward work on the Property; and effective August 31, 2013, the Company wrote down its investment in the King Project from $161,057 to $1.00.

Subsequent to Year Ended August 31, 2013

On September 23, 2013, the Company continued out of British Columbia into Jersey, Channel Islands pursuant to the *Companies (Jersey) Law 1991* under its new name "Horizon Petroleum plc". The Company began trading under the name of Horizon Petroleum plc with the symbol "HPL" on October 8, 2013. Effective on that same date, the previously distributed subscription receipts were automatically converted to post-consolidated Shares of the Company, and certificates representing 11,550,000 Shares were distributed to subscribers.

On November 12, 2013, the Company announced it had signed a memorandum of understanding with Grupo Suninvest- Investimentos, Participações E Empreendimentos S.A. ("Suninvest"), a private Angolan company, to evaluate onshore oil and gas exploration projects in Angola. The Company also announced its intention to undertake a private placement of Shares at $0.12 per Share to raise up to $2,000,000.

On November 25, 2013, I. Vellmer Inc., Chartered Accountant voluntarily resigned as auditor of the Company and KPMG LLP, Chartered Accountants was appointed as the replacement auditor for the Company. KPMG LLP completed the Company's audit for its year ended August 31, 2013.

On December 10, 2013, the Company announced it had joined a bidding group with Niger Delta Exploration & Production Plc and its subsidiary Niger Delta Petroleum Resources Ltd ("Niger Delta"). The Company anticipates this will enable it to participate in bidding for opportunities in Nigeria that are only available to indigenous Nigerian companies and their partners.

On January 22, 2014, the Company issued 16,666,667 Common Shares at $0.12 per Share for gross proceeds of $2,000,000 pursuant to a private placement. In conjunction therewith, the Company incurred cash finders' fees of $80,908 and issued 674,230 finder's warrants. Each finder's warrant entitles the holder to acquire one additional Common Share for $0.16 per Share up to July 22, 2014.

Significant Acquisitions

Since the Company's acquisition of the King Project, the Company has made no further significant acquisitions for which disclosure is required under Part 8 of National Instrument 51-102.

DESCRIPTION OF THE BUSINESS

Summary of the Business

The Company holds an option to acquire an interest in the King Project, a prospective gold property in northwestern British Columbia. The Company incurred expenses in fiscal 2011 and 2012 toward exploration of the King Project, but spent no amounts during fiscal 2013. In fiscal 2013, the Company's focus changed to investigating opportunities to acquire prospective oil and gas properties within Africa; and the Company wrote down its interest in the King Project to a nominal sum of $1.00. The Company has no material mineral or oil/gas property interests as of the date of this AIF.

Competitive Conditions

The mineral exploration and mining business and the oil and gas exploration business are both very competitive. The Company has exclusive rights to explore the King Project, but the business of investigating, acquiring and exploring good quality prospective mineral claims is highly competitive.

Identifying and acquiring selected oil and gas projects involves competing with numerous other companies and individuals, many of which are much larger with far greater resources than the Company. The success of the Company will depend on its ability to identify properties or projects which meet its due diligence and selection criteria, make successful bids or align itself with third party partners to make such bids, finance the acquisition of such interests, and finance the costs of exploring and developing such properties. The competition to acquire good quality prospects in the oil and gas sector is extremely high, as is the competition for funding of oil and gas projects in general.

Employees

Presently, the Company does not have any employees. Any work carried out on the King Project was done through independent contractors. Investigation of opportunities in the oil and gas sector is carried out by management and the board of directors, together with persons engaged on a consulting basis. General and administrative operations are carried out by management, with the assistance of third party contractors.

Environmental Protection

The Company understands the importance of environmental protection. Past work on the King Project consisted primarily of trenching and relatively light field work. None of these activities have resulted in any material damage or potential damage to the natural environment or state of the King Project or any surrounding grounds. No hazardous materials have been used on or abandoned on the King Project.

PROPERTY INTERESTS

General

Although the Company holds an interest in the King Project, a prospective gold property in northwestern British Columbia, its recent focus has been investigating opportunities to acquire prospective oil and gas properties within Sub-Saharan Africa. The Company's interest in the King Project is an option granted to it by Garibaldi, which interest the Company wrote down to $1.00 in fiscal 2013 in light of (i) the lack of work done by the Company recently on the King Project; (ii) the change in the Company's focus toward oil and gas exploration; and (iii) the likelihood that the Company will not do any further work on the King Project and consequently will not exercise its option to acquire an interest therein. As such, the Company has no material mineral property interests as of the date of this AIF.

The Company holds no oil or gas property interests as of the date of this AIF.

The Company does not have any material assets other than cash as of the date of this AIF.

RISK FACTORS

The Company is a junior resource exploration company, with no material property interests. Resource exploration is inherently speculative in nature, and generally risky for many and varied reasons. The Company has a limited history of operations and there can be no assurance the Company's business will be successful or profitable.

Investors should consider the investment risks set out below and those described elsewhere in this AIF, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set out below to be the most significant, but not definitive of all possible risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in relation to the Company's business, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected.

1. Corporate Risks

No History of Earnings

The Company has no history of earnings, has limited cash reserves, a limited business history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. The Company is in the "start-up" phase of its plan to enter the oil and gas industry as a junior exploration company; and its operations are not sufficiently established such that it can mitigate the risks associated with its planned activities.

Substantial Capital Requirements: Liquidity

The Company will require significant amounts of new capital to carry out any oil and gas property acquisitions, exploration and development activities. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain business opportunities and reduce or terminate its operations. There can be no assurance that debt or equity financing or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes, or if debt or equity financing is available, that it will be on terms acceptable to the Company. Moreover, future activities may require the Company to alter its capitalization significantly. The inability of the Company to access sufficient capital for its operations could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company may be required to issue securities on terms less favourable than made to current shareholders in order to raise sufficient capital to fund its business plan in a timely manner. Any future transaction involving the issuance of Common Shares or securities convertible into Common Shares will result in dilution, possibly substantial, to existing Shareholders of the Company.

Dependence on Key Personnel

The success of the Company is currently dependent on the services of its directors and officers; and in the future may be dependent upon key employees. The experience of these individuals is a key factor to the Company's future success and growth. The Company does not have and may not acquire any key man insurance policies and therefore there is a risk that the death or departure of any member of management would have a material adverse effect on the Company. Investors who are not prepared to rely on existing management should not invest in securities of the Company.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of the Company may be subject in connection with the operations of the Company. Some of the directors and officers of the Company may be, or may become, engaged in other ventures in the oil and gas industry in which the Company would not have an interest, and situations might arise where proposed directors and officers of the Company will be in direct conflict with the Company. Conflicts of interest will be subject to procedures under applicable corporate laws.

Management of Growth

Should the Company be successful in identifying and acquiring an interest in a material oil and gas project or projects, it may be subject to growth-related risks, capacity constraints and pressure on its internal systems and controls, particularly given the early stage of development and limited number of management personnel.

The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability to deal with this growth could have a material adverse impact on its business, operations and prospects.

Issuance of Debt

From time to time, the Company may enter into transactions to acquire the assets or shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. The level of the Company's indebtedness from time to time could impair its ability to obtain additional financing in the future, on a timely basis, to take advantage of business opportunities that may arise.

Volatile Stock Price

The price of the Company's Common Shares is expected to be highly volatile and will be drastically affected by the success of exploration and feasibility results and global commodities markets. The Company cannot predict the results of future exploration activities or commodity pricing.

Dividends

The Company has not paid any dividends and is unlikely to pay dividends in the immediate or foreseeable future. The future payment of dividends will be dependent upon realizing revenues, generating net income, the financial requirements of the Company to finance future growth, the overall financial condition of the Company, and other factors which the board of directors of the Company may consider appropriate in the circumstances. There is no assurance the Company will ever be in a position to pay dividends, or that the same will be paid even if net income was available for distribution.

2. Mineral Property Risks

As the Company still holds an interest in the King Project, the following risk factors are included for reference thereto:

Nature of Mineral Exploration and Mining

The Company does not hold any interest in a producing mineral property. The Company's viability and potential success as a mineral resource company lie in its ability to develop, exploit and generate revenue from mineral deposits. Development of a mineral project will only follow upon, among other things, obtaining satisfactory exploration results and the completion of feasibility or other economic study. The exploration and development of mineral deposits involve significant financial risks over a significant period of time which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that the current or proposed exploration programs on current or future exploration properties in which the Company has or may have an interest will result in a profitable commercial mining operation.

No Mining Expertise

Current management has limited experience with operating mining projects and the Company can provide no assurance that the necessary expertise will be available if and when it seeks to further develop its King Project. The Company has no experience in placing mineral properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other mining companies that can provide such expertise. There can be no assurance that such expertise will be available.

Substantial Capital Requirements

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which relate to particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices and government regulations. Most of these factors are beyond the Company's control. As such there is no certainty that expenditures made by the Company toward the exploration of a property will result in the discovery of commercial quantities of ore.

Prices, Market Conditions and Marketing of Mineral Resources

The Company's ability to fund its exploration and development activities, and possible future profitability, will be directly related to the demand for the mineral resources found on its properties and their related market prices. Mineral prices are determined based on world demand, supply and other factors, all of which are beyond the control of the Company. Market prices for various minerals have fluctuated widely in recent years. No assurance can be given that mineral resource prices will be sustained at levels that will enable the Company to operate profitably.

The Company must also successfully sell its mineral resources to prospective buyers. The marketability and price of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond its control. These factors include market fluctuations, the proximity and capacity of natural resource markets, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of natural resources and environmental protection. The exact effect of these factors cannot be accurately predicted, but any one or a combination of these factors could result in the Company not receiving an adequate return for Shareholders.

Regulatory Matters

All exploration and development conducted by the Company on mineral properties will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. The exercise of discretion by governmental authorities under existing regulations, the implementation of new regulations or the modification of existing regulations affecting the natural resources industry are beyond the control of the Company and could reduce demand for mineral resources, increase the Company's costs and have a material adverse impact on the Company. Failure to obtain regulatory approvals, or failure to obtain them on a timely basis, could result in delays and abandonment or restructuring of projects and increased costs, all of which could have a material adverse affect on the Company.

Uninsurable Risks from Operations

The Company's involvement in the exploration for and development of natural resource properties may result in the Company becoming subject to liability for certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, floods, earthquakes, pollution, blow-outs, property damage, personal injury or other hazards. Although the Company may obtain insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable or, in certain circumstances, the Company may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Company. The occurrence of a significant event that the Company is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Company's financial position, operations or prospects.

No assurance can be given that insurance to cover the risks to which the Company's activities will be subject will be available at all or at economically feasible premiums. Insurance against environmental risks (including potential for pollution or other hazards as a result of the disposal of waste products occurring from production) is not generally available to the Company or to other companies within the industry. The payment of such liabilities would reduce the funds available to the Company. Should the Company be unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy.

3. Oil and Gas Property Risks

Acquisition Risks

The Company currently has no oil or gas interests. There are a limited number of potential acquisition, exploration, exploitation, development and production prospects. Management of the Company will continue to evaluate prospects on an ongoing basis. The long-term commercial success of the Company will depend on its ability to acquire, develop and commercially exploit oil and gas reserves. No assurance can be given that the Company will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic.

Exploration, Exploitation, Development and Production Risks

Oil and gas exploration, exploitation and development involves a high degree of risk and there is no assurance that expenditures made on future exploration, exploitation and development by the Company will result in new discoveries of oil or gas in commercial quantities.

It is difficult to project the costs of implementing drilling programs due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as over-pressured zones and tools lost in the hold, and changes in drilling plans and locations as a result of prior wells or additional seismic data and interpretations thereof.

Future oil and natural gas exploration, exploitation and development may involve unprofitable efforts, not only from any wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions.

While close well-supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash-flow levels to varying degrees.

In addition, oil and gas operations are subject to the usual risks including encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, cratering, sour gas releases, fires and spills. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations, liquidity and financial condition.

No Assurance of Title

Title to or rights in oil and gas properties may involve certain inherent risks due to, among other things, problems arising from complex and historical title holdings, claims of aboriginal people, unregistered claims and changing governmental rules and policies. Although the Company will conduct reasonable investigations with respect to the validity of ownership, there can be no assurance that it will hold good and marketable title to any of its future acquired properties.

Licensing and Permitting Delays

The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out the exploration and development of its projects in a timely manner or at all.

Disruptions in Production

Other factors affecting the exploration and development of oil and gas properties that could affect future profitability include: (i) expiration or termination of leases, permits or licenses, (ii) changes in market prices for commodities or suspension of deliveries; (iii) future litigation; (iv) the timing and amount of insurance recoveries; (v) work stoppages or other labour difficulties; (vi) worker vacation schedules and related maintenance activities; and (vii) changes in the market and general economic conditions. Weather conditions, equipment replacement or repair, fires, amounts of natural materials and other geological conditions can have a significant impact on operating results.

Shortages of Equipment and Access Restrictions

Exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for a limited supply of equipment or access restrictions may adversely affect the availability of such equipment to the Company and may delay exploration and development activities, which could in turn adversely affect its continued operations.

Industry Risks

The Company’s ability to execute projects and market oil and gas will depend upon numerous factors beyond the Company’s control, including:

- the availability of processing capacity
- the availability and proximity of pipeline capacity
- the supply of and demand for oil and gas
- commodity prices
- the availability of alternative fuel sources
- the effects of inclement weather
- the availability of drilling and related equipment
- unexpected cost increases
- currency fluctuations
- greenhouse gas regulations
- the availability and productivity of skilled labour
- regulation of the oil and natural gas industry by various levels of government and governmental agencies

Because of these factors, the Company may be unable to execute projects on time, on budget or at all, and may not be able to effectively market the oil and natural gas that it hopes to produce.

Environmental Concerns

All phases of the oil and gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and gas operations. Compliance with such legislation can require significant expenditures, and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material.

Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require the Company to incur costs to remedy such discharge.

In certain areas where the Company may operate, spills, releases and other environmental and safety issues can occur as a result of sabotage and damage to wells and pipelines. Depending on the cause and severity of an environmental incident, the Company's reputation may also be adversely affected, which could limit its ability to obtain permits and implement future plans.

Governmental Regulation

The oil and gas business is subject to regulation and intervention by governments in such matters as the awarding of exploration and production interests, the imposition of specific drilling obligations, environmental protection controls, control over the development and abandonment of fields (including restrictions on production) and possible expropriation or cancellation of contract rights and property interests, as well as with respect to prices, taxes, export quotas, royalties and the exportation of oil and gas. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and gas industry could reduce demand for oil and gas, increase the Company's costs and have a material adverse effect on the Company.

Competition

The oil and gas industry is highly competitive. The Company will actively compete for oil and gas rights and lands, reserve acquisitions, exploration, exploitation and development leases, licenses and concessions and skilled industry personnel with a substantial number of other oil and natural gas companies, many of which have significantly greater financial and other resources than the Company.

DIVIDENDS

There are no restrictions in the Company's constating documents that would restrict or prevent it from paying dividends. The Company has not, since the date of its incorporation, declared or paid any dividends on its Shares and does not currently have a policy with respect to the payment of dividends. For the immediate future, the Company does not envisage any earnings arising from which dividends could be paid. The payment of dividends in the future will depend on the Company's earnings, the Company's financial condition and such other factors as the directors of the Company consider appropriate.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As of the date of this AIF, 44,129,654 Shares are issued and outstanding as fully paid and non-assessable. During the fiscal year ended August 31, 2013, the Company's Shares were consolidated on the basis of one new Share for every three outstanding shares. All references to Shares, Warrants and options herein are on a post-consolidated basis unless otherwise noted.

The holders of Shares are entitled to receive:

(i) notice of and to attend and vote at all meetings of the Shareholders of the Company, and each Share confers the right to one vote in person or by proxy at all meetings of the Shareholders of the Company;

(ii) such dividends in any financial year as the Board of Directors of the Company may by resolution determine; and

(iii) any remaining property and assets of the Company in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary.

The Common Shares do not carry any pre-emptive, subscription, redemption, retraction or conversion rights, nor do they contain any sinking or purchase fund provisions.

Common Share Purchase Warrants

The Company has the following Common Share purchase warrants issued and outstanding as at the date of this AIF:

- 13,333,304 warrants exercisable at $0.45 per Share until March 16, 2016; and
- 674,230 finder's warrants exercisable at $0.16 per Share until July 22, 2014.

Stock Options

The Company has adopted a 10% rolling stock option plan (the "Stock Option Plan"). Pursuant to the Stock Option Plan, the Board may, from time to time, in its discretion, and in accordance with the Exchange's requirements, grant to directors, officers, employees and consultants of the Company options to purchase Common Shares, provided that the number of Shares reserved for issuance, together with those to be issued pursuant to options previously granted, does not exceed 10% of the issued and outstanding Shares at the time of the grant. In addition, the number of Shares that may be reserved for issuance to any one individual may not exceed 5% of the issued Common Shares, on a yearly basis; or 2% if the optionee is engaged in investor relations activities or is a consultant. The Stock Option Plan must be approved and ratified by Shareholders on an annual basis. The Stock Option Plan was most recently ratified and approved by Shareholders at the Company's annual general meeting held on March 27, 2013.

As at the date of this AIF, there are currently 1,714,000 Shares reserved for issuance upon the exercise of an equivalent number of stock options exercisable at $0.15 per Share until August 13, 2023.

Options are exercisable over a period of up to ten years as determined by the Board and are required to have an exercise price of no less than the closing market price of the Shares prevailing on the day that the option is granted less a discount in accordance with Exchange Policies. Options held by an officer, director or service provider (not conducting investor relations) expire 90 days after the option holder has left office or the service provider ceases providing services; and for options held by service providers conducting investor relations, immediately upon the Company terminating that relationship. In the case of the death of an employee, officer, director or other service provider, the option may be exercised by a personal representative or heir until the earlier of the option's expiry or up to one year after the option holder died.

Pursuant to the Stock Option Plan, the Board may from time to time authorize the grant of options to directors, officers, employees and consultants of the Company or employees of companies providing management or consulting services to the Company. Other than options granted to consultants performing investor relations activities which must vest in stages over at least 12 months with no more than one-quarter of the options vesting in any three month period, the Stock Option Plan contains no vesting requirements, but permits the Board to specify a vesting schedule in its discretion.

MARKET FOR SECURITIES

Market

The Company's Common Shares are listed on the TSX-V under the trading symbol "HPL".

Trading Price and Volume

The following table sets out the monthly high and low trading prices and the monthly volume of trading of the Common Shares on the TSX-V for its most recently completed fiscal year ended August 31, 2013:

Period	High	Low	Volume
2012			
September	0.02	0.02	236,750
October	0.02	0.02	223,850
November	0.03	0.02	130,250
December	0.03	0.02	188,735
2013			
January	0.03	0.03	51,000
February	0.04	0.025	193,650
March	0.02	0.025	7,550
April	0.02	0.02	1,150
May	0.02	0.02	1,519,375
June	0.06	0.035	1,144,800
July	0.18	0.05	1,308,429
August	0.25	0.11	114,524

Prior Sales

The following summarizes the Common Shares and convertible securities issued by the Company during the financial year ended August 31, 2013:

Date	Description	Number of Securities	Price Per Security / Exercise Price ($)
June 28/13	Subscription Receipts issued pursuant to a private placement[1]	4,150,000	$0.05
Aug. 9, 2013	Shares issued pursuant to a private placement	7,400,000	$0.05
Aug. 16, 2013	Incentive stock options	1,714,000	$0.15

1. The subscription receipts were converted into post-consolidated Shares, for no additional consideration, on completion of the Company's consolidation, which was effected on July 22, 2013.

Subsequently, on January 22, 2014, the Company issued 16,666,667 Common Shares at $0.12 per Share pursuant to a private placement. In conjunction therewith the Company issued 674,230 finder's warrants, each such warrant entitling the holder to acquire one additional Common Share for $0.16 per Share up to July 22, 2014.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The Company has no securities held in escrow or subject to contractual restrictions on transfer.

DIRECTORS AND OFFICERS

The names and municipalities of residence of the directors and officers of the Company, positions held by them with the Company and their principal occupations for the past five years are as set forth below. The term of office of each of the present directors expires at the next annual general meeting of shareholders. After each such meeting, the Board of Directors appoints the Company's officers and committees for the ensuing year.

Name and Municipality of Residence	Position or Office	Date of Appointment	Principal Occupation
Peter R. Clutterbuck[1] Surrey, United Kingdom	President CEO Director	July 3, 2013 July 3, 2013 April 30, 2013	Petroleum Engineer. See "Principal Occupations and Other Information" below.
Yogeshwar Sharma[1] Aix-En-Provence, France	Chairman Director	July 3, 2013 April 30, 2013	Petroleum Engineer. See "Principal Occupations and Other Information" below.
Read B. Taylor[1] California, U.S.A.	Director Vice President - Exploration	April 30, 2013 April 30, 2013	Geologist. See "Principal Occupations and Other Information" below.

Nigel Friend London, United Kingdom	CFO	July 3, 2013	Accountant. See "Principal Occupations and Other Information" below.
Thomas J. Kennedy North Vancouver, B.C.	Corporate Secretary	July 3, 2013	Businessman. See "Principal Occupations and Other Information" below.

1 Current member of the Audit Committee of the Company.

As at the date of this AIF, a total of 4,292,666 Shares are beneficially owned, or controlled or directed, directly or indirectly by the directors and executive officers, as a group, representing approximately 9.7% of the issued and outstanding Shares.

Principal Occupations and Other Information

Additional biographic information, education and work experience about the directors and officers of the Company is provided below.

Peter S. Clutterbuck – Chief Executive Officer, President and Director

Mr. Clutterbuck was most recently CEO of AIM-listed 3Legs Resources, which operated the first shale gas production in Europe. Previously, he was CEO of TSXV-listed Orca Exploration Group Inc., which developed the Songo Songo gas field in Tanzania; and VP Operations for Gabon focused PanOcean Energy Corp., which was sold for $1.65 billion to Addax Petroleum. As a former director, CEO and President of Mediterranean Oil and Gas, Mr. Clutterbuck was responsible for the discovery of the Rubiales Field in Colombia, South America. He had a 15 year career in management positions with the BP Group in Abu Dhabi, North Sea, and Alaska; and he has served on the Board of the Society of Professional Engineers in London, UK. He holds a degree in Engineering from Cambridge University.

Nigel Friend – Chief Financial Officer

Mr. Friend is a chartered accountant with an extensive knowledge of the energy sector, in particular the commercialization of gas streams. He is currently Commercial and Financial Director of ASA Energy Conversions Ltd. (a company involved with gas to liquid technology). Previously (2004 – 2012), he was CFO and Executive Vice-President of Orca Exploration Group Inc. (a company involved in gas development in Tanzania); and prior to that (2002 – 2004), he was a financial and commercial consultant for PanOcean Energy Corp. (an oil exploration and production company operating in Gabon). Mr. Friend was a practicing accountant with KPMG for 11 years (1986 – 1997).

Yogeshwar Sharma – Chairman and Director

Mr. Sharma has over 40 years' of broad international oil and gas industry experience. He is a co-founder of Hardy Oil and Gas plc, and served as its CEO until May 2012 when he stepped down to take a position as a non-executive director. Hardy Oil and Gas plc is a London Stock Exchange listed company with operations in offshore India. He also serves as a director of Longreach Oil & Gas Limited, a TSX-V listed company with assets in Morocco. Prior to founding Hardy Oil and Gas plc, Mr. Sharma worked at Elf International in France and at Schlumberger Dowell Research in U.S.A. Mr. Sharma graduated from the University of Alberta in Mechanical Engineering and did his post-graduate studies at the University of Calgary in Chemical Engineering. He is a registered Professional Engineer in Alberta, Canada, and a full member of the Society of Professional Engineers and a member of the Society of Applied and Industrial Mathematics.

Read B. Taylor – Director, Executive Vice President - Exploration

Mr. Taylor has over 30 years' of leadership in the oil and gas industry in green fields exploration and new ventures growth, capital management, growth through M&A and strategic partnering, launching an IPO, technology development, field development and operational oversight. His geographic base of expertise runs over 30 countries across Asia Pacific, East and West Africa, North Africa and Middle East, Russia and China. Mr. Taylor recently led Brazilian private company Petra Energia as Executive Vice President and a Board member. Prior to that, he served as General Manager and President of Devon Energy Brazil Ltd. (NYSE: DVN; Market Cap US$38.79B) where he led a team ultimately responsible for several significant discoveries in shallow and deepwater offshore Brazil. Prior to his work in Brazil, Mr. Taylor served with US energy industry notables UNOCAL and Anadarko in various international field locations in geo technical and commercial management positions.

Mr. Taylor is the founder of RICE International Relief a non-profit humanitarian organization dedicated to providing medicines and pure water purification to those in need in the USA and around the world. RICE also provides ongoing support to several medical clinics and homeless shelters in USA.

Thomas J. Kennedy – Corporate Secretary

Mr. Kennedy is a graduate of the University of British Columbia having received his Bachelor of Commerce & Business Administration degree in 1973 and his Juris Doctor degree in 1974. Mr. Kennedy was admitted to the British Columbia Bar in 1975 and has practiced law for 38 years. After seven years of employment with the Canadian Federal Department of Justice, Mr. Kennedy has primarily focused as a legal, financial and business consultant to publicly-traded companies. Mr. Kennedy is currently a member of the Law Society of British Columbia, the Canadian Bar Association and the British Columbia Bar Association, and an Associate member of the American Bar Association. Mr. Kennedy is currently an officer of a TSX-listed company focused on mineral exploration. Mr. Kennedy is also an officer and/or director of several TSX-V and CNSX publicly traded companies, primarily focused on mineral exploration, oil and gas exploration, and pharmaceuticals.

Committees of the Board of Directors

The Board has only established one committee – an Audit Committee, currently consisting of Read B. Taylor (Chair), Peter R. Clutterbuck and Yogeshwar Sharma.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company) that was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days:

(a) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer,.

No director or executive officer the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, 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

(b) has, within the 10 years before the date of the AIF, 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 director, executive officer or shareholder.

Other than as disclosed below, no director or officer of the Company or a shareholder holding a sufficient number of common shares to affect materially the control of the Company has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of the Company's knowledge, there are no known existing or potential conflicts of interest among the Company, its promoters, directors, officers or other members of management of the Company as a result of their outside business interests, except that certain directors and officers of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations to other companies in the resource sector may give rise to conflicts of interest from time to time. As a result, opportunities provided to a director of the Company may not be made available to the Company, but rather may be offered to a company with competing interests. The directors and senior officers of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any personal interest which they may have in any project or opportunity of the Company, and to abstain from voting on such matters.

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosure by the directors of conflicts of interests and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers.

AUDIT COMMITTEE

Pursuant to the provisions of National Instrument 52-110 - Audit Committees ("NI 52-110"), reporting issuers are required to provide disclosure with respect to its audit committee, including the text of the audit committee's charter, composition of the committee, and the fees paid to the external auditor.

Accordingly, the Company provides the following disclosure with respect to its Audit Committee.

Audit Committee Charter

The Company has adopted an Audit Committee Charter, which is attached as Schedule "A" to this AIF.

Composition of the Audit Committee

As at the financial year ended August 31, 2013, and as at the date of this AIF, the Audit Committee for the Company is comprised of Read B. Taylor (Chair), Peter R. Clutterbuck and Yogeshwar Sharma. As defined in NI 52-110, none of the three directors are "independent" in that each is an executive officer of the Company; but each is "financially literate".

NI 52-110 prescribes that the majority of the members of any audit committee should be comprised of independent Board members. The Company acknowledges that at this time its Audit Committee is not constituted with a majority of independent directors and is working on identifying and appointing additional independent directors to its Board who would replace certain members of the Audit Committee.

Relevant Education and Experience

All of the members of the Audit Committee are senior level executive business persons with extensive experience in financial matters; each has a broad understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavour. In addition, each of the members of the Audit Committee have knowledge of the role of an audit committee in the realm of reporting companies from their years of experience as directors and/or senior officers of public companies other than the Company.

Audit Committee Oversight

During the most recently completed financial year, the Company's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

During the financial year ended August 31, 2013, the Company did not rely on the exemptions contained in section 2.4 or under part 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the audit committee, on a case-by-case basis.

External Auditor Service Fees

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories. The fees paid by the Company to its auditor during the Company's fiscal years ended August 31, 2013 and August 31, 2012, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2013	$25,000	Nil	$620	$nil
2012	$12,000	Nil	$1,500	$nil

Exemption

The Company is relying on the exemption contained in section 6.1 of the NI 52-110 which provides that as a venture issuer, the Company is exempt from the requirement that its audit committee be comprised of persons who are all "independent", and from certain reporting requirements.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

As at the date of this AIF, the Company was not a party, whether as claimant or defendant, to any legal or administrative proceedings, had not received any legal claims or proceedings and had not received notice of any threatened or pending proceedings by government authorities or third parties, which, if adversely determined would materially and adversely affect the financial condition or operations of the Company. No penalties or sanctions have ever been imposed against the Company by a court relating to securities legislation or by a securities regulatory authority; nor have any other penalties or sanctions been imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; and the Company has never entered into any settlement agreement before a court relating to securities legislation or with a securities regulatory authority.

PROMOTERS

There is no person or company that has been, within the two most recently completed financial years or during the current financial year, a promoter of the Company as such term is defined in the *Securities Act* (British Columbia).

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the directors or executive officers of the Company, any shareholder directly or indirectly beneficially owning, or exercising control or direction over, more than 10% of the outstanding Common Shares, nor an associate or affiliate of any of the foregoing persons has had, during the three most recently completed financial years of the Company or during the current financial year, any material interest, direct or indirect, in any transactions that materially affected or would materially affect the Company.

TRANSFER AGENTS AND REGISTRARS

The Company's main registrar and transfer agent is Computershare Investor Services (Jersey) Limited, with its office located at Queensway House, Hilgrove Street, St. Helier, Jersey, Channel Islands, JE1 1ES. The Company's branch registrar and transfer agent is Computershare Trust Company of Canada, with its office located at 3rd Floor, 510 Burrard Street, Vancouver, B.C. V6C 3B9.

MATERIAL CONTRACTS

The Company has entered into the following material contracts in the past fiscal year, or has earlier entered into the following contracts, which are still in effect as of the date of this AIF:

1. King Option Agreement between the Company and Garibaldi.

2. Stock option agreements dated August 16, 2013 between the Company and various optionees, issued pursuant to the Company's Stock Option Plan.

3. Two contracts with Lapa Consulting Services Inc. and Gestion Paquette-Bouchard Inc. to assist the Company in securing oil and gas assets in Angola on a success fee basis.

INTEREST OF EXPERTS

The following persons have prepared or certified a report, valuation, statement or opinion described or incorporated by reference herein, or described or included in a filing made by the Company during or related to the most recently completed fiscal year ended August 31, 2013, whose profession gives authority to such report, valuation, statement or opinion:

1. I Vellmer Inc., Chartered Accountant, who provided an independent auditor's report to the Company's shareholders pertaining to the Company's audited financial statements for the fiscal year ended August 31, 2012 as filed on SEDAR on December 20, 2012; and

2. KPMG LLP, who provided an independent auditor's report to the Company's shareholders pertaining to the Company's audited financial statements for the fiscal year ended August 31. 2013 as filed on SEDAR on December 19, 2013.

To the knowledge of the Company: (i) none of the persons referred to above, or any director, officer, employee or partner thereof, as applicable, received or will receive any direct or indirect interest in any property of the Company or of any associate or affiliate of the Company, and (ii) as at the date hereof, each such person, and its respective directors, officers, employees and partners, as applicable, beneficially owns, directly or indirectly, in the aggregate, less than one percent of the securities of the Company.

Each of the Company's auditors has advised the Company that it is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants.

ADDITIONAL INFORMATION

Additional information on the Company may be found on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness to the Company, principal holders of the securities of the Company and securities authorized for issuance under equity compensation plans, is contained in the Company's management information circular for its most recent annual general meeting, which is filed on SEDAR. Additional financial information is provided in the Company's audited financial statements for the years ended August 31, 2013 and 2012, and the related management's discussion and analysis of financial conditions and results of operations, all of which are available on SEDAR.

SCHEDULE "A"

Horizon Petroleum plc

Audit Committee Charter

Mandate

The primary function of the audit committee (the "Committee") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting, and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control systems and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

Composition, Procedures and Organization

The Committee must consist of at least three members; and each member must be a director of the Company. A majority of the members of the Committee should be independent (not executive officers or employees of the Company or of an affiliate of the Company). At least one member of the Committee must be financially literate; and all members of the Committee who are not financially literate must work towards becoming financially literate. For the purposes of this Charter, the term "financially literate" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements.

The members of the Committee shall be appointed by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership. The Chair must be financially literate.

The Board of Directors may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

Meetings of the Committee

Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly. Unless all members are present and waive notice, or those absent waive notice before or after a meeting, the Chairman will give the Committee members at least 24 hours' advance notice of each meeting and the matters to be discussed at such meeting. Notice may be given personally, by telephone, by facsimile or e-mail.

The auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee determines it to be necessary or appropriate, at any other meeting. On request by the auditor, the Chair shall call a meeting of the Committee to consider any matter that the auditor believes should be brought to the attention of the Committee, the Board of Directors or the Shareholders of the Company.

At each meeting of the Committee, a quorum shall consist of a majority of members that are independent. A member may participate in a meeting of the Committee in person or by telephone if all members participating in the meeting, whether in person or by telephone or other communications medium other than telephone are able to communicate with each other and if all members who wish to participate in the meeting agree to such participation.

The Committee may periodically meet separately with management or the auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee must meet with the auditor and management annually to review the Company's financial statements.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

1. Review the Company's financial statements, including any certification, report, opinion, or review rendered by the auditor, management's discussion and analysis of the financial statements, and any annual and interim earnings press releases before the Company publicly discloses such information.
2. Review and satisfy itself that adequate procedures are in place and review the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assess the adequacy of those procedures.
3. Be directly responsible for overseeing the work by the auditor (including resolution of disagreements between management and the auditor regarding financial reporting) engaged for the purpose of preparing or issuing an audit report or performing other audit review services for the Company.
4. Require the auditor to report directly to the Committee.
5. Review annually the performance of the auditor who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the Shareholders of the Company.
6. Review and discuss with the auditor any disclosed relationships or services that may impact the objectivity and independence of the auditor.
7. Take, or recommend that the Board of Directors take, appropriate action to oversee the independence of the auditor.

8. Recommend to the Board of Directors the external auditor to be nominated at the annual general meeting for appointment and the auditor for the ensuing year and the compensation for the auditor, or, if applicable, the replacement of the auditor.

9. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the auditor and former independent external auditors of the Company.

10. Review with management and the auditor the audit plan for the annual financial statements.

11. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services provided by the auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:

    a. the aggregate amount of all such non-audit services that were not pre-approved is reasonably expected to constitute not more than 5% of the total amount of fees paid by the Company and its subsidiary entities to the auditor during the fiscal year in which the non-audit services are provided;

    b. such services were not recognized by the Company at the time of the engagement to be non-audit services; and

    c. such services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.

12. In consultation with the auditor, review with management the integrity of the Company's financial reporting process, both internal and external.

13. Consider the auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

14. Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the auditor and management.

15. Review significant judgments made by management in the preparation of the financial statements and the view of the auditor as to the appropriateness of such judgments.

16. Following completion of the annual audit, review separately with management and the auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of the work or access to required information.

17. Review any significant disagreement among management and the auditor in connection with the preparation of the financial statements.

18. Review with the auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented.

19. Discuss with the auditor the auditor's perception of the Company's financial and accounting personnel, any material recommendations which the auditor may have, the level of cooperation which the auditor received during the course of its review and the inadequacy of its access to records, data or other requested information.

20. Maintain, review and update the procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, as set forth in Annex A attached to this Charter.

21. Perform such other duties as may be assigned to it by the Board of Directors from time to time or as may be required by applicable regulatory authorities or legislation.

22. Report regularly and on a timely basis to the Board of Directors on the matters coming before the Committee.

23. Review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors for approval.

Authority

The Committee is authorized to:

- seek any information it requires from any employee of the Company in order to perform its duties;
- to engage, at the Company's expense, independent legal counsel or other professional advisors in any matter within the scope of the role and duties of the Committee under this Charter;
- set and pay compensation for any advisors engaged by the Committee; and
- communicate directly with the internal and external auditors of the Company.

The Committee may delegate to one or more independent members of the Committee the authority to pre-approve non-audit services in satisfaction of the pre-approval requirement set forth in this section provided the pre-approval of non-audit services by any member to whom authority has been delegated must be presented to the Committee at its first scheduled meeting following such pre-approval.

ANNEX A

PROCEDURES FOR THE SUBMISSION OF COMPLAINTS AND CONCERNS REGARDING ACCOUNTING, INTERNAL ACCOUNTING CONTROLS OR AUDITING MATTERS

1. Horizon Petroleum plc (the "Company") has designated the Audit Committee of its Board of Directors (the "Committee") to be responsible for administering these procedures for the receipt, retention, and treatment of complaints received by the Company or the Committee directly regarding accounting, internal accounting controls, or auditing matters.

2. Any employee of the Company may on a confidential and anonymous basis submit concerns regarding questionable accounting controls or auditing matters to the Committee by setting forth such concerns in a letter addressed directly to the Committee with a legend on the envelope such as "Confidential" or "To be opened by Committee only". If an employee would like to discuss the matter directly with a member of the Committee, the employee should include a return telephone number in his or her submission to the Committee at which he or she can be contacted. All submissions by letter to the Committee can be sent to:

   Horizon Petroleum plc
   408 – 837 W. Hastings Street
   Vancouver, B.C. V6C 3N6

3. Any complaints received by the Company that are submitted as set forth herein will be forwarded directly to the Committee and will be treated as confidential if so indicated.

4. At each meeting of the Committee, or any special meetings called by the Chair of the Committee, the members of the Committee will review and consider any complaints or concerns submitted by employees as set forth herein and take any action it deems necessary in order to respond thereto.

5. All complaints and concerns submitted as set forth herein will be retained by the Committee for a period of seven years.