

PERISSON PETROLEUM CORPORATION

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

to be held on Monday, June 1, 2015

at 10:00 a.m. (Calgary time)

at

Suite 1250, Standard Life Building

639 - 5th Avenue S.W.

Calgary, Alberta

MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT

May 8, 2015

PERISSON PETROLEUM CORPORATION

NOTICE OF ANNUAL AND SPECIAL MEETING OF THE SHAREHOLDERS

TAKE NOTICE THAT an annual and special meeting (the "**Meeting**") of the shareholders of **PERISSON PETROLEUM CORPORATION** (the "**Corporation**") will be held at Suite 1250, Standard Life Building, 639 - 5th Avenue S.W., Calgary, Alberta, at 10:00 a.m. on Monday, June 1, 2015 for the following purposes:

1. to receive and consider the financial statements of the Corporation as at and for the year ended December 31, 2014, together with the report of the auditors thereon;
2. to fix the number of directors at 5 and to elect the board of directors for the ensuing year;
3. to appoint PricewaterhouseCoopers LLP as the auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to determine the remuneration to be paid to the auditors;
4. to consider and, if deemed advisable, to pass a special resolution to approve the consolidation of the Corporation's issued and outstanding common shares on the on the basis of up to 10 to 1 existing Common Shares for new Common Shares, with such ratio to be determined by the Board of Directors in its sole discretion, as more particularly described in the accompanying Information Circular;
5. to consider and, if deemed advisable, to pass an ordinary resolution, the full text of which is set forth in the accompanying Management Proxy Circular, to approve and authorize the amendments to the Corporation's by-laws to, among other things, provide for the advance notice requirements and to change the quorum requirements for meetings of directors and for meeting of shareholders; and
6. to transact such other business as may properly come before the Meeting.

Information relating to matters to be acted upon by the shareholders at the Meeting is set forth in the accompanying Management Proxy Circular.

A shareholder may attend the Meeting in person or may be represented at the Meeting by proxy. Shareholders who are unable to attend the Meeting in person and wish to be represented by proxy are requested to date, sign and return the accompanying instrument of proxy, or other appropriate form of proxy, in accordance with the instructions set forth in the accompanying Management Proxy Circular. An instrument of proxy will not be valid unless it is deposited at the offices of Computershare Investor Services (Attention: Proxy Department) at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, in the enclosed self-addressed envelope, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting, or any adjournment thereof. An instrument of proxy may also be voted using a touch tone telephone at 1-866-732-VOTE (8683). Alternatively, a registered shareholder can complete internet voting by logging on at www.investorvote.com and entering the CONTROL NUMBER located on the address box of the shareholder's instrument of proxy. A person appointed as proxy holder need not be a shareholder of the Corporation.

Only shareholders of record as at the close of business on May 4, 2015 (the "**Record Date**") are entitled to receive notice of the Meeting.

SHAREHOLDERS ARE CAUTIONED THAT THE USE OF THE MAIL TO TRANSMIT PROXIES IS AT EACH SHAREHOLDER'S RISK.

DATED at Calgary, Alberta as of the 8th day of May, 2015.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) Chien-Yeh Chen
Chairman and Chief Executive Officer

PERISSON PETROLEUM CORPORATION

MANAGEMENT PROXY CIRCULAR

(Unless otherwise stated, information contained herein is given as of May 8, 2015)

INFORMATION REGARDING PROXIES AND VOTING AT THE MEETING

Solicitation of Proxies

This management proxy circular ("**Management Proxy Circular**") is furnished in connection with the solicitation of proxies by the management of Perisson Petroleum Corporation (the "**Corporation**") for use at the annual and special meeting of the holders (the "**Shareholders**") of common shares ("**Common Shares**") of the Corporation to be held at the Suite 1250, Standard Life Building, 639 - 5th Avenue S.W., Calgary, Alberta, at 10:00 a.m., on Monday, June 1, 2015 (the "**Meeting**"), for the purposes set forth in the notice of annual and special meeting (the "**Notice**") accompanying this Management Proxy Circular. Solicitation of proxies will be primarily by mail, but may also be undertaken by way of telephone, facsimile or oral communication by the directors, officers and regular employees of the Corporation, at no additional compensation. Costs associated with the solicitation of proxies will be borne by the Corporation.

Appointment of Proxyholders

Accompanying this Management Proxy Circular is an instrument of proxy for use at the Meeting. Shareholders who are unable to attend the Meeting in person and wish to be represented by proxy are required to date and sign the enclosed instrument of proxy and return it in the enclosed return envelope. **All properly executed instruments of proxy for Shareholders must be mailed so as to reach or be deposited at the offices of Computershare Investor Services (Attention: Proxy Department) at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment thereof.** An instrument of proxy may also be voted using a touch tone telephone at 1-866-732-VOTE (8683). Alternatively, a registered shareholder can complete internet voting by logging on at www.investorvote.com and entering the CONTROL NUMBER located on the address box of the shareholder's instrument of proxy.

The persons designated in the instrument of proxy are officers and/or directors of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) other than the persons designated in the accompanying instrument of proxy, to attend at and represent the Shareholder at the Meeting.** To exercise this right, a Shareholder should insert the name of the designated representative in the blank space provided on the instrument of proxy and strike out the names of management's nominees. Alternatively, a Shareholder may complete another appropriate instrument of proxy.

Signing of Proxy

The instrument of proxy must be signed by the Shareholder or the Shareholder's duly appointed attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney of the Corporation. An instrument of proxy signed by a person acting as attorney or in some other representative capacity (including a representative of a corporate Shareholder) should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with the Corporation).

Revocability of Proxies

A Shareholder who has submitted an instrument of proxy may revoke it at any time prior to the exercise thereof. In addition to any manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his or her duly authorized attorney or, if the Shareholder is a corporation, under its corporate seal or executed by a duly authorized officer or attorney of the corporation and deposited either: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournments thereof, at which the instrument of proxy is to be used; or (ii) with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof. In addition, an instrument of proxy may be revoked: (i) by the Shareholder personally attending the Meeting and voting the securities represented thereby or, if the Shareholder is a corporation, by a duly authorized representative of the corporation attending at the Meeting and voting such securities; or (ii) in any other manner permitted by law.

Voting of Proxies and Exercise of Discretion by Proxyholders

All Common Shares represented at the Meeting by properly executed proxies will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the instrument of proxy will be voted in accordance with such instructions. The management designees named in the accompanying instrument of proxy will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing him or her on any ballot that may be called for at the Meeting. **In the absence of such direction, such Common Shares will be voted "FOR" the proposed resolutions at the Meetings. The accompanying instrument of proxy confers discretionary authority upon the persons named therein with respect to amendments of or variations to the matters identified in the accompanying Notice and with respect to other matters that may properly be brought before the Meeting.** In the event that amendments or variations to matters identified in the Notice are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the management designees to vote in accordance with their best judgment on such matters or business. At the time of printing this Management Proxy Circular, the management of the Corporation knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the accompanying Notice.

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

Other than as specifically discussed under the heading "Matters to be Acted Upon at the Meeting", no director or officer of the Corporation, past or present, or any associate or affiliate of such persons, or any person on behalf of whom this solicitation is made, has any interest, direct or indirect, in any matter to be acted upon at the Meeting, except that such persons may be directly involved in the general affairs of the Corporation, with the exception that certain directors and officers have been granted stock options.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Voting Shares and Record Date

The authorized share capital of the Corporation consists of an unlimited number of Common Shares, an unlimited number of first preferred shares and an unlimited number of second preferred shares. The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is May 4, 2015 (the "**Record Date**"). As at the date hereof, there are 113,540,041 Common Shares issued and outstanding as fully paid and non-assessable.

Common Shares

The holders of Common Shares are entitled to notice of, and to vote at, all annual and special meetings of shareholders and are entitled to one vote per Common Share. The holders of Common Shares are entitled to receive such dividends as the board of directors of the Corporation (the "**Board of Directors**" or the "**Board**") declare and, upon dissolution, to receive such assets of the Corporation as are distributable to holders of Common Shares.

Voting of Common Shares – General

Only Shareholders whose names are entered in the Corporation's register of shareholders at the close of business on the Record Date and holders of Common Shares issued by the Corporation after the Record Date and prior to the Meeting will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he, she or it owns the Common Shares and demands, not later than ten days before the Meeting, that his, her or its name be included on the Shareholder list before the Meeting, in which case the transferee shall be entitled to vote his or her Common Shares at the Meeting.

Voting of Common Shares – Advice to Non-Registered Holders

Only registered holders of Common Shares, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder (a "**Non-Registered Holder**") are registered either:

- (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares. Intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSPs, RRFs, RESPs and similar plans; or
- (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited or "**CDS**").

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice, this Management Proxy Circular and the instrument of proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward meeting materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, Intermediaries will use a service company (such as Broadridge Financial Solutions, Inc. ("**Broadridge**")) to forward meeting materials to Non-Registered Holders.

Generally, Non-Registered Holders who have not waived the right to receive meeting materials will:

- (a) have received as part of the Meeting Materials a voting instruction form which must be completed, signed and delivered by the Non-Registered Holder in accordance with the directions on the voting instruction form; voting instruction forms sent by Broadridge permit the completion of the voting instruction form by telephone or through the Internet at www.proxyvotecanada.com; or
- (b) less typically, be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise uncompleted. This form of proxy need not be signed by the Non-Registered Holder. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with Computershare Trust Company of Canada, c/o Computershare Investor Services at the address referred to above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder wish to attend and vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should strike out the names of the persons named in the proxy and insert the Non-Registered Holder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediaries and their service companies.**

Only registered Shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures set above.

Principal Holders of Common Shares

To the best of the knowledge of the directors and executive officers of the Corporation, as at the date hereof, there are no persons, corporations or other entities (other than securities depositories) who beneficially own, directly or indirectly, or exercise control or discretion over voting securities carrying more than 10% of the voting rights attached to the shares of the Corporation.

STATEMENT OF EXECUTIVE COMPENSATION

Summary Compensation Table

Executive Compensation is required to be disclosed for (i) each Chief Executive Officer (or individual who served in a similar capacity during the most recently completed financial year), (ii) each Chief Financial Officer (or individual who served in a similar capacity during the most recently completed financial year), (iii) each of the three most highly compensated executive officers (other than the Chief Executive Officer and the Chief Financial Officer)

who were serving as executive officers of the Corporation or any of its subsidiaries at the end of the most recently completed fiscal year (or three most highly compensated individuals) and whose total compensation was, individually, more than \$150,000; and (iv) each individual who would meet the definition set forth in (iii) but for the fact that the individual was neither an executive officer of the Corporation or any of its subsidiaries, nor acting in a similar capacity, at the end of that financial year (the "**Named Executive Officers**"). The Named Executive Officers of the Corporation were Chien-Yeh (Gary) Chen, Chairman and Chief Executive Officer (appointed Chairman and Chief Executive Officer on December 12, 2012), Wayne Rousch, President (appointed as President on October 1, 2014), and Dominique St. Louis, Chief Financial Officer (appointed as Chief Financial Officer on December 12, 2012). There were no other Named Executive Officers in 2014, and no other employees earned in excess of \$150,000 in 2014.

Compensation of the Named Executive Officers of the Corporation is reviewed annually by the Corporation's Board of Directors. The Board of Directors' objective in setting compensation levels is that the aggregate compensation received by Named Executive Officers be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are employed by other companies of corresponding size and stage of development. In setting such levels, the Board relies primarily on their own experience and knowledge of the marketplace, supplemented by independent advisors, as required.

Compensation provided to Named Executive Officers consists of two principal components: (1) base salaries and bonuses; and (2) options granted pursuant to the Corporation's stock option plan (the "**Plan**").

Base Salaries and Bonus – The Corporation's view of base salaries is that they should be competitive with industry peers, to the extent that can be determined, and with other public companies at similar stages of development and having similar assets, number of employees, market capitalization and profit margin. The employment agreements entered into with Messrs. Chen, Rousch and St. Louis provide that the salary or compensation is subject to normal periodic review on or about the anniversary date of any employment agreement. In addition to the salary, the Board of Directors of the Corporation may, from time to time, pay a bonus to Named Executive Officers for either the accomplishment of specific performance criteria or for exceptional performance, as may be applicable in accordance with their respective agreements with the Corporation.

Options – Pursuant to the Corporation's Plan, the Board of Directors of the Corporation, at its discretion, determines all grants of stock options to Named Executive Officers. Such grants are considered incentives intended to align the Named Executive Officers' and shareholders' interests in the long term. The Corporation emphasizes stock options in executive compensation as they allow the Named Executive Officers to share in corporate results in a manner that is relatively cost-effective despite the effects of treating stock options as a compensation expense.

The Corporation has entered into employment agreements with Messrs. Chen, Rousch and St. Louis for their services as the Chief Executive Officer, President and Chief Financial Officer, respectively, which set forth the terms of their compensation. Mr. St. Louis was terminated as Chief Financial Officer on March 23, 2014. These agreements are reviewed by the Board of Directors on an annual basis.

Compensation of Chien-Yeh (Gary) Chen, Chairman and Chief Executive Officer for 2014

Gary Chen, Chief Executive Officer of the Corporation, entered into an employment agreement with the Corporation effective December 12, 2012, which governs the terms of his employment with the Corporation. Mr. Chen's employment agreement provides for gross annual remuneration for an indefinite term of \$200,000 and such benefits as the Corporation may offer to its executive employees, including, but not limited to, coverage under the Corporation's director and officer insurance policy and participation in the Corporation's stock option plan and payment of reasonable expenses. Mr. Chen is also entitled to receive such additional remuneration, by way of bonus or otherwise, as the Board of Directors may approve, to fairly compensate him for any exceptional performance in discharging the duties and responsibilities of his office. Upon termination, Mr. Chen may be entitled to certain additional payments (see "*Statement of Executive Compensation – Termination and Change of Control Benefits*" herein). In the event of any such termination, for any reason, any unvested stock options held by Mr. Chen would expire and terminate, and any vested options would have to be exercised within a specified period of time. Pursuant to his employment agreement, Mr. Chen has agreed to not compete with the Corporation for a period of twelve months from the date of the termination of employment. For a summary of compensation paid to Mr. Chen in respect of the year ended December 31, 2014, please refer to the *Summary Compensation Table* below.

Compensation of Wayne Rousch, President for 2014

Wayne Rousch, President of the Corporation, entered into an employment agreement with the Corporation effective August 1, 2014, which governs the terms of his employment with the Corporation. Mr. Rousch's employment agreement provides for gross annual remuneration for the 2-year term of \$125,000 and such benefits as the Corporation may offer to its executive employees, including, but not limited to, coverage under the Corporation's director and officer insurance policy and participation in the Corporation's stock option plan and payment of reasonable expenses. Mr. Rousch is also entitled to receive such additional remuneration, by way of bonus or otherwise, as the Board of Directors may approve, to fairly compensate him for any exceptional performance in discharging the duties and responsibilities of his office. Mr. Rousch's employment agreement continues until August 1, 2016, and thereafter, automatically renewed for subsequent 2-year terms, subject to either party's right to terminate upon 90 days' written notice (except where it relates to a change of control or termination for cause). Upon termination, Mr. Rousch may be entitled to certain additional payments (see "*Statement of Executive Compensation – Termination and Change of Control Benefits*" herein). In the event of any such termination, for any reason, any unvested stock options held by Mr. Rousch would expire and terminate, and any vested options would have to be exercised within a specified period of time. Pursuant to his employment agreement, Mr. Rousch has agreed to not compete with the Corporation for a period of twelve months from the date of the termination of employment. For a summary of compensation paid to Mr. St. Rousch in respect of the year ended December 31, 2014, please refer to the *Summary Compensation Table* below

Compensation of Dominique St. Louis, Chief Financial Officer for 2014

Dominique St. Louis, former Chief Financial Officer of the Corporation, entered into an employment agreement with the Corporation effective January 1, 2013, which governs the terms of his employment with the Corporation. Mr. St. Louis' employment agreement provides for gross annual remuneration for an indefinite term of \$100,000 and such benefits as the Corporation may offer to its executive employees, including, but not limited to, coverage under the Corporation's director and officer insurance policy and participation in the Corporation's stock option plan and payment of reasonable expenses. Mr. St. Louis is also entitled to receive such additional remuneration, by way of bonus or otherwise, as the Board of Directors may approve, to fairly compensate him for any exceptional performance in discharging the duties and responsibilities of his office. Upon termination, Mr. St. Louis may be entitled to certain additional payments (see "*Statement of Executive Compensation – Termination and Change of Control Benefits*" herein). In the event of any such termination, for any reason, any unvested stock options held by Mr. St. Louis would expire and terminate, and any vested options would have to be exercised within a specified period of time. Pursuant to his employment agreement, Mr. St. Louis has agreed to not compete with the Corporation for a period of twelve months from the date of the termination of employment. Mr. St. Louis was terminated by the Corporation on March 23, 2015. For a summary of compensation paid to Mr. St. Louis in respect of the year ended December 31, 2014, please refer to the *Summary Compensation Table* below.

Summary Compensation Table

The following table sets forth information concerning the total compensation paid during the years ended December 31, 2012, 2013 and 2014 to the Named Executive Officers.

Name and Principal Position	Fiscal Year Ended Dec. 31	Annual Compensation			Non-Equity Incentive Plan Compensation (\$)			All Other Compensation (\$)	Total Compensation (\$)
		Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) ⁽⁶⁾	Annual Incentive Plans	Long-Term Incentive Plans	Pension Value (\$)		
Chien-Yeh (Gary) Chen ⁽¹⁾ <i>Chief Executive Officer</i>	2014	\$200,000	Nil	Nil	Nil	Nil	Nil	\$200,000	
	2013	\$200,000	Nil	\$672,000	Nil	Nil	Nil	\$872,000	
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Wayne Rousch ⁽²⁾ <i>President</i>	2014	\$52,083	Nil	\$26,130 ⁽⁷⁾	Nil	Nil	Nil	\$78,213	
Micheal Curtis ⁽³⁾ <i>President</i>	2013	\$10,000	Nil	\$448,000 ⁽³⁾	Nil	Nil	Nil	\$458,000	
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	
Marc Roberge ⁽⁴⁾ <i>President and Chief Executive Officer</i>	2012	\$3,600	Nil	Nil	Nil	Nil	Nil	\$3,600	
Dominique St. Louis ⁽⁵⁾ <i>Chief Financial Officer, Vice President and Secretary</i>	2014	\$100,000	Nil	Nil	Nil	Nil	Nil	\$100,000	
	2013	\$100,000	Nil	\$301,000	Nil	Nil	Nil	\$401,000	
	2012	Nil	Nil	Nil	Nil	Nil	Nil	Nil	

Notes:

- (1) Mr. Chen was appointed the Chief Executive Officer of the Corporation on December 12, 2012.
- (2) Mr. Rousch was appointed President of the Corporation on August 1, 2014.
- (3) Mr. Curtis resigned as the President of the Corporation on June 21, 2013. All options of Mr. Curtis were cancelled following his resignation.
- (4) Mr. Roberge resigned as the Chief Executive Officer of the Corporation on December 12, 2012.
- (5) Mr. St. Louis was terminated as Chief Financial Officer of the Corporation on March 23, 2015.
- (6) In 2013, Mr. Chen was awarded options to acquire 1,500,000 Common Shares of the Corporation, Mr. Roberge was awarded options to acquire 1,000,000 Common Shares of the Corporation, and Mr. St. Louis was awarded options to acquire 750,000 Common Shares of the Corporation. Each of these options have an exercise price of \$0.50 and, subject to the terms of the option agreements, will expire in 2023 and have been valued using the Black-Scholes option-pricing model. The assumptions that were used to assess the fair value of options granted on January 2013 were as follows: share price at the grant date of CA\$0.50; expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 1.87%; and an expected life of 10 years. The assumptions that were used to assess the fair value of options granted on December 2013 were as follows: share price at the grant date of CA\$0.35; expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 2.77%; and an expected life of 10 years.
- (7) In 2014, Mr. Rousch was awarded options to acquire 1,000,000 Common Shares of the Corporation. Each of these options have an exercise price of \$0.05 and, subject to the terms of the option agreements, will expire in 2023 and have been valued using the Black-Scholes option-pricing model. The assumptions that were used to assess the fair value of options granted was as follows: share price at the grant date of CA\$0.03; expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 2.59%; and an expected life of 10 years.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

Pursuant to the Stock Option Plan, the Board of Directors of the Corporation may, from time to time, in its discretion and in accordance with the Canadian Securities Exchange (the “**Exchange**” or the “**CSE**”) requirements, grant to directors, officers, employees and consultants of the Corporation or any of its subsidiaries (“**Admissible Person**”), non-transferable options to acquire Common Share (the “**Options**”) to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed ten percent (10%) of the issued and outstanding Common Shares at the date the Options are granted (on a non-diluted basis), exercisable for a period of up to ten (10) years from the date of grant.

The total number of Common Shares set aside for the exercise of Options on behalf of any beneficiary of Options under the Stock Option Plan shall at no time represent more than five percent (5%) of the issued and outstanding Common Shares, without disinterested shareholder approval and compliance with all requirements of the applicable Exchange. Any individual or company providing services shall be restricted to a maximum of five percent (5%) of the outstanding listed Common Shares of the Corporation.

The number of Options granted to any consultant, whether an individual or legal person, over a twelve (12) month period, must not exceed two percent (2%) of the issued and outstanding listed Common Shares, calculated at the date the Option is granted to the consultant. This two percent (2%) limit is included within the limitations prescribed in the second paragraph. Furthermore, subject to the prohibition provided in the second paragraph, the aggregate number of Options granted to an individual or legal person employed to provide investors relation activities must not exceed, over a twelve (12) month period, two percent (2%) of the issued and outstanding listed Common Shares, calculated at the date the Option was granted. This two percent (2%) limit is included within the option limitations prescribed in the second paragraph.

The exercise price and the term of Options are determined by the Board of Directors and are subject to approval by the CSE. However, the exercise price cannot be lower than the greater of the closing market prices of the Common Shares on the trading day prior to the date of grant of the Options and the date of grant of the Options.

In the event a beneficiary of Options is dismissed as a director, officer, employee or consultant of the Corporation or one of its subsidiaries for cause, all unexercised Options rights of such beneficiary under the Stock Option Plan shall terminate immediately upon such dismissal, and such, notwithstanding the expiry date of the Option granted to such beneficiary under the Stock Option Plan.

In the event a beneficiary of Options ceases to be a director, officer, employee or consultant of the Corporation or one of its subsidiaries as a result of:

- (a) disability or illness preventing the beneficiary of Options from performing the duties routinely performed by such beneficiary;
- (b) retirement at a normal retirement age; or
- (c) such other circumstances as may be approved by the Board of Directors;

then each Option granted to such beneficiary shall be exercisable only to the extent of the number of Options which may be purchased in conformity with the Stock Option Plan (determined as of the date the beneficiary ceases to be an Admissible person) for a period commencing on the date the beneficiary ceases to be an Admissible person and, subject to the expiry of such Option, ending on the greater of ninety (90) days (or thirty (30) days if the beneficiary is providing investor relations services).

In the event of the death of the beneficiary while an Admissible person, the Options granted to such beneficiary may be exercised in whole or in part by the legal representative of the beneficiary, during a period commencing on the date of death and ending twelve (12) months thereafter or the expiry date, whichever comes first. Upon the expiration of such period, all unexercised option rights of the deceased beneficiary shall immediately terminate, notwithstanding the expiry date of the option granted to the deceased beneficiary under the Stock Option Plan.

Subject to CSE Policies, if any Option granted under the Stock Option Plan shall expire or terminate for any reason without having been exercised in full, such unexercised Options shall become available for future Option grants under the Plan.

If, at any time an Option granted under the Stock Option Plan remains unexercised, an offer to purchase all of the Common Shares of the Corporation is made by a third party, the Corporation shall use its best efforts to bring such offer to the attention of the Admissible person who hold Options as soon as practicable and the Corporation may, at its discretion, require the acceleration of the time for the exercise of the Option rights granted under the Stock Option Plan and of the time for the fulfilment of any conditions or restrictions on such exercise.

The Board of Directors may amend the Stock Option Plan, subject to, as the case may require, the approvals of the Exchange, the Shareholders of the Corporation or the optionees who have been granted Options.

As at December 31, 2014, a total of 11,354,004 Options, being a maximum of ten percent (10 %) of the Common Shares of the capital stock of the Corporation as at this date, are reserved for the issuance of stock options pursuant to the Stock Option Plan of the Corporation.

No share-based (as opposed to option-based) awards have been granted to the Corporation's Named Executive Officers. Details of options awarded to Named Executive Officers which are outstanding as of December 31, 2014 are set forth in the following table:

Name and Principal Position	Option-Based Awards			Share-Based Awards			Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$)
	Number of securities underlying unexercised options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of Shares or Units of Shares that have not Vested (#)	Market of Payout Value of Share-Based Awards that have not Vested (\$)	
Chien-Yeh (Gary) Chen Chief Executive Officer	1,500,000	\$0.50	January 23, 2023	Nil	Nil	Nil	Nil
Wayne Rousch President	1,000,000	\$0.05	October 1, 2024	Nil	Nil	Nil	Nil
Dominique St. Louis Chief Financial Officer ⁽²⁾	500,000 250,000	\$0.50 \$0.50	June 24, 2015 June 24, 2015	Nil Nil	Nil	Nil	Nil

Note:

- (1) Value is calculated upon difference between the exercise price of the options and the closing price of the Common Shares on the CSE on December 31, 2014, which closing price was \$0.01, December 31st being the last day the Common Shares traded in 2014.
- (2) Mr. St. Louis was terminated as Chief Financial Officer of the Corporation on March 23, 2015.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table summarizes the value of options held by Named Executive Officers that vested during the year ended December 31, 2014.

Name	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards – Value Vested During the Year (\$)	Non-equity Incentive Plan Compensation – Value Earned During the Year (\$)
Chien-Yeh (Gary) Chen	Nil	Nil	Nil
Wayne Rousch	Nil	Nil	Nil
Dominique St. Louis	Nil	Nil	Nil

Note:

- (1) Value is calculated upon difference between the exercise price of the options and the closing price of the Common Shares on the CSE on December 31, 2014, which closing price was \$0.01, December 31st being the last day the Common Shares traded in 2014.

Pension Plan Benefits

The Corporation does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement.

Termination and Change of Control Benefits

The Corporation has employment agreements in place with Messrs. Chen, Rousch and St. Louis (who was terminated on March 23, 2015).

Other than as described below, there are no compensatory plans, contracts or arrangements with any Named Executive Officer (including payments to be received from the Corporation or any subsidiary), which result or will result from the resignation, retirement or any other termination of employment of such Named Executive Officer or from a change of control of the Corporation or any subsidiary thereof or any change in such Named Executive Officer's responsibilities following a change in control, where the Named Executive Officer is entitled to payment or other benefits.

In the event his employment with the Corporation is terminated without cause, Mr. Chen shall be indemnified for an amount equal to a lump sum payment equivalent to one (1) month of Mr. Chen's base salary per worked year considering a minimum of four (4) months of Mr. Chen's base salary at the time of the termination of the employment agreement for any service year before the fifth (5th) year of his employment, payable as a lump sum within one (1) month following Mr. Chen's last day of work. If Mr. Chen resigns, the Corporation shall be obliged to pay Mr. Chen his base salary for such remaining part of the period specified in the notice provided by Mr. Chen to the Corporation to a maximum of 4 months of Mr. Chen's base salary proportionate to his number of service years worked for the Corporation. The employment contract also contains confidentiality, non competition and non-solicitation covenants in favour of the Corporation but these provisions are not conditional to the granting of an indemnity payment.

In the event his employment with the Corporation is terminated without cause, Mr. Rousch shall be indemnified for an amount equal to a lump sum payment equivalent to three (3) months of Mr. Rousch's base salary at the time of the termination of the employment agreement. The employment contract also contains confidentiality, non competition and non-solicitation covenants in favour of the Corporation but these provisions are not conditional to the granting of an indemnity payment.

In the event his employment with the Corporation is terminated without cause, Mr. St. Louis shall be indemnified for an amount equal to a lump sum payment equivalent to one (1) month of Mr. St. Louis' base salary per worked year considering a minimum of four (4) months of Mr. St. Louis' base salary at the time of the termination of the employment agreement for any service year before the fifth (5th) year of his employment, payable as a lump sum within one (1) month following Mr. St. Louis' last day of work. If Mr. St. Louis resigns, the Corporation shall be obliged to pay Mr. St. Louis his base salary for such remaining part of the period specified in the notice provided by Mr. St. Louis to the Corporation to a maximum of 4 months of Mr. St. Louis' base salary proportionate to his number of service years worked for the Corporation. The employment contract also contains confidentiality, non competition and non-solicitation covenants in favour of the Corporation but these provisions are not conditional to the granting of an indemnity payment.

Compensation Risk Assessment and Mitigation

The Board of Directors considers the implications of the risks associated with the Corporation's compensation policies and practices when determining rewards for its executives and ensures that those policies do not encourage management to take inappropriate or excessive risks. The Board of Directors does not believe that there are any risks arising from the compensation programs that would be reasonably likely to have a material adverse effect on the Corporation.

The Corporation's compensation program includes several mechanisms to ensure risk-taking behaviour falls within reasonable risk tolerance levels, including:

- a balanced compensation mix between fixed and variable (at 0 risk) and between short and long-term incentives that defer award value
- requirement for Board approval of short-term incentive awards
- establishment of a compensation package within range of competitive practices (peer group)
- utilizing longer-term incentive plans for diversification and alignment with risk realization periods (option based awards)

Under the Corporation's policies, neither officers nor directors are permitted to take any derivative or speculative positions in the Corporation's securities. This is to prevent the purchase of financial instruments that are designed to hedge or offset any decrease in the market value of the Corporation's securities.

Director Compensation

The directors and members of Committees of the Board of directors did not receive any compensation for acting as directors or for serving on Committees of the Board of Directors for the fiscal years ended December 31, 2012, 2013 and 2014.

Each director is eligible to receive stock options of the Corporation. The Corporation has compensated the directors with stock options.

The Corporation has purchased, at its expense, a directors' and officers' liability insurance policy, which expires June 27, 2015. This covers the directors and officers of the Corporation against liability incurred by them in their capacities as directors and officers of the Corporation. The coverage has an aggregate limit of \$5,000,000. There is a deductible of \$25,000. Premiums paid by the Corporation for the directors and officers liability insurance are \$5,181 per annum.

The following table summarizes all compensation provided to directors (in their capacities as directors) during the year ended December 31, 2014.

Name ⁽¹⁾⁽³⁾	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards ⁽⁴⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
Chien-Yeh Chen	Nil	Nil	Nil	Nil	Nil	Nil	Nil
David Foo	Nil	Nil	\$26,130	Nil	Nil	Nil	\$26,130
Jinbao Liu	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Chih Sheng Hsu	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Brad Nichol	Nil	Nil	\$26,130	Nil	Nil	Nil	\$26,130
Marc Roberge ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Serge Racine ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Messrs. Foo and Nichol were elected as a director on June 20, 2014. Messrs. Chen and Liu were elected on December 12, 2012. Mr. Hsu was elected on June 21, 2013.
- (2) Messrs. Racine and Roberge resigned as directors on March 23, 2015
- (3) For a description of all compensation paid in 2014, please refer to the sections herein entitled "Summary Compensation Table" and "Incentive Plan Awards".
- (4) On October 1, 2014, Messrs. Foo and Nichol were each awarded options to acquire 1,000,000 Common Shares of the Corporation. Each of these options have an exercise price of \$0.05 and will expire on October 1, 2024 and have been valued using the Black-Scholes option-pricing model. The assumptions that were used to assess the fair value of options granted was as follows: share price at the grant date of CA\$0.03; expected dividend yield of 0%; expected volatility of 100%; risk-free interest rate of 2.59%; and an expected life of 10 years.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as at the end of the Corporation's most recently completed financial year with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

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 securityholders	11,350,000	\$0.31	4,004
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	11,350,000	\$0.31	4,004

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than as provided in the tables below, none of the directors and officers of the Corporation, any proposed management nominee for election as a director of the Corporation or any associate of any director, officer or proposed management nominee is or has been indebted to the Corporation at any time during the last completed financial year.

Aggregate Indebtedness as of the Record Date

No director, officer, or any of their respective associates or affiliates is or has been, at any time during the fiscal year ended December 31, 2014, been indebted to the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Management Proxy Circular, none of the directors or senior officers of the Corporation at any time since the beginning of the Corporation's last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted on, other than the election of directors or the appointment of auditors. Serge Racine, former corporate secretary of the Corporation, is a partner of Seguin Racine. Fees paid to Seguin Racine and Serge Racine totalled \$170,101 for legal services in 2014 as Perisson's primary legal counsel.

MANAGEMENT CONTRACTS

There are no management functions of the Corporation that are to any substantial degree performed by a person or company other than the directors or officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

CORPORATE GOVERNANCE

Please see the attached Schedule "A" for information on the Corporation's Corporate Governance (Form 58-101F2).

AUDIT COMMITTEE

Audit Committee Charter

The Charter of the Corporation's Audit Committee is attached to this Management Proxy Circular as Schedule "B".

Composition of the Audit Committee

The following are the members of the Committee:

Brad Nichol, Chair	Independent ⁽¹⁾	Financially literate ⁽¹⁾
David Foo	Independent ⁽¹⁾	Financially literate ⁽¹⁾
Jingbao Liu	Independent ⁽¹⁾	Financially literate ⁽¹⁾

Note:

(1) As defined by Multilateral Instrument – *Audit Committees* ("MI 52-110").

Education and Experience

Mr. Nichol holds a mechanical engineering degree from the University of Alberta and an MBA from London Business School. He is currently the President and CEO of Edge Resources Inc. (listed on the TSX Venture and AIM Exchanges), a company focused on developing its heavy oil properties within a balanced portfolio of oil and natural gas assets from properties in Alberta and Saskatchewan, Canada, is a director at Aroway Energy Inc. (TSXV: ARW) and Westridge Resources Inc, an exploration stage company focused on the acquisition, evaluation and exploration of mineral resource properties. He is also a director and officer of Edge Resources Inc., a company focused on developing its heavy oil properties within a balanced portfolio of oil and natural gas assets from properties in Alberta and Saskatchewan, Canada.

Mr. Foo graduated in 1980 with a Chemical Engineering degree from the University of Calgary. He worked for Suncor for 7 years as a field engineer. Mr. Foo has through the years acquired an expertise in automation

engineering and started a software company to deal with oil and gas production. His current role as Engineering Manager at Pure Energy Services Ltd/FMC Technologies involves new technology applications to resolve oil and gas production issues. He is currently a member of the Technical Committee for the Canadian Society for Unconventional Resources and is also an Industry Mentor for the Petroleum Engineering Technology program of SAIT.

Mr. Liu holds a bachelor degree from the Department of Geophysical Exploration at the ChangChun Geological University of China, and a Master of Business Administration from Preston University, in Wyoming, USA. Mr. Liu has worked for BGP Corporation for over twenty years and has been Vice President of BGP International since April 2003. Mr. Liu participated in the set up of BGP's cash management system for Shell in Nigeria and successfully managed both the Peru Project in the mountains/rainforest area, as well as the largest Oil & Gas exploration project for Pemex in the North of Mexico.

Through such business experience, the members of the Audit Committee review financial statements and gain an understanding of financial reporting controls and procedures.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of MI 52-110 (*De Minimis Non-Audit Services*), or an exemption from MI 52-110, in whole or in part, granted under Part 8 of Multilateral Instrument 52-110.

Pre-Approval Policies and Procedures

The Audit Committee must pre-approve all non-audit services to be provided to the Corporation by its external auditors.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees⁽¹⁾	Audit Related Fees	Tax Fees	All Other Fees
2014	\$80,000	Nil	Nil	Nil
2013	\$108,178	Nil	Nil	Nil

Note:

(1) The Corporation retained the services of PricewaterhouseCoopers LLP to assist in the preparation of the Corporation's financial statements.

Exemption

The Corporation is relying on the exemption provided in Section 6.1 of MI 52-110 and, as such, the Corporation is exempt from Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of MI 52-110.

PARTICULARS OF MATTERS TO BE ACTED UPON

Financial Statements

The financial statements of the Corporation for the year ended December 31, 2014 and the auditors' report thereon accompanying this Management Proxy Circular will be placed before the Shareholders at the Meeting for their consideration. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed notice, in the addressed envelope to the Corporation. No formal action will be taken at the Meeting to approve the financial statements, which have been approved by the Board of Directors of the Corporation in accordance with applicable corporate and securities legislation.

Election of Directors

The term of office of each of the present directors expires at the Meeting. The number of directors to be elected at the Meeting has been fixed at five. Management of the Corporation proposes to nominate the persons named below for election as directors of the Corporation at the Meeting to serve until the next annual meeting of the Shareholders of the Corporation, unless his office is earlier vacated. All of the nominees are currently members of the Board of Directors of the Corporation.

Approval of the election of directors will require the affirmative votes of the holders of not less than half of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting. **Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favour of the election, as directors, of the proposed slate of nominees whose names are set forth below.** In the event that prior to the Meeting, any vacancies occur on the slate of nominees submitted herewith, it is intended that discretionary authority will be granted to vote proxies solicited by or on behalf of management for the election of any other person or persons as directors. Management is not currently aware that any such nominees would not be willing to serve as director if elected.

The following information concerning the proposed nominees has been furnished by each of them:

<u>Name, Residence and Present Office Held</u>	<u>Principal Occupation or Employment</u>	<u>Director Since</u>	<u>Number of Common Shares Beneficially Owned or Controlled⁽¹⁾ and percentage of total issued and outstanding</u>
Chien-Yeh (Gary) Chen ⁽³⁾ Tainan, Taiwan, Republic of China <i>Chairman and Chief Executive Officer</i>	Executive Vice President of Morichal Sinoco S.A. since February 2011 and of Iguar. Mr. Chen served as Vice President, Business Development of Noveko International. Before joining Noveko, he was President and founder of Unitam International Management Corporation Inc.	Dec 12, 2012	4,166,667 3.67%
David Foo ⁽²⁾⁽³⁾ Calgary, Alberta, Canada <i>Director</i>	Engineering Manager at Pure Energy Services Ltd/FMC Technologies since August 2012. Vice President, Engineering, Dreadnaught Energy Inc. from 2009 to 2012.	June 20, 2014	2000 0.0015%
Chih-Sheng Hsu ⁽³⁾ Shanghai China <i>Director</i>	President of Shanghai Kang Yu Lica Cosmetics Co., Ltd; Mainland party representative of Chinese Nationalist Party's 18th Plenary Session; Executive Director of Shanghai Taiwan Compatriots Investment Enterprises Association; Vice president of Shanghai Xuhui District, Taiwan Association; committee member of the Shanghai Youth Federation.	March 2, 2010	1,375,000 1.21%

Name, Residence and Present Office Held	Principal Occupation or Employment	Director Since	Number of Common Shares Beneficially Owned or Controlled⁽¹⁾ and percentage of total issued and outstanding
Jinbao Liu ⁽²⁾⁽³⁾ Zhuozhou City (Hebei Province) People's Republic of China <i>Director</i>	Vice President of BGP International Inc. (one of the world's largest geophysical service companies) since April 2003.	August 25, 2010	Nil 0%
Brad Nichol ⁽²⁾⁽³⁾ Calgary, Alberta, Canada <i>Director</i>	President and Chief Executive Officer of Edge Resources Inc. (TSXV: EDE) since 2009.	April 15, 2003	Nil 0%

Notes:

- (1) The information as to the number of Common Shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective nominees. These figures do not include any securities that are convertible into or exercisable for Common Shares.
- (2) The Corporation's audit committee is currently comprised of Messrs. Foo, Nichol and Liu.
- (3) The Corporation's executive compensation committee is comprised of the entire Board of Directors.

Corporate Cease Trade Orders or Bankruptcies

Other than as set forth below, no proposed director of the Corporation is, or has been within the past ten years, a director, chief executive officer or chief financial officer of any company that, while such person was acting in that capacity:

- (i) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemptions under securities legislation, and that was in effect for a period of more than 30 consecutive days; or
- (ii) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemptions under securities legislation, that was issued after that individual ceased to be a director or chief executive officer or chief financial officer and which resulted from an event that occurred while such person was acting in a capacity as a director, chief executive officer or chief financial officer.

No proposed director of the Corporation is, or has been within the past ten years, a director or executive officer of any other company that, while such person was acting in that capacity, or within a year of that individual 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.

Individual Bankruptcies

No director or proposed director of the Corporation is or has, within the ten years prior to the date hereof, 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 that individual.

Penalties or Sanctions

No proposed director of the Corporation has been subject to 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. No proposed director of the Corporation has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Conflicts of Interest

The directors and officers of the Corporation may, from time to time, be involved with the business and operations of other oil and gas issuers, in which case a conflict of interest may arise between their duties as officers and directors of the Corporation and as officer and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such procedures and remedies, as applicable, under the *Business Corporations Act* (Alberta).

Appointment of Auditors

Unless otherwise directed, the management designees named in the accompanying instrument of proxy intend to vote in favor of the appointment of PricewaterhouseCoopers LLP, Chartered Accountants as auditors of the Corporation, to hold office until the close of the next annual meeting, at a remuneration to be determined by the Board of Directors of the Corporation. Approval of the appointment of the auditors will require the affirmative votes of the holders of not less than half of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting. **Unless instructed otherwise, the management designees in the accompanying instrument of proxy intend to vote FOR the resolution.**

Consolidation of Shares

At the meeting, Shareholders will be asked to consider and, if thought appropriate, to pass a special resolution approving the consolidation of the issued and outstanding Common Shares (which includes any outstanding convertible security) on the basis of up to 10 to 1 existing Common Shares for new Common Shares (the "**Consolidation Range**"), as determined by the Board of Directors in their sole discretion (the "**Share Consolidation**"). Any resulting fractional shares will be either rounded up or down to the nearest whole Common Share.

The Share Consolidation will affect all Shareholders uniformly and will not affect any Shareholder's percentage ownership interest in the Corporation, except to the extent that the Share Consolidation would otherwise result in any Shareholder being owed a fractional share. In addition, the Share Consolidation will not affect any Shareholder's proportionate voting rights, subject to the treatment of fractional shares. Options and other exchangeable or convertible securities will be consolidated in accordance with the terms of the respective securities at the same share consolidation ratio as determined by the Board.

The Share Consolidation is expected to increase the trading price of the Common Shares, which the Board believes will enhance their marketability and may increase the liquidity of the Common Shares if implemented at an appropriate time. This may be important to the Corporation in the future should it wish to explore potential listings on exchanges that require a minimum trading price. The Board also believes that the Share Consolidation could result in broader interest and demand from those institutional and other investors that have internal guidelines and policies discouraging or prohibiting investments in lower-priced shares.

The Board believes that Shareholder approval of a range of potential consolidation ratios (rather than a single consolidation ratio) provides the Board with maximum flexibility to achieve the desired results of the Share Consolidation. If the special resolution is approved by the Shareholders, the Share Consolidation would only be implemented, if at all, upon a determination by the Board that it is in the best interest of the Corporation and its Shareholders at that time. The Board's selection of the specific ratio will be based primarily on the price level of the Shares at the time and expected stability of that price level.

Upon a decision being made by the Board to implement the Share Consolidation using the above Consolidation Range, the effective date for the Share Consolidation will be set by the Board, and registered Shareholders will be sent a letter of transmittal as soon as practicable after the effective date of the Share Consolidation for use in delivering their pre-consolidation share certificates to the Corporation's transfer agent and registrar. The letter of transmittal will contain instructions on how to surrender certificate(s) representing a Shareholder's pre-consolidated shares to the transfer agent. The transfer agent will forward to each registered shareholder who has sent the required documents a new share certificate representing the number of post-consolidation shares to which the Shareholder is entitled. Until surrendered, each share certificate representing pre-consolidation shares will be deemed for all purposes to represent the number of whole post-consolidation shares to which the holder is entitled as a result of the Share Consolidation. Shareholders should not destroy any share certificate(s) and should not submit any share certificate(s) until requested to do so.

Non-registered Shareholders whose Common Shares are registered in the name of an intermediary should note that intermediaries may have different procedures for processing the Share Consolidation than the procedures applied by the Corporation for registered Shareholders. Non-registered Shareholders having questions in this regard are encouraged to contact their intermediary.

There are numerous factors and contingencies that affect the market price of the Common Shares, including factors related to the Corporation and its business and general economic and market conditions. The Corporation's total market capitalization after the Share Consolidation may be lower than immediately before the Share Consolidation. There can be no assurance that the market price of the Common Shares of the Corporation will be sustained at or above the price that reflects the Consolidation Ratio multiple as compared with the market price immediately before the Share Consolidation. While management believes that a higher share price may generate greater investor interest in the Common Shares, there can be no assurance that a higher market price of the Common Shares resulting from the Share Consolidation will satisfy investment policies and guidelines of such investors. Further, the liquidity of the Common Shares may be adversely affected by the reduced number of Common Shares outstanding post-Consolidation and "odd lots" of less than 100 Common Shares resulting from the consolidation may be more difficult to sell, or result in greater transaction costs per share, than "board lots" representing multiples of 100 Common Shares.

The *Canada Business Corporations Act* ("**CBCA**") requires that the Share Consolidation be approved by a special resolution of the Shareholders, being a majority of not less than two-thirds (2/3) of the votes cast by Shareholders present in person or by proxy at the Meeting. In addition to the approval of the Shareholders, the Share Consolidation requires the approval of the CSE. The Corporation has applied to the CSE for conditional approval of the proposed Share Consolidation, which, if accepted, will be valid for a year and will provide that shareholder approval will have to be obtained again if the Corporation does not proceed with the Share Consolidation within a year of the CSE approval.

The text of the special resolution regarding this matter is as follows (the "**Consolidation Resolution**"):

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. subject to the acceptance by the Canadian Securities Exchange, the Corporation is hereby authorized to consolidate the issued and outstanding common shares in the capital of the Corporation (which also includes outstanding convertible securities) on the basis of one (1) new common share for up to ten (10) existing common shares, as may be determined by the board of directors acting in its sole discretion (the "**Share Consolidation**");
2. any one director or officer of the Corporation be and is hereby authorized and directed, for and on behalf of the Corporation to execute and deliver all such documents and to do all such other acts and things as such director may determine to be necessary or advisable in connection with such Share Consolidation and to effect such amendment including the execution and delivery to the regulatory authorities of articles of amendment for such purpose, the execution of any such document or the doing of any such other act or thing by any one director or officer of the Corporation being conclusive of such determination; and
3. notwithstanding the foregoing, the directors of the Corporation are hereby authorized, without further approval of or notice to the shareholders of the Corporation, to revoke this special resolution at any time.

The approval by Shareholders requires a favourable vote of at least 66 2/3% of the Common Shares voted in respect thereof at the Meeting.

Unless instructed otherwise, the management designees in the accompanying instrument of proxy intend to vote FOR the Consolidation Resolution.

Approval of Advance Notice By-Laws and other Amendments to By-Laws

Upon review of the Corporation's by-laws, the Board has determined that it would be in the best interest of the Corporation to adopt certain amendments to the Corporation's by-laws ("Advance Notice By-Laws") that would require advance notice by any shareholders intending to nominate a director to the Board. The Board believes that all shareholders should be provided with sufficient disclosure about director nominees and time to make appropriate decisions regarding the election of directors to the Board. Accordingly, on April 27, 2015, the Board approved the Advance Notice By-Laws for the purposes of providing shareholders, directors and management of the Corporation with a transparent, structured and fair process for nominating directors of the Corporation in connection with any

annual or special meeting of shareholders.

The purpose of the Advance Notice By-Laws is to (i) ensure that all shareholders receive adequate notice of director nominations and sufficient time and information with respect to all nominees to make appropriate deliberations and register an informed vote; and (ii) facilitate an orderly and efficient process for annual or, where the need arises, special meetings of shareholders of the Corporation. The Advance Notice By-Laws fixes a deadline by which holders of record of shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in a written notice to the Corporation for any director nominee to be eligible for election at such annual or special meeting of shareholders. As a result of these requirements, the Advance Notice By-Laws provides all shareholders with the opportunity to participate effectively in the election of directors by allowing them to consider all director nominees and to be made aware of potential proxy contests in advance of an annual or special meeting of shareholders.

The Board may, in its sole discretion, waive any requirement of the Advance Notice By-Laws.

In addition, the Board is seeking shareholder approval of certain other amendments to the by-laws relating to the quorum requirements for meetings of directors and for meetings of shareholders. Details of the proposed amendments to the quorum requirements for meetings of directors and for meetings of shareholders are set forth in Schedule "D" hereto.

In order to be effected, the resolution relating to the approval of the Advance Notice By-Laws and other amendments to the by-laws must be approved by a majority of the votes cast at the Meeting in person or by proxy. A full text of the Advance Notice By-Laws and other amendments are set forth in Schedule "C" hereto. **Unless instructed otherwise, the management designees in the accompanying instrument of proxy intend to vote FOR the resolution to adopt and approve the Advance Notice By-Laws and other amendments to the by-laws.**

The following is the text of the ordinary resolution to be considered at the Meeting:

"BE IT RESOLVED THAT:

1. the amendments to the by-laws including the Advance Notice By-laws and other amendments to the by-laws relating to the quorum requirements for meetings of directors and for meetings of shareholders, in substantially the form presented in Schedule "C" to the management information circular and proxy statement of the Corporation dated May 8, 2015, be and is hereby confirmed, adopted and approved; and
2. any one director or officer of the Corporation is authorized and directed, for and on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this ordinary resolution."

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available through the internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) which can be accessed at www.sedar.com. Financial information on the Corporation is provided in the comparative financial statements and management discussion and analysis of the Corporation which can also be accessed at www.sedar.com or which may be obtained upon request from the Corporation at 1250, 639 – 5th Ave. SW, Calgary, Alberta, T2P 0M9.

SCHEDULE "A"

CORPORATE GOVERNANCE POLICY

CORPORATE GOVERNANCE DISCLOSURE (FORM 58-101F2)

- 1. Board of Directors** — Disclose how the board of directors (the "Board") facilitates its exercise of independent supervision over management, including

- (i) the identity of directors that are independent,

Brad Nichol, David Foo, Chih-Sheng Hsu and Jinbao Liu

- (ii) the identity of directors who are not independent, and the basis for that determination.

Chien-Yeh Chen is not independent as he is, or has been in the past, a member of the management of the Corporation.

In determining whether a director is independent, the Corporation chiefly considers whether the director has a relationship which could, or could be perceived to interfere with the director's ability to objectively assess the performance of management.

- 2. Directorships** — If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

Brad Nichol is currently a director of Edge Resources Inc. (TSXV:EDE), Westridge Resources Inc. (TSXV:WST) and Aroway Energy Inc.(TSXV: ARW) .

- 3. Orientation and Continuing Education** — Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for directors.

The Board of the Corporation takes the following measures to ensure that all new directors receive a comprehensive orientation regarding the role of the Board, its committees and its directors, and the nature and operation of the Corporation:

- a. each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Corporation's business will be necessary and relevant to each new director; and*
- b. the Corporation is currently drafting a Board policy manual, which will provide a comprehensive introduction to the Board and its committees.*

The Board takes the following measures to provide continuing education for its directors in order that they maintain the skill and knowledge necessary for them to meet their obligation as directors:

- a. the Board policy manual will be reviewed on an annual basis and a revised copy will be given to each director; and*
- b. there is a technical presentation at Board meetings, focusing on either a particular property or a summary of various properties. The question and answer portions of these presentations are a valuable learning resource for the non-technical directors.*

- 4. Ethical Business Conduct** — Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.

The Board of the Corporation has adopted a written code of business conduct & ethics, a corporate disclosure policy, and an insider trading policy for its directors, officers, employees and consultants (the "Policies") to encourage and promote a culture of ethical business conduct. As one measure to ensure compliance with the proposed Code, the Board has also established a whistleblower policy which details complaint procedures for financial concerns.

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

5. Nomination of Directors — Disclose what steps, if any, are taken to identify new candidates for Board nomination, including:

- (i) who identifies new candidates, and
- (ii) the process of identifying new candidates.

In order to identify new candidates for nomination to the Board, the Board of the Corporation considers the advice and input of the entire Board, regarding:

- a. *the appropriate size of Board, the necessary competencies and skills of the Board as a whole and the competencies and skills of each director individually; and*
- b. *the identification and recommendation of new individuals qualified to become a new Board member. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required and a willingness to serve.*

6. Compensation — Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including:

- (i) who determines compensation; and
- (ii) the process of determining compensation.

The Board of Directors as a whole acts as the compensation committee and decides on the compensation of the Corporation's directors and the CEO which the Board of Directors feels is suitable, primarily by comparison of the remuneration paid by other reporting issuers that the Board of Directors feels are similarly placed within the same business of the Corporation.

7. Other Board Committees — If the Board has standing committees other than the audit and compensation identify the committees and describe their function.

At present, the Board does not feel it necessary to establish any committees other than the audit committee; however, the Board remains open to such a possibility as the Corporation continues to grow in the future. The Board believes that the Corporation's size is sufficiently small to facilitate a direct management structure without the need to delegate decision making or authority to a committee.

8. Assessments — Disclose what steps, if any, that the board takes to satisfy itself that the board, its committees, and its individual directors are performing effectively.

The entire Board will evaluate the effectiveness of the Board, its committees and individual directors. To facilitate this evaluation, each committee will conduct an annual assessment of its performance, consisting of a review of its charter, the performance of the committee as a whole and the performance of the committee chair. In addition, the Board will conduct an annual review of its performance.

SCHEDULE "B"

PERISSON PETROLEUM CORPORATION AUDIT COMMITTEE CHARTER

A. Audit Committee Overview, Purpose and Authority

The Audit Committee (the "Committee") is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities and is responsible to the Board of Directors. The Committee monitors, evaluates, advises or makes recommendations, in accordance with this Charter and any other directions of the Board of Directors, on matters affecting the external, internal or special audits of the financial and operational control policies and practices relating to the Corporation.

The Committee has the authority to investigate any activity of the Corporation. The primary purpose of the Committee includes:

- (a) recommending to the Board of Directors the external auditors to be nominated for the purpose of preparing or issuing audit reports for the Corporation and the compensation for such services;
- (b) directly overseeing the work of the Corporation's external auditors engaged for the purpose of preparing or issuing auditors' reports;
- (c) reviewing the Corporation's financial statements, MD&A and annual and interim earnings press releases prior to public disclosure;
- (d) overseeing and monitoring the integrity of the Corporation's financial reporting process and systems of internal controls regarding finance, accounting, legal and regulatory compliance;
- (e) assessing the processes related to identification of the Corporation's risks and effectiveness of the Corporation's response to control or otherwise mitigate these risks; and
- (f) providing an avenue of communication among the external auditors, management, internal audit staff and the Board of Directors.

The Committee shall have unrestricted access to Company personnel and documents and will be provided with the resources necessary to carry out its responsibilities.

The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any such advisors and to communicate directly with internal and external auditors.

B. Audit Committee Structure

The Committee shall be composed of three members or such other number of members as may be specified by the Board of Directors. A majority of the Committee members shall be independent directors within the meaning of Multilateral Instrument 52-110 ("MI 52-110"), such that they shall have no direct or indirect material relationship with the Corporation. In addition, a majority of the members of the Committee must be "unrelated directors" – an unrelated director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the corporation, other than interests and relationships arising from shareholding.

At least one member of the Committee shall be financially literate such that he or she has 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 those raised in the Corporation's financial statements.

All members of the Board of Directors shall be free to attend any meetings of the Committee and participate but only those members of the Committee shall be entitled to vote on any questions before the Committee. Other than members

of the Board of Directors, entitlement to attend all or a portion of any Committee meetings shall be determined by the Chair of the Committee or its members.

The Committee shall meet at least four times per year and may call special meetings as required. A quorum at meetings of the Committee shall be a majority of the members. The Committee Chair shall prepare and/or approve an agenda in advance of each meeting.

The minutes of the Committee meetings shall accurately record the decisions reached by the Committee and shall be distributed to Committee members and Board members, with copies to the Chief Financial Officer (CFO), the external auditors and others as directed by the Committee

C. Audit Committee Duties and Responsibilities

I. Review Procedures – General

Review and assess the adequacy of this Charter at least annually. Submit the Charter to the Board of Directors for approval.

Review the Corporation's audited annual financial statements together with the MD&A thereon before such statements are submitted to the Board of Directors for approval. Review should include discussion with management and external auditors of significant issues regarding accounting principles, practices and judgments.

In consultation with management, external auditors and internal audit staff, consider the integrity of the Corporation's financial reporting processes and controls. Discuss financial risk exposures and the steps management has taken to monitor, control and report such exposures. Review significant findings prepared by the external auditors and the internal audit staff together with management responses.

Review and recommend for approval by the Board of Directors the quarterly financial statements of the Corporation along with related MD&A communication and any related press releases.

Review the financial content of the Corporation's annual report and any other reports of a financial nature which require approval by the Board of Directors prior to the release thereof.

Review annually with management, the external auditors and, if necessary, legal counsel, any material litigation, claim or other contingency that could have a material effect upon the financial position or operating results of the Corporation and the manner in which these will be disclosed in the financial statements.

Review annually the adequacy of the Corporation's procedures relating to the review of all public disclosure documents containing audited or unaudited financial information before its release, including any prospectus, offering memorandum, annual information form or other report.

Monitor the appropriateness of accounting policies, especially critical accounting policies and financial reporting used by the Corporation to review any actual and prospective significant changes in financial reporting and accounting policies and practices to be adopted by the Corporation and to review and assess any new or proposed developments in accounting and reporting standards that may affect or have an impact on the Corporation.

Review and approve the Corporation's hiring policies regarding partners, employees, former partners and former employees of its present and any former external auditors.

II. Review Procedures - External Auditors

The external auditors are ultimately accountable to the Audit Committee and the Board of Directors, as representatives of the shareholders. Review the annual appointment of external auditors for recommendation to the Board of Directors for approval, giving consideration to matters such as:

- (a) their independence and whether to retain such auditors for each future fiscal year after consultation with appropriate management;
- (b) the fees paid to the external auditors on an annual basis; and
- (c) any non-auditing services performed by the external auditors.

On an annual basis, review and discuss with the external auditors all significant relationships they have with the Corporation that could impair such auditors' independence.

Review the planning and results of the external audit, including:

- (a) the auditors' engagement letter;
- (b) the reasonableness of the estimated audit fees;
- (c) the scope of the audit, including materiality, audit reports required, areas of audit risk, deadlines and coordination with internal audit staff;
- (d) the post-audit management letter together with management's responses; and
- (e) any other matters the external auditors bring to the attention of the Committee.

Meet with the external auditors, at least annually and preferably at each Committee meeting, or as requested by the auditors, without management representatives present.

Receive and review all follow-up action or status reports relating to the recommendations of the external auditors and internal audit staff.

III. Internal Audit Function

The Committee should periodically request from management a review of the need for an internal audit function, and, on the basis of this review, determine whether such a function should be instituted.

IV. Risk Management Oversight

Assess whether management has implemented policies ensuring that the Corporation's risks are identified and that controls are adequate, in place and functioning properly.

V. Legal Compliance

On at least an annual basis, review with the Corporation's counsel any legal matters that could have a significant impact on the Corporation's financial statements, the Corporation's compliance with applicable laws and regulations and inquiries received from regulators or government agencies.

Review all reports concerning any significant fraud or regulatory non-compliance that occurs at the Corporation. This review should include consideration of the internal controls that should be strengthened to reduce the risk of a similar event in the future.

VI. Non-Audit Services

The Committee must pre-approve all non-audit services to be provided to the Corporation by its external auditors.

VII. Whistle-Blowing

The Committee must annually establish and review procedures relating to the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

The Corporation's current policy in this regard is as follows. The Committee will establish the following procedure for the receipt and treatment of any complaint received by the Corporation regarding accounting, internal accounting controls or auditing matters:

- (a) The Corporation will distribute to all of its employees and field contractors the name and contact information of an independent member of the Committee for the purpose of receiving complaints regarding accounting, internal accounting controls or auditing matters;
- (b) Copies of complaints received will be sent to the members of the Committee;
- (c) All complaints will be investigated by the Corporation's finance and legal staff in the normal manner, except as otherwise directed by the Committee. The Committee may request that outside advisors be retained to investigate any complaint; and
- (d) The status of each complaint will be reported on a quarterly basis to the Committee and, if the Committee so directs, to the board of directors.

VIII. Reporting Requirements

The Audit Committee shall include in the Corporation's Information Circular and, if applicable, Annual Information Form, the information required by MI 52-110 and any applicable forms thereto.

IX. Other Responsibilities

Periodically perform a self-assessment of Committee performance.

Review financial and accounting personnel succession planning within the Corporation.

Annually review policies and procedures as well as audit results associated with directors' and officers' expense accounts and perquisites; annually review a summary of director and officers' related party transactions and potential conflicts of interest.

Perform any other activities consistent with this Charter, the Corporation's by-laws and governing law as the Committee or the Board of Directors deems necessary or appropriate.

D. Audit Committee Meetings

Committee meetings may be called by the Committee Chair or by a majority of the Committee members. In addition, the external auditors have the right to call a Committee meeting, usually through the Committee Chair. The Chair of the Committee shall be a voting member and questions will be decided by a majority of votes.

Meetings may be called with one day's notice, which notice may be waived by members. All members of the Committee are entitled to receive notice of every meeting. However, it should be standard practice to give Committee members at least five business days' notice of all meetings.

Meetings are chaired by the Committee Chair or in the Chair's absence, by a member chosen by the Committee amongst themselves.

Agendas will be set by the Chair of the Committee with assistance from management, other Committee members, external auditors and internal audit staff, if requested or required. Agendas should be circulated with the materials for consideration at the meeting to all members, the Chair of the Board of Directors, the President and CEO and the CFO no later than the day prior to the date of the meeting. However, it should be standard practice to deliver the agenda and the materials for consideration at the meeting at least five business days prior to the proposed meeting, except in unusual circumstances.

Except as herein provided, the Chair of the meeting may establish rules of procedures to be followed at meetings.

Meetings may be conducted with the participation of a member by telephone or any other voice and/or video teleconferencing device which permits all persons participating in the meeting to communicate with each other. A member participating in a meeting by that means is deemed to be present at the meeting.

The duties of the Committee may be exercised at a meeting at which a majority of the members of the Committee are present or by resolution in writing signed by all members of the Committee who would have been entitled to vote on the resolution at the meeting of the Committee. In case of an equality of votes, the person acting as Chair of the Committee meeting shall be entitled to a second or casting vote.

A resolution in writing may be signed and executed in separate counterparts by members and the signing or execution of a counterpart shall have the same effect as the signing or execution of the original. An executed copy of a resolution in writing or counterpart thereof transmitted by any means of recorded electronic transmission shall be valid and sufficient.

Attendance at all or a portion of Committee meetings by Company personnel will be determined by the Committee and may, at the request of the Committee, include the President and CEO, CFO and a recording Secretary.

The Recording Secretary shall keep minutes of the proceedings of all meetings of the Committee which following Committee approval are available to any member of the Board of Directors. All minutes will at a minimum be circulated to the Chair of the Board of Directors and should be circulated to all those receiving the agenda. Minutes will be retained by the Board of Directors.

E. Effective Date

In compliance with clause 9.1 (2) of Multilateral Instrument 51-110, this Charter is made effective June 28, 2005.

SCHEDULE "C"

**PERISSON PETROLEUM CORPORATION
AMENDED AND RESTATED BY-LAWS**

BY-LAW NO. 1

A by-law relating generally to the
transaction of the business and
affairs of

PERISSON PETROLEUM CORPORATION

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION.....	1
1.01 Definitions	1
ARTICLE 2 BUSINESS OF THE CORPORATION.....	1
2.01 Registered Office.....	1
2.02 Corporate Seal	1
2.03 Financial Year	1
2.04 Execution of Instruments.....	2
2.05 Delegation of Borrowing Power.....	2
ARTICLE 3 DIRECTORS	2
3.01 Number and Qualification of Directors	2
3.02 Election and Term	2
3.03 Nomination of Directors.....	2
3.04 Action by the Board	5
3.05 At Least One Quarter Canadians at Meetings	6
3.06 Meeting by Telephone.....	6
3.07 Place of Meetings	6
3.08 Calling of Meetings	6
3.09 Notice of Meeting.....	6
3.10 First Meeting of New Board.....	6
3.11 Chairman	6
3.12 Quorum.....	6
3.13 Votes to Govern.....	7
3.14 Remuneration and Expenses.....	7
3.15 Resolutions in Writing.....	7
ARTICLE 4 OFFICERS.....	7
4.01 Appointment.....	7
4.02 President	7
4.03 Powers and Duties of other Officers.....	7
4.04 Term of Office.....	7
4.05 Agents and Attorneys	8
ARTICLE 5 COMMITTEES.....	8
5.01 Committees of the Board.....	8
5.02 Transaction of Business.....	8
5.03 Advisory Bodies	8
5.04 Procedure.....	8
ARTICLE 6 PROTECTION OF DIRECTORS, OFFICERS AND OTHERS.....	8
6.01 Limitation of Liability	8

6.02	Indemnity	9
ARTICLE 7 SHARES		9
7.01	Allotment of Shares	9
7.02	Commissions	9
7.03	Non-recognition of Trusts	9
7.04	Share Certificates	9
7.05	Replacement of Share Certificates	9
7.06	Deceased Shareholders	10
7.07	Transfer Agents and Registrars	10
ARTICLE 8 MEETINGS OF SHAREHOLDERS		10
8.01	Annual Meetings	10
8.02	Special Meetings	10
8.03	Place of Meetings	10
8.04	Notice of Meetings	10
8.05	List of Shareholders Entitled to Notice	10
8.06	Meetings Without Notice	10
8.07	Chairman and Secretary	11
8.08	Quorum.....	11
8.09	Only One Shareholder	11
8.10	Votes to Govern.....	11
ARTICLE 9 NOTICES		11
9.01	Method of Giving Notices	11
9.02	Notice to Joint Shareholders.....	11
9.03	Computation of Time	12
9.04	Omissions and Errors	12
9.05	Persons Entitled by Death or Operation of Law	12
9.06	Waiver of Notice	12
9.07	Interpretation	12
ARTICLE 10 EFFECTIVE DATE		12
10.01	Effective Date.....	12

BE IT ENACTED as a by-law of the Corporation as follows:

ARTICLE 1 INTERPRETATION

1.01 Definitions

In the by-laws of the Corporation, unless the context otherwise requires:

- (a) "Act" means the *Canada Business Corporations Act*, or any statute that may be substituted therefor, as from time to time amended;
- (b) "appoint" includes "elect" and vice versa;
- (c) "articles" means the articles attached to the Certificate of Incorporation of the Corporation as from time to time amended or restated;
- (d) "board" means the board of directors of the Corporation;
- (e) "by-laws" means this by-law and all other by-laws of the Corporation from time to time in force and effect;
- (f) "Corporation" means the corporation incorporated under the Act by the said certificate to which the articles are attached, and named as noted on page one of these By-laws;
- (g) "meeting of shareholders" includes an annual meeting of shareholders and a special meeting of shareholders; and "special meeting of shareholders" includes a meeting of any class or classes of shareholders and a special meeting of all shareholders entitled to vote at an annual meeting of shareholders; and
- (h) "recorded address" has the meaning set forth in Section 9.07.

Save as aforesaid, words and expressions defined in the Act, including "resident Canadian", have the same meanings when used herein. Words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; and words importing a person include an individual, partnership, association, body corporate, trustee, executor, administrator and legal representative.

ARTICLE 2 BUSINESS OF THE CORPORATION

2.01 Registered Office

The registered office of the Corporation shall be at the place within the Province of Alberta as is specified in the notice thereof filed with the articles and thereafter as the board may from time to time determine.

2.02 Corporate Seal

The corporate seal, if any, of the Corporation shall be in the form adopted by the board from time to time.

2.03 Financial Year

The financial year of the Corporation shall end on such date as may be determined by the directors from time to time.

2.04 **Execution of Instruments**

Unless otherwise specified by the directors, contracts, documents and other instruments requiring execution by the Corporation shall be signed by two persons, one of whom holds the office of chairman of the board, managing director, president, vice-president or director and the other of whom holds one of the said offices or the office of secretary, treasurer, assistant secretary or assistant treasurer or any other office created by by-law or by the board. In the case where only one director has been elected, all contracts, documents and other instruments requiring execution shall require the signature of the sole director, and all contracts, documents and other instruments so signed shall be binding upon the Corporation without any further authorization or formality. The directors are authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation either to sign contracts, documents and instruments generally or to sign specific contracts, documents or instruments.

2.05 **Delegation of Borrowing Power**

Unless the articles of the Corporation otherwise provide, the board may from time to time delegate to a director, a committee of the board, or an officer of the Corporation any or all of the powers conferred on the board by the Act in respect of the borrowing powers of the Corporation to such extent and in such manner as the board may determine at the time of such delegation; and without limitation the board by making this by-law hereby delegates such powers to the president.

ARTICLE 3 DIRECTORS

3.01 **Number and Qualification of Directors**

Until changed in accordance with the Act, the board shall consist of not fewer than the minimum number and not more than the maximum number of directors provided in the articles. At least one-quarter of the directors shall be resident Canadians.

3.02 **Election and Term**

The election of directors shall take place at each annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. The number of directors to be elected at any such meeting shall be the number of directors then in office unless the directors otherwise determine. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected

3.03 **Nomination of Directors**

(a) Subject only to the *CBCA*, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting):

- (i) by or at the direction of the board or an authorized officer of the Corporation, including pursuant to a notice of meeting;
- (ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *CBCA* or a requisition of the shareholders made in accordance with the provisions of the *CBCA*; or
- (iii) by any person (a "Nominating Shareholder") (A) who, at the close of business on the date of the giving of the notice provided for below in this Section 3.03 and on the record date

for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (B) who complies with the notice procedures set forth below in this Section 3.03.

(b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given timely notice thereof in proper written form to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation in accordance with this Section 3.03.

(c) To be timely under Section 3.03(b), a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must be made:

- (i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 40 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the tenth (10th) day following the Notice Date; and
- (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Section 3.03(c).

(d) To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation, under Section 3.03(b) must set forth:

- (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a Director: (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person for the past 5 years, (C) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (D) a statement as to whether such person would be "independent" of the Corporation (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a Director at such meeting and the reasons and basis for such determination and (E) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *CBCA* and Applicable Securities Laws (as defined below); and
- (ii) as to the Nominating Shareholder giving the notice, (A) any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *CBCA* and Applicable Securities Laws, and (B) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.

(e) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Section 3.03; provided, however, that nothing in this Section 3.03 shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the *CBCA*. The chair of the meeting shall have the power and duty to

determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

(f) If the Nominating Shareholder (or a qualified representative of the shareholder) does not appear at the meeting of shareholders of the Corporation to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Corporation.

(g) Nothing in this Section 3.03 shall obligate the Corporation or the board to include in any proxy statement or other shareholder communication distributed by or on behalf of the Corporation or board any information with respect to any proposed nomination or any Nominating Shareholder.

(h) For purposes of this Section 3.03:

- (i) "**Affiliate**", when used to indicate a relationship with a person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;
- (ii) "**Applicable Securities Laws**" means the *Securities Act* (Alberta) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the applicable provinces and territories of Canada;
- (iii) "**Associate**", when used to indicate a relationship with a specified person, shall mean (A) any corporation or trust of which such person owns beneficially, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding, (B) any partner of that person, (C) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (D) a spouse of such specified person, (E) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (F) any relative of such specified person or of a person mentioned in clauses (D) or (E) of this definition if that relative has the same residence as the specified person;
- (iv) "**Derivatives Contract**" shall mean a contract between two parties (the "Receiving Party" and the "Counterparty") that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Corporation or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the "Notional Securities"), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Corporation or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts;
- (v) "**Meeting of Shareholders**" shall mean such annual shareholders meeting or special shareholders meeting, whether general or not, at which one or more persons are nominated for election to the board by a Nominating Shareholder;
- (vi) "**owned beneficially**" or "**owns beneficially**" means, in connection with the ownership of shares in the capital of the Corporation by a person, (A) any such shares as to which such person or any of such person's Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is

exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (B) any such shares as to which such person or any of such person's Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (C) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty's Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person's Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person owns beneficially pursuant to this clause (C) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty's Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty's Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate; and (D) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Corporation or any of its securities; and

(vii) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation or its agents under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

(i) Notwithstanding any other provision to this Section 3.03, notice or any delivery given to the Corporate Secretary of the Corporation pursuant to this Section 3.03 may only be given by personal delivery, facsimile transmission or by email (provided that the Corporate Secretary of the Corporation has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Calgary time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

(j) In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described in Section 3.03(c).

(k) Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Section 3.03.

3.04 **Action by the Board**

The board shall manage the business and affairs of the Corporation. The powers of the board may be exercised at a meeting (subject to Sections 3.06 and 3.12) at which a quorum is present or by resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board. Where there is a vacancy in the board, the remaining directors may exercise all the powers of the board so long as a quorum remains in office.

3.05 **At Least One Quarter Canadians at Meetings**

The board shall not transact business at a meeting, other than filling a vacancy in the board, unless at least one quarter of the directors present are resident Canadians, except where:

- (a) a resident Canadian director who is unable to be present approves in writing or by telephone or other communications facilities the business transacted at the meeting; and
- (b) the number of resident Canadian directors present at the meeting, together with any resident Canadian director who gives his approval under clause (a), totals at least one quarter of the directors present at the meeting.

3.06 **Meeting by Telephone**

If all the directors of the Corporation consent thereto generally or in respect of a particular meeting, a director may participate in a meeting of the board or of a committee of the board by means of such conference telephone or other communications facilities as permit all persons participating in the meeting to hear each other, and a director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the board and of committees of the board.

3.07 **Place of Meetings**

Meetings of the board may be held at any place in or outside Alberta.

3.08 **Calling of Meetings**

Meetings of the board shall be held from time to time at such time and at such place as the board, the president or any two directors may determine.

3.09 **Notice of Meeting**

Subject to the specification of the purpose or business of the meeting when required by the Act, notice of the time and place of each meeting of the board shall be given in the manner provided in ARTICLE 9 to each director not less than 48 hours before the time when the meeting is to be held.

3.10 **First Meeting of New Board**

Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting immediately following the meeting of shareholders at which such board is elected.

3.11 **Chairman**

The chairman of any meeting of the board shall be the president if he is a director and is present at the meeting. Otherwise, the directors present shall choose one of their number to be chairman.

3.12 **Quorum**

Subject to Section 3.05, the quorum for the transaction of business at any meeting of the board shall be a majority of directors or such greater number of directors as the board may from time to time determine. Where the Corporation has a board consisting of only one director, that director may constitute a meeting.

3.13 **Votes to Govern**

At all meetings of the board, and subject to the requirements of the Act in respect of conflicts of interest, every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chairman of the meeting shall be entitled to a second or casting vote.

3.14 **Remuneration and Expenses**

The directors shall be paid such remuneration for their services as the board may from time to time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

3.15 **Resolutions in Writing**

Any resolution in writing signed by all of the directors may be so signed in counterpart and any such resolution may be executed and delivered by any form of electronic transmission, and is effective as of the date thereof or the time and/or date therein stated to be the effective time and/or date regardless of when the resolution is signed, and if not dated or dated to be effective as of an expressed date/time, then it is effective as of the latest date of execution.

ARTICLE 4 OFFICERS

4.01 **Appointment**

The board may from time to time appoint a president, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. One person may hold more than one office. The board may specify the duties of and, in accordance with this by-law and subject to the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Except for a chairman of the board, an officer may but need not be a director.

4.02 **President**

The president shall be the chief executive officer and, subject to the authority of the board, shall have general supervision of the business and affairs of the Corporation; and he shall have such other powers and duties as the board may specify.

4.03 **Powers and Duties of other Officers**

The powers and duties of all other officers shall be such as the terms of their engagement call for or as the board or the president may specify. The board and the president may, from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board or the president otherwise directs.

4.04 **Term of Office**

The board, in its discretion, may remove any officer of the Corporation. Otherwise each officer appointed by the board shall hold office until his successor is appointed or until his earlier resignation.

4.05 **Agents and Attorneys**

The Corporation, by or under the authority of the board or the president, shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers (including the power to subdelegate) of management, administration or otherwise as may be thought fit.

ARTICLE 5 COMMITTEES

5.01 **Committees of the Board**

The board may appoint one or more committees of the board, however designated, and delegate to any such committee any of the powers of the board except those which pertain to items which, under the Act, a committee of the board has no authority to exercise. At least one quarter of the members of any such committee shall be resident Canadians.

5.02 **Transaction of Business**

The powers of a committee of the board may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at a place in or outside Canada.

5.03 **Advisory Bodies**

The board may from time to time appoint such advisory boards as it may deem advisable.

5.04 **Procedure**

Unless otherwise determined by the board, each committee and advisory board shall have power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

ARTICLE 6 PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

6.01 **Limitation of Liability**

Every director and officer of the Corporation in exercising his powers and discharging his duties shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director, officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune which shall happen in the execution of the duties of his office or in relation thereto; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

6.02 Indemnity

Subject to the Act, the Corporation shall indemnify a director or officer, a former director or officer, or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or such body corporate, if (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful. The Corporation shall also indemnify such person in such other circumstances as the Act or law permits or requires. Nothing in this by-law shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law.

ARTICLE 7 SHARES

7.01 Allotment of Shares

Subject to the Act and the articles, the board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the board shall determine, provided that no share shall be issued until it is fully paid as provided by the Act.

7.02 Commissions

The board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of his purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

7.03 Non-recognition of Trusts

Subject to the Act, the Corporation may treat the registered holder of any share as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payment in respect of the share, and otherwise to exercise all the rights and powers of an owner of the share.

7.04 Share Certificates

Every holder of one or more shares of the Corporation shall be entitled, at his option, to a share certificate, or to a non-transferable written certificate of acknowledgement of his right to obtain a share certificate, stating the number and class or series of shares held by him as shown on the securities register. Such certificates shall be in such form as the board may from time to time approve, and such certificates shall be signed by at least one director or officer of the Corporation. Unless the board otherwise determines, certificates representing shares in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. Any signatures that are required on a share certificate may be printed or mechanically reproduced on it. Every such mechanically reproduced signature shall for all purposes be deemed to be the signature of the director or officer whose signature it reproduces and shall be binding upon the Corporation. A certificate executed as aforesaid shall be valid notwithstanding that the director or officer whose mechanically reproduced signature appears thereon no longer holds office at the date of issue of the certificate.

7.05 Replacement of Share Certificates

The board or any officer or agent designated by the board may in its or his discretion direct the issue of a new share or other such certificate in lieu of and upon cancellation of a certificate that has been mutilated or in substitution for

a certificate claimed to have been lost, destroyed or wrongfully taken on payment of such reasonable fee and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

7.06 **Deceased Shareholders**

In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make any dividend or other payments in respect thereof except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation.

7.07 **Transfer Agents and Registrars**

The board may from time to time appoint one or more agents to maintain, in respect of each class of shares of the Corporation issued by it, a central securities register and one or more branch securities registers. Such a person may be designated as transfer agent or registrar according to his functions and one person may be designated both registrar and transfer agent. The board may at any time terminate such appointment.

**ARTICLE 8
MEETINGS OF SHAREHOLDERS**

8.01 **Annual Meetings**

The annual meeting of shareholders shall be held at such time in each year and, subject to Section 8.03, at such place as the board or the president may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing auditors and for the transaction of such other business as may properly be brought before the meeting.

8.02 **Special Meetings**

The board or the president shall have power to call a special meeting of shareholders at any time.

8.03 **Place of Meetings**

Meetings of shareholders shall be held at the registered office of the Corporation or elsewhere in the municipality in which the registered office is situate or, if the board shall so determine, at some other place in or outside of Alberta.

8.04 **Notice of Meetings**

Notice of the time and place of each meeting of shareholders shall be given in the manner provided in ARTICLE 9 not less than 21 nor more than 50 days before the date of the meeting to each director, to the auditor, and to each shareholder entitled to vote at the meeting.

8.05 **List of Shareholders Entitled to Notice**

For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder entitled to vote at the meeting.

8.06 **Meetings Without Notice**

A meeting of shareholders may be held without notice at any time and place permitted by the Act (a) if all the shareholders entitled to vote thereat are present in person or duly represented or if those not present or represented waive notice of or otherwise consent to such meeting being held, and (b) if the auditors and the directors are present

or waive notice of or otherwise consent to such meeting being held; so long as such shareholders, auditors or directors present are not attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. At such a meeting any business may be transacted which the Corporation at a meeting of shareholders may transact.

8.07 **Chairman and Secretary**

The chairman of any meeting of shareholders shall be the president, or in his absence, a vice-president who is a shareholder. If no such officer is present, the persons present and entitled to vote shall choose one of their number to be chairman. If the secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting.

8.08 **Quorum**

Subject to the Act in respect of a majority shareholder, a quorum for the transaction of business at any meeting of shareholders shall be two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxyholder or representative for a shareholder so entitled.

8.09 **Only One Shareholder**

Where the Corporation has only one shareholder or only one holder of any class or series of shares, the shareholder present in person or duly represented constitutes a meeting.

8.10 **Votes to Govern**

At any meeting of shareholders every question shall, unless otherwise required by the articles or by-laws or by law, be determined by a majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the chairman of the meeting shall be entitled to a second or casting vote.

ARTICLE 9 NOTICES

9.01 **Method of Giving Notices**

Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid ordinary or air mail or if sent to him at his recorded address by any means of prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the board in accordance with any information believed by him to be reliable.

9.02 **Notice to Joint Shareholders**

If two or more persons are registered as joint holders of any share, any notice may be addressed to all such joint holders, but notice addressed to one of such persons shall be sufficient notice to all of them.

9.03 **Computation of Time**

In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the day of giving the notice shall be excluded and the day of the meeting or other event shall be included.

9.04 **Omissions and Errors**

The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

9.05 **Persons Entitled by Death or Operation of Law**

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom he derives his title to such share prior to his name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

9.06 **Waiver of Notice**

Any shareholder, proxyholder or other person entitled to attend a meeting of shareholders, director, officer, auditor or member of a committee of the board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him under the Act, the regulations thereunder, the articles, the by-laws or otherwise, and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board or a committee of the board which may be given in any manner.

9.07 **Interpretation**

In this by-law, "recorded address" means in the case of a shareholder his address as recorded in the securities register; and in the case of joint shareholders the address appearing in the securities register in respect of such joint holding or the first address so appearing if there are more than one; and in the case of a director, officer, auditor or member of a committee of the board, his latest address as recorded in the records of the Corporation.

**ARTICLE 10
EFFECTIVE DATE**

10.01 **Effective Date**

This by-law shall come into force when made by the board in accordance with the Act.