TRANSEURO ENERGY CORP.

Suite 1578, 609 Granville Street
Vancouver, BC V7Y 1G5

STATEMENT OF EXECUTIVE COMPENSATION

This statement of executive compensation is prepared in compliance with National Instrument 51-102F6 for the year ended December 31, 2009.

Named Executive Officers

During the financial year ended December 31, 2009, the Company had four Named Executive Officers of the Company, being David Worrall, the current Chief Executive Officer and former Chief Operating Officer, David Parry, the Vice President Business Development, Edward Farrauto, the former Executive Vice President and former Chief Financial Officer and Sean McGrath, the former Chief Financial Officer.

Edward Farrauto resigned on April 20, 2009 and Sean McGrath was appointed Chief Financial Officer in his place on August 16, 2009. Sean McGrath subsequently resigned and Bruce Colwill was appointed Chief Financial Officer on April 30, 2010 until his resignation on February 1, 2011. The Company's current Chief Financial Officer is Derek Page. David Parry resigned on June 21, 2011 and was replaced by David Worrall.

"Named Executive Officer" means: (a) each Chief Executive Officer, (b) each Chief Financial Officer, (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000; and (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year.

COMPENSATION DISCUSSION & ANALYSIS

Compensation Discussion & Analysis

This report has been prepared by the Compensation Committee. The Compensation Committee assumes responsibility for reviewing and monitoring the compensation for the senior management of the Company and as part of that mandate determines the compensation of the President and Chief Executive Officer, the Chief Financial Officer and the Chairman.

Philosophy and Objectives

The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including:

- (a) attracting and retaining talented, qualified and effective executives;
- (b) motivating the short and long-term performance of these executives; and
- (c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has employed a combination of base salary, bonus compensation and equity participation through its stock option plan. The compensation of each of the Named Executive Officers is approved annually by the Compensation Committee. Given the evolving nature of the Company's business, the Compensation Committee continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

Base Salary

Base salaries are set by the Board of Directors upon recommendation by the Compensation Committee and after consultation with management.

Cash Incentive Compensation

The Compensation Committee approves executive bonus compensation, at its discretion, based in part upon sufficient cash resources being available for the granting of bonuses. The bonus compensation is not based upon specific performance goals or similar conditions.

Equity Participation

The Compensation Committee believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's stock option plan. Stock options are granted to senior executives taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. Options are generally granted to senior executives which vest over 18 months. During the year ended December 31, 2009, the Company granted a total of 2,721,058 options to the Named Executive Officers as follows:

Name	Number	Exercise Price
David Worrall	670,544	$0.10
	1,076,384	$0.25
David Parry	335,463	$0.10
	538,657	$0.25
Sean McGrath	50,000	$0.10
	50,000	$0.25

SUMMARY COMPENSATION TABLE

Summary Compensation Table

Set out below is a summary of compensation paid to the Company's Named Executive Officers during the years ended December 31, 2008 and December 31, 2009:

Summary Compensation Table

Name and principal position	Year	Salary ($)	Option-based awards[5] ($)	Non-equity incentive plan compensation ($)		All other compensation ($)	Total compensation ($)
				Annual incentive plans[6]	Long-term incentive plans		
David Worrall, Chief Executive Officer	2009	244,332	315,315	40,000	N/A	Nil	599,647
	2008	243,214	53,868	N/A	N/A	Nil	297,082
Sean McGrath,[1] Former Chief Financial Officer	2009	22,500	17,500	5,000	N/A	Nil	45,000
	2008	N/A	N/A	N/A	N/A	N/A	N/A
Edward Farrauto,[2] Former Executive Vice President and Former Chief Financial Officer	2009	33,432	N/A	N/A	N/A	Nil	33,432
	2008	169,234	$53,868	N/A	N/A	Nil	223,102
David Parry, Vice President Business Development	2009	170,506	64,799	25,000	N/A	Nil	260,305
	2008	189,264	53,868	N/A	N/A	Nil	243,132
Harold Hemmerich,[3] Former Chief Executive Officer and President	2009	N/A	N/A	N/A	N/A	N/A	N/A
	2008	243,815	71,824	N/A	N/A	Nil	315,639
Danny Lee, [4] Former Chief Financial Officer	2009	N/A	N/A	N/A	N/A	N/A	N/A
	2008	59,627	Nil	N/A	N/A	Nil	59,627

Notes:

(1) Sean McGrath was appointed Chief Financial Officer on August 19, 2009 and resigned on April 30, 2010.

(2) Edward Farrauto resigned as Chief Financial Officer on April 20, 2009.

(3) Harold Hemmerich resigned as Chief Executive Officer and President on December 2, 2008.

(4) Danny Lee resigned as Chief Financial Officer on May 15, 2008.

(5) During the year ended December 31, 2009, the fair value of stock options granted to officers and directors was measured using the Black-Scholes option pricing model, incorporating the following assumptions: (1) interest rate 2.62%, (2) option life 5 years, (3) annual volatility 106%, and (4) nil dividends.

(6) The amounts included in this column are, in the case of David Worrall and David Parry, discretionary bonus payments determined by the Compensation Committee with respect to overall performance during the year. In the case of Sean McGrath, the bonus payment was for the achievement of specific regulatory filing objectives.

Aside from the agreements described below, the Company does not currently have in place any employment or consulting agreements with its Named Executive Officers. Sean McGrath, the Company's former Chief Financial Officer, and the Company entered into a Management Consulting Agreement pursuant to which Mr. McGrath was paid a monthly fee in the amount of $5,000. Bruce Colwill, the Company's Chief Financial Officer, from April 30, 2010 to February 1, 2011 and the Company entered into a Management Consulting Agreement, effective May 2010, pursuant to which Mr. Colwill was paid a monthly fee in the amount of $15,000. The agreement expired in November 2010. On August 1, 2009, Mr. Worrall, the Company's Chief Executive Officer, entered into an employment contract with the Company pursuant to which the Company paid a monthly fee in the amount of US$18,000. The agreement was renewed at the end of the term by mutual agreement for a further year.

There were no long term incentive plans in place for any Named Executive Officer of the Company during the most recently completed financial year.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth the outstanding share-based awards and option-based awards held by the Named Executive Officers of the Company at the end of the most recently completed financial year:

Outstanding Share-Based Awards and Option-Based Awards

	Option-based Awards				Share-based Awards	
Name	**Number of securities underlying unexercised options[(1)] (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options[(2)] ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**
David Worrall, Chief Executive Officer	670,554 1,076,384	$0.10 $0.25	September 20, 2014 September 20, 2014	Nil	Nil	Nil
Sean McGrath, Former Chief Financial Officer	50,000 50,000	$0.25 0.10	September 20, 2014 September 20, 2014	Nil	Nil	Nil
David Parry, Vice President Business Development	335,463 538,657	$0.10 0.25	September 20, 2014 September 20, 2014	Nil	Nil	Nil

Notes:

(1) During the most recently completed financial year, David Parry and David Worrall agreed to the cancellation of all of their previously granted option-based awards.

(2) "In-the-Money Options" means the excess of the market value of the Company's shares on December 31, 2009 over the exercise price of the options. The closing price of the Company's shares on December 31, 2009 was $0.07

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each Named Executive Officer:

Value Vested or Earned for Incentive Plan Awards During the Most Recently Completed Financial Year

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year (1) ($)
David Worrall, Chief Executive Officer and Former Chief Operating Officer	Nil	N/A	40,000
Sean McGrath, former Chief Financial officer	Nil	N/A	5,000
David Parry, Vice President Business Development	Nil	N/A	25,000

Note:

(1) The amounts included in this column are, in the case of David Worrall and David Parry, discretionary bonus payments determined by the Compensation Committee with respect to overall performance during the year. In the case of Sean McGrath, the bonus payment was for the achievement of specific regulatory filing objectives.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Other than as described below, the Company and its subsidiaries have no contract, agreement, plan or arrangement where a Named Executive Officer is entitled to receive more than $50,000 (including periodic payments or instalments) to compensate such executive officer in the event of any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or its subsidiaries, or a change in responsibilities of the Named Executive Officer, except that the Company entered and David Worrall entered into an employment agreement (the "**Worrall Agreement**") dated August 1, 2009, whereby the Company employed Mr. Worrall as president and chief executive officer of the Company. Pursuant to the Worrall Agreement, if the Company had terminated Mr. Worrall's employment other than for just cause, the Company would have been required to three months notice ($18,000 per month) of such termination. Upon the sale or merger of the Company, Mr. Worrall is also entitled to exercise any stock option which has already vested in accordance with the Stock Option Plan. If his contract is terminated as a result of a sale, merger or takeover of the Company, Mr. Worrall is entitled to exercise any option held, subject to the terms and conditions of the Stock Option Plan. As the closing price of the Company's shares on December 31, 2009 was $0.07, Mr. Worrall would not have obtained any benefit from the options held on that date. For a period of twelve months following the date of termination, Mr. Worrall has an obligation to not disclose any confidential information and materials of the Company

DIRECTOR COMPENSATION

Director Compensation Table

Other than compensation paid to the Named Executive Officers, and except as noted below, no compensation was paid to directors in their capacity as directors of the Company or its subsidiaries, in their capacity as members of a committee of the Board or of a committee of the board of directors of its subsidiaries, or as consultants or experts, during the Company's most recently completed financial year.

The following table sets forth the details of compensation provided to the directors, other than the Named Executive Officers during the Company's most recently completed financial year:

Name	Fees Earned ($)	Share-based Awards ($)	Option-based Awards[1] ($)	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation ($)	Total ($)
Aage Thoen	Nil	Nil	39,892	Nil	Nil	Nil	39,892
A. Pedro Paul	Nil	Nil	17,789	Nil	Nil	Nil	17,789
Mark Sarssam[2]	Nil	Nil	28,749	Nil	Nil	Nil	Nil

Notes:

(1) During the year ended December 31, 2009, the fair value of stock options granted to officers and directors was measured using the Black-Scholes option pricing model, incorporating the following assumptions: (1) interest rate 2.62%, (2) option life 5 years, (3) annual volatility 106%, and (4) nil dividends.

(2) Mark Sarssam resigned as a director on March 26, 2010.

Narrative Discussion

As of September 30, 2008, the Company chose to discontinue the payment of all fees to directors, other than incentive stock options. In 2010, the payment of directors fees was reinstated such that the chairman of the board receives $7,500 per quarter whereas board members receive $5,000 per quarter.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth the outstanding share-based awards and option-based awards held by the directors of the Company at the end of the most recently completed financial year:

Outstanding Share-Based Awards and Option-Based Awards

	Option-based Awards			
Name	**Number of securities underlying unexercised options(1) (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)(1)**
Aage Thoen	267,778 369,444	$0.10 0.25	September 20, 2014 September 20, 2014	$NIL
Antonio Pedro Paulo	123,810 159,524	$0.10 0.25	September 20, 2014 September 20, 2014	$NIL
Mark Sarssam(2)	Nil	Nil	N/A	$NIL

Notes:

(1) During the most recently completed financial year, Aage Thoen and Antonio Pedro Paulo agreed to the cancellation of all of their previously granted option-based awards.

(2) Mark Sarssam resigned as a director on March 26, 2010.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed fiscal year by each director:

Value Vested or Earned for Incentive Plan Awards during the Most Recently Completed Financial Year

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Aage Thoen	Nil	N/A	N/A
Antonio Pedro Paulo	Nil	N/A	N/A
Mark Sarssam(1)	Nil	N/A	N/A

Notes:

(1) Mark Sarssam resigned as a director on March 26, 2010.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets out those securities of the Company which have been authorized for issuance under equity compensation plans:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by the security holders	5,132,880	$0.19	14,867,120
Equity compensation plans not approved by the security holders	Nil	N/A	N/A
Total	**5,132,880**	**$0.19**	**14,867,120**