



Annual Information Form

For the Year Ended December 31, 2011

April 10, 2012

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GLOSSARY

In this Annual Information Form, the following abbreviations and terms shall have the meanings set forth below, unless otherwise indicated:

“**ABCA**” means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;

“**Arrangement Agreement**” means the arrangement agreement dated April 20, 2006 between DualEx and Dual;

“**CBCA**” means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, including the regulations promulgated thereunder;

“**COGEH**” means the Canadian Oil and Gas Evaluation Handbook, and any amendments thereto;

“**Common Shares**” means common voting shares in the capital of DualEx as presently constituted;

“**Corporation**” and “**DualEx**” means DualEx Energy International Inc., a corporation incorporated pursuant to the ABCA and, when used in the context of describing the Corporation’s assets and business, may include its subsidiaries and predecessors;

“**development costs**”, when referring to oil and gas assets, means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas from the reserves. More specifically, development costs, including applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

- (a) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines and power lines, to the extent necessary in developing the reserves;
- (b) drill and equip development wells, development type stratigraphic test wells and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and the wellhead assembly;
- (c) acquire, construct and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and
- (d) provide improved recovery systems;

“**Dual**” means Dual Exploration Inc., a corporation incorporated pursuant to the ABCA;

“**DualEx International**” means DualEx International Inc., a corporation which is wholly owned by DualEx and incorporated pursuant to the laws of Bahamas;

“**DualEx Nyirseg**” means DualEx Nyirseg Inc., a corporation which is wholly owned by DualEx International and incorporated pursuant to the laws of Bahamas;

“**DualEx Portugal**” means DualEx Portugal Inc., a corporation which is wholly owned by DualEx International and incorporated pursuant to the laws of Bahamas;

“**DualEx Syria**” means DualEx Syria Inc., a corporation which is wholly owned by DualEx International and incorporated pursuant to the laws of Bahamas;

“DualEx Tunisia” means DualEx Tunisia Inc., a corporation which is wholly owned by DualEx International and incorporated pursuant to the laws of Bahamas;

“exploration costs”, when referring to oil and gas exploration, means costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain oil and gas reserves, including costs of drilling exploratory wells and exploratory type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as **“prospecting costs”**) and after acquiring the property. Exploration costs, which include applicable operating costs of support equipment and facilities and other costs of exploration activities, are:

- (a) costs of topographical, geochemical, geological and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies (collectively sometimes referred to as **“geological and geophysical costs”**);
- (b) costs of carrying and retaining unproved properties, such as delay rentals, taxes (other than income and capital taxes) on properties, legal costs for title defence, and the maintenance of land and lease records;
- (c) dryhole contributions and bottom hole contributions;
- (d) costs of drilling and equipping exploratory wells; and
- (e) costs of drilling exploratory type stratigraphic test wells;

“field”, when referring to oil and gas properties, means an area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature and/or stratigraphic condition. There may be two or more reservoirs in a field that are separated vertically by intervening impervious strata or laterally by local geologic barriers, or both. Reservoirs that are associated by being in overlapping or adjacent fields may be treated as a single or common operational field. The geological terms “structural feature” and “stratigraphic condition” are intended to denote localized geological features, in contrast to broader terms such as “basin”, “trend”, “province”, “play” or “area of interest”;

“forecast prices and costs” means future prices and costs that are:

- (a) generally accepted as being a reasonable outlook on the future;
- (b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the issuer is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a);

“future income tax expense” means future income tax expenses estimated (generally, year-by-year):

- (a) making appropriate allocations of estimated unclaimed costs and losses carried forward for tax purposes, between oil and gas activities and other business activities;
- (b) without deducting estimated future costs (for example, Crown royalties) that are not deductible in computing taxable income;
- (c) taking into account estimated tax credits and allowances (for example, royalty tax credits); and
- (d) applying to the future pre-tax cash flows relating to the reporting issuer’s oil and gas activities the appropriate year-end statutory tax rates, taking into account future tax rates substantively enacted;

“future net revenue” means the estimated net amount to be received with respect to the development and production of reserves (including synthetic oil, coal bed methane and other non-conventional reserves) estimated using constant prices and costs or forecast prices and costs;

“GORR” means gross overriding royalty;

“Gross Acres” means the total number of acres in which DualEx has an interest;

“Gross Wells” means the total number of wells in which DualEx has an interest;

“M&B” means Martin & Brusset Associates, an independent qualified reserves evaluator and auditor based in Calgary, Alberta;

“natural gas” means the lighter hydrocarbons and associated non-hydrocarbon substances occurring naturally in an underground reservoir, which under atmospheric conditions are essentially gases but which may contain natural gas liquids. Natural gas can exist in a reservoir either dissolved in oil (solution gas) or in a gaseous phase (associated gas or non-associated gas). Non-hydrocarbon substances may include hydrogen sulphide, carbon dioxide and nitrogen;

“natural gas liquids” means those hydrocarbon components that can be recovered from natural gas as liquids including, but not limited to, ethane, propane, butanes, pentanes plus, condensate and small quantities of non-hydrocarbons;

“Net Acres” means the total number of Gross Acres multiplied by the DualEx interest;

“Net Wells” means the total number of Gross Wells multiplied by the DualEx interest;

“NI 51-101” means National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities;

“NI 51-102” means National Instrument 51-102 – Continuous Disclosure Obligations;

“oil” means a mixture that consists mainly of pentanes and heavier hydrocarbons, which may contain sulphur and other non-hydrocarbon compounds, that is recoverable at a well from an underground reservoir and that is liquid at the conditions under which its volume is measured or estimated. It does not include solution gas or natural gas liquids;

“operating costs” or **“production costs”**, when referring to oil and gas properties, means costs incurred to operate and maintain wells and related equipment and facilities, including applicable operating costs of support equipment and facilities and other costs of operating and maintaining those wells and related equipment and facilities;

“reserves”, when referring to oil and gas reserves, are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on (a) analysis of drilling, geological, geophysical, and engineering data; (b) the use of established technology; and (c) specified economic conditions, which are generally accepted as being reasonable and shall be disclosed. Reserves are classified according to the degree of certainty associated with the estimates;

“Shareholder” or **“DualEx Shareholder”** means a holder of record of one or more Common Shares of DualEx;

“Shut-in Wells” means wells which have encountered and are capable of producing natural gas or oil, as applicable, but which are not producing due to lack of available transportation facilities, available markets or other reasons;

“Syrian Exploration Interests” means the participating interests, direct and indirect, previously held by DualEx in oil and natural gas in Block 17 situated in the Syrian Arab Republic;

“Total Proved Reserves” means the aggregate of all proved reserves which includes both producing and non-producing developed reserves and undeveloped reserves;

“TSXV” means the TSX Venture Exchange Inc.;

“undeveloped reserves” when referring to oil and gas reserves, are those reserves expected to be recovered from known accumulations where a significant expenditure (e.g., when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned;

“Warrants” mean the Common Share purchase warrants issued by DualEx pursuant to private placements and or prospectus offerings;

“Winslow” means Winslow Resources Inc., a corporation subsisting under the CBCA;

“Working Interest” means the net interest held in an oil and natural gas property which normally bears its proportionate share of the costs of exploration, development and operations as well as any royalties or other production burdens; and

“Wyoming Royalty” means the 0.8673% - 1.75% GORR granted to DualEx pursuant to a royalty agreement dated May 14, 1998 in respect of 53 producing coalbed methane gas wells situated over 1,732 hectares of land in Campbell County, Wyoming.

SPECIAL NOTES TO READER

Regarding Forward Looking Statements

Certain statements contained in this Annual Information Form, and in certain documents incorporated by reference into this Annual Information Form, constitute forward-looking statements within the meaning of applicable securities laws. These statements relate to future events or DualEx's future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "should", "believe" and similar expressions are not historical facts and are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. DualEx believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this Annual Information Form should not be unduly relied upon. These statements speak only as of the date of this Annual Information Form or as of the date specified in the documents incorporated by reference into this Annual Information Form, as the case may be.

In particular, this Annual Information Form, and the documents incorporated by reference, contains forward-looking statements pertaining to the following:

- > the performance characteristics of DualEx's oil and natural gas assets;
- > oil and natural gas production levels;
- > DualEx's exploration and development plans on DualEx's properties in Hungary and Tunisia;
- > DualEx's oil and natural gas reserves and resources;
- > supply and demand for oil and natural gas;
- > expectations regarding DualEx's ability to raise capital and add to reserves through acquisitions and development;
- > treatment under governmental regulatory regimes and tax laws;
- > capital expenditure programs;
- > the impact of governmental regulation on DualEx relative to other oil and gas issuers of similar size and exposure to international oil and gas operations;
- > DualEx's ability to grow or sustain production and reserves through prudent management and acquisitions;
- > the emergence of accretive growth opportunities; and
- > DualEx's ability to benefit from the combination of growth opportunities and the ability to grow through capital markets.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Annual Information Form, and in certain documents incorporated by reference into this Annual Information Form:

- > volatility in market prices for oil and natural gas;
- > liabilities inherent in oil and natural gas operations;

- > uncertainties associated with estimating oil and natural gas reserves and resources;
- > risks inherent in oil and gas activities;
- > competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- > incorrect assessments of the value of, or failure to realize the anticipated benefits, of acquisitions;
- > fluctuation in foreign exchange or interest rates;
- > stock market volatility and market valuations;
- > geological, technical, drilling and processing problems and other difficulties in producing petroleum reserves;
- > political risks operating in foreign countries;
- > changes in income tax laws or changes in tax or environmental laws and incentive programs or royalty regimes relating to the oil and gas industry; and
- > the other factors discussed under “*Risk Factors*”.

Statements relating to “reserves” or “resources” are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the resources and reserves described can be profitably produced in the future. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this Annual Information Form and the documents incorporated by reference, including factors discussed under “*Management’s Discussion and Analysis*” herein are expressly qualified by this cautionary statement and are available on SEDAR at www.sedar.com. Readers should also carefully consider the matters discussed under the heading “*Risk Factors*” in this Annual Information Form.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable securities laws, we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on DualEx’s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward looking statements.

For more information, see DualEx’s “*Management’s Discussion and Analysis*” which includes a definition of “cash flow from operations” and reconciliation to cash provided by operating activities, which has been filed on SEDAR at www.sedar.com.

Access to Documents

Any document referred to in this Annual Information Form and described as being filed on SEDAR at www.sedar.com (including those documents referred to as being incorporated by reference in this Annual Information Form) may be obtained free of charge from DualEx at 200, 521 - 3rd Avenue S.W., Calgary, Alberta, T2P 3T3.

ABBREVIATIONS AND CONVERSIONS

Abbreviations

Unless otherwise stated or the context otherwise requires, the following abbreviations have the respective meanings set out below when used in this Annual Information Form:

BBL(S)	–	barrel(s)
BBLS/D	–	barrels per day
BOE/D	–	barrels of oil equivalent per day
MCF	–	thousand cubic feet
MCFe	–	thousand cubic feet equivalent
MBOE	–	thousands of barrels of oil equivalent
MMCF	–	million cubic feet
MMCFe	–	million cubic feet equivalent
MMCF/D	–	million cubic feet per day
NGLs	–	natural gas liquids

Cautionary Note

MCFe as disclosed herein are converted on the basis of one barrel of oil to six thousand cubic feet. MCFe may be misleading, particularly if used in isolation. A MCFe conversion ratio of one barrel of oil to six thousand cubic feet is the industry accepted standard and is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Unless otherwise indicated, all dollar references in the Annual Information Form are in Canadian dollars.

NAME AND INCORPORATION

The Corporation was incorporated under the ABCA on March 20, 2006. The Corporation is a full cycle oil and gas exploration company with its principal operations in Tunisia and Hungary.

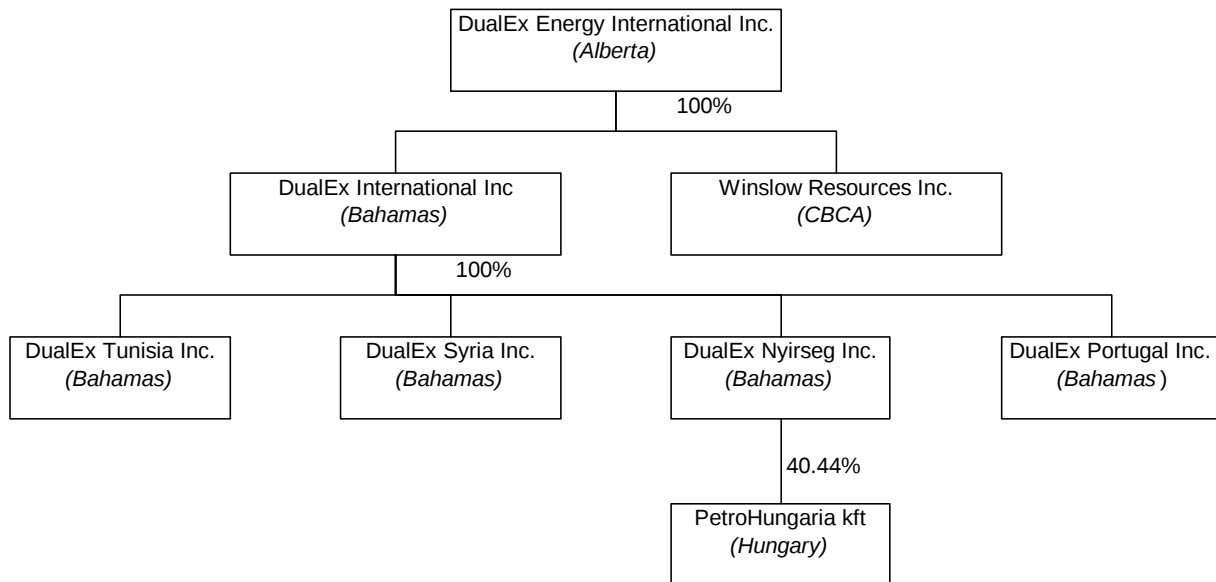
The Corporation is a reporting issuer in the Provinces of Alberta, British Columbia, Saskatchewan, Ontario and Quebec. The Common Shares are listed on the TSXV under the trading symbol “DXE”.

The Corporation’s head office is located at Suite 200, 521 – 3rd Avenue S.W., Calgary, Alberta T2P 3T3. The registered office of the Corporation is located at 1000, 250 - 2nd Street S.W., Calgary, Alberta T2P 0C1.

Intercorporate Relationships

DualEx has two wholly-owned subsidiaries; DualEx International, which is incorporated pursuant to the laws of Bahamas; and Winslow, a corporation subsisting under the CBCA. DualEx International has four wholly-owned subsidiaries, DualEx Nyirseg, DualEx Portugal, DualEx Syria, and DualEx Tunisia each of which are also incorporated pursuant to the laws of Bahamas. DualEx Nyirseg has a 40.44% ownership of PetroHungaria kft, a company incorporated pursuant to the laws of Hungary. The head office and registered office of each of DualEx International, DualEx Nyirseg, DualEx Portugal, DualEx Syria and DualEx Tunisia is located at British Colonial Centre of Commerce, One Bay Street, Suite 303, P.O. Box N-7115, Nassau, Bahamas. The head and registered office of Winslow is located in Calgary, Alberta.

The following table sets forth the corporate structure of DualEx and its ownership interest in each direct and indirect subsidiary corporation.



DESCRIPTION AND GENERAL DEVELOPMENT OF THE BUSINESS

DualEx is a Canadian-based, full cycle oil and gas exploration and production company with its principal operations in Tunisia. The Corporation also has operations in Hungary and has minor interests in oil and gas assets located in western Canada. The following is a description of the Corporation’s principal properties and developments over the last three completed financial years.

Hungarian Exploration Interests

In 2006 the Corporation acquired, by way of farm-in, an interest in the Penészlek natural gas field. The Corporation's first production from the Penészlek natural gas field commenced in August 2008 with the completion and tying-in of the PEN-104 well. The Corporation and its partners initiated a development project centred on the PEN-104 gas discovery that included two suspended gas wells. In December 2008, DualEx and its partners completed the field acquisition of 97 sq km 3D seismic survey, which identified several drilling opportunities in the Penészlek area.

In November 2008, the Corporation, along with its partners completed the farmout of a 120 square kilometre area of its Hungary property to Hungarian Horizon Energy ("HHE") and JKX Oil and Gas ("JKX"). Under the terms of the farmout HHE and JKX paid for the acquisition and processing of a 3D seismic survey over the farmout area (the "Panhandle") in return for a 66.67% interest in the farmout area. DualEx retained a 12.5% working interest in the Panhandle area following the farmout.

The PEN-104 well produced from August 2008 until January 2009. In March 2009 based on the results of its 2008 3D seismic survey the Corporation successfully drilled the PEN-104A sidetrack well to access additional gas reserves in a higher part of the structure. The well was placed on production in April 2009 and produced until September 2009.

In August 2009, the Corporation participated as to its 12.5% working interest in the Gorbahaza #1 ("GH-1") well in the Panhandle region of the Corporation's Nyirseg North permit. GH-1 was drilled to a depth of 1300 metres and was successfully completed and tested. GH-1 encountered two Pannonian gas bearing sand reservoirs totalling six metres and the stratigraphically lower zone of the two has been completed.

In September 2009, the Corporation, through PetroHungaria kft, concluded the drilling and initial completion operations on the PEN-105 well in the Peneszlek area of northeast Hungary. The well was drilled to a depth of 1487 metres to test a structure which tested gas from the base of the Miocene volcanics in a well drilled in 1982. Nine metres of reservoir were perforated over three intervals in the target formation at Pen-105 and all three zones flowed gas, two with condensate.

In October 2009, the Corporation completed the deepening of the PEN-104A sidetracked gas well to a new bottom-hole location ("PEN-104AA") in the Peneszlek area of northeast Hungary. In March 2010, following a completion and testing program, the Corporation abandoned the PEN-104AA sidetrack due to low gas productivity and high watercut.

In March 2010 the Corporation increased its interest in the Penészlek area as a result of a relinquishment by one of its partner's interest and a conversion of an interest of one of its partners from a working interest to a carried interest. As a result of these transactions the Corporation has a project interest of 40.44%.

In March 2010 the Corporation announced that it had restarted gas production at Peneszlek in northeast Hungary, with the commencement of production from the PEN-105 well.

Also, in March 2010 the Corporation announced that operations at the Corporation's PEN-101 well (spudded in February 2010) in northeast Hungary had been temporarily suspended following an acid stimulation of the perforated interval in the Miocene volcanoclastic section. The PEN-101 well was acidized in two stages, with a short flow test after the first stage showing a significant improvement of productivity. However, during the flow back of the second stage, water began to be produced with the gas. It is believed the produced water was from a deeper, water-bearing zone, due to damaged cement isolation. In May 2010, the Corporation successfully completed a sidetrack of this well "PEN-101A". PEN-101A was placed on production in June 2010 and continues to produce.

The PEN-106 well (42.8% interest) was drilled and abandoned in April 2010 after a drillstem test showed the target formations were water bearing at this location.

In November 2010, the Corporation sold its 12.5% interest in the GH-1 well. Total net proceeds, including an adjustment to the purchase price in 2011 amounted to \$215,761.

In February 2012 the PEN-105 well ceased production as a result of water intrusion. In March 2012 the Corporation commenced drilling a sidetrack (“PEN-105A”) from the PEN-105 well to access the second compartment on the structure, believed to be gas-bearing. The previously planned sidetrack is based on the Corporation’s 3D seismic data that was shot over the Peneszlek field and production data from the PEN-105 well.

Tunisian Exploration Interests

On September 11, 2009 the Corporation and Tunisian authorities signed the Bouhajla Production Sharing Contract (“PSC”) and associated Convention for the Bouhajla Permit (the “Permit”). On April 30, 2010 the Bouhajla PSC was ratified by the Tunisian government. The Corporation’s commitment under the PSC was to undertake a minimum of 100 line-kilometres of seismic and the drilling of one exploration well within the initial term of three years. Subsequently the Corporation received approval from the Tunisian authorities to record 55 square kilometres of 3D seismic in place of the 100 kilometres of 2D seismic originally stipulated. The Bouhajla Permit encompasses 416 square kilometres (105,000 acres), and is located onshore in the Pelagian Basin of east central Tunisia. The Bouhajla Permit lies immediately west of the Sidi el Kilani field, which has produced to date approximately 48 million barrels of light oil from the Late Cretaceous Abiod formation, which is the primary exploration target of DualEx’s program. At Sidi el Kilani the Abiod reservoir consists of a fractured chalk, locally dolomitized in association with wrench tectonics. Reservoirs of this type tend to have high recovery factors accompanied by very high individual well productivity rates. The Sidi El Kilani field occupies a pop-up structural inversion and a similar structure has been identified on seismic previously recorded over the Bouhajla North prospect area.

In March 2011, the Corporation announced that M&B completed an initial evaluation of undiscovered resource potential of the “Bouhajla Northeast” and “Bouhajla Southeast” prospects, the second and third prospects identified on the Corporation’s Bouhajla Exploration Block. The evaluation is entitled “Evaluation of Undiscovered Resource Potential, Bouhajla NE and SE Anomalies, East Central Tunisia, Effective March 1, 2011” and in June, 2010 M&B prepared a similar evaluation of the Corporation’s Bouhajla North prospect. That evaluation is entitled “Evaluation of Undiscovered Resource Potential of North Bouhajla Anomaly East Central Tunisia Effective May 31, 2010” (the “Reports”).

A summary of the estimated Petroleum Initially in Place is provided in the Reports and set out in the following table.

**Summary of Estimates of Petroleum Initially in Place⁽¹⁾⁽²⁾⁽⁶⁾⁽⁷⁾
As of March 1, 2011 and (for Bouhajla North) May 31, 2010**

	Best⁽⁴⁾ Mstb	High⁽⁵⁾ Mstb	Low⁽³⁾ Mstb
Bouhajla Northeast	590,912	930,457	354,289
Bouhajla Southeast	358,878	565,094	215,170
Bouhajla North	<u>82,829</u>	<u>129,090</u>	<u>49,441</u>
Total	1,032,619	1,624,641	618,900

Notes:

(1) Petroleum Initially in Place is defined by COGEH, as that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered (equivalent to “total resources”).

(2) These are the gross volumes estimated for the Bouhajla North, Northeast and Southeast Prospects located on the Bouhajla Permit, assuming a successful discovery and without any adjustments for working interest or encumbrances.

- (3) Low Estimate is considered to be a conservative estimate of the quantity of Petroleum Initially in Place. It is likely that the estimated quantity will be equaled or exceeded.
- (4) Best Estimate is considered to be the best estimate of the quantity of Petroleum Initially in Place. It is equally likely that the estimated quantity of Petroleum Initially in Place will be greater than or less than the actual quantity discovered.
- (5) High Estimate is considered to be an optimistic estimate of Petroleum Initially in Place. It is unlikely that the estimated quantity of Petroleum Initially in Place will be equaled or exceeded.
- (6) Undiscovered Petroleum Initially in Place were estimated for the Bouhajla North, Northeast and Southeast Prospects only, including the Cretaceous Abiod and, in the case of Bouhajla North, the Eocene El Gueria formations, which estimates were combined in the above table.
- (7) The resource estimate was prepared in accordance NI 51-101 and COGEH.

No proved, probable or possible reserves have been assigned to the Bouhajla North prospect at this time. Undiscovered resources are those quantities of oil and gas estimated on a given date to be contained in accumulations yet to be discovered. There is no certainty that any portion of the undiscovered resources will be discovered and that, if discovered, may not be economically viable or technically feasible to produce.

On November 2 2011, the Corporation entered into a farmout agreement with a Canadian-based exploration company (the “Farmee”) with respect to the Bouhajla Permit. Under the terms of the farmout the Farmee has agreed to fund the first US \$7,250,000 (the “Earning Funds”) towards the initial exploration program on the Permit, consisting of a 55 km² 3D seismic survey and an exploration well on the Bouhajla North Prospect, in exchange for 47.5% of the contractor share in the Bouhajla Production Sharing Contract (“PSC”), subject to the approval of the Tunisian authorities and to the assignment provisions contained in the PSC. DualEx will remain the operator of the project, with 52.5% of the contractor share. The Farmee has also paid DualEx US \$450,000, being a pro-rata share of DualEx’s costs incurred to date on the project. The first tranche of the Earning Funds was paid into escrow and the balance is to be paid within sixty days of completion of the Bouhajla North 3D seismic survey.

In December 2011 the Corporation entered into a contract with CGGVeritas Services SA, one of the world’s largest geophysical service providers, to shoot a 55 km² 3D seismic survey over the Bouhajla North Prospect on the Permit. The field recording of the 3D survey was completed in February 2012.

In February 2012 the Corporation contracted a consulting firm to perform the engineering and well planning services for the Bouhajla North exploration well, which is anticipated to be drilled in the second half of 2012.

In April 2012 the Tunisian Ministry of Industry and Energy’s Comité Consultatif des Hydrocarbures approved DualEx’s application to expand the Bouhajla Permit, onshore northeast Tunisia. The area of the expansion represents an increase of 120 km² or 29% of the area of the original Bouhajla Permit. In consideration for the increase, the Corporation committed to the recording of a minimum 20 km² of new 3D seismic. The expansion area lies south of the Corporation’s Bouhajla North prospect. The permit expansion will be finalized upon publication in the official Government Gazette.

Western Canada

In August 2009, the Corporation settled and finalized its outstanding legal claim with regard to a producing gas property in southwest Saskatchewan (the “Leader Property”). Pursuant to the settlement agreement, varying working interests in rights below the base of the Milk River formation in approximately 40 sections of contiguous land in the Leader area reverted back to Winslow. As part of the settlement terms, Winslow agreed to fund \$528,000 of infrastructure and facility costs.

In September 2009, the Corporation sold the Leader Property for cash proceeds of \$1,400,000.

Syrian Exploration Interests

DualEx held a 31.67% working interest in Syrian oil and natural gas Block 17 which encompassed 1.254 million gross acres and is located onshore, centred approximately 115 kilometres east of Damascus and approximately 100 kilometres southwest of Palmyra. DualEx, along with its partners, commenced drilling the Al Tayr-101 well, on Block 17 in October 2009. The well was plugged and abandoned in January 2010 following an unsuccessful testing program. DualEx and its partners elected not to continue the production sharing contract into the second exploration period, and surrendered Block 17. The Corporation had posted a US \$633,400 letter of guarantee with the Commercial Bank of Syria pursuant to the Production Sharing Agreement (“PSC”) for Block 17, which was released back to the Corporation in May 2010.

Portuguese Exploration Interests

Effective November 25, 2009, the Corporation sold its entire 10% working interest in the Torres Vedras - 3 and Aljubarrota - 3 Concessions in Portugal, for net cash proceeds of \$US350,000.

Corporate

In February 2009, the Corporation re-priced and extended the expiry date of its outstanding common share purchase warrants. The exercise price was reduced from \$0.30 per common share to \$0.20 per common share and the term of the warrants was extended from March 2, 2009 to September 2, 2009.

On November 10, 2009 the Corporation closed an equity financing, pursuant to a short-form prospectus, for gross proceeds of \$5,771,000. A total of 14,427,500 units (“Units”) were issued by the Corporation at a price of \$0.40 per Unit. Each Unit consists of one common share of the Corporation and one-half of one Common Share purchase warrant (each whole warrant a “Prospectus Warrant”). Each Prospectus Warrant entitles the holder to purchase one Common Share prior to November 10, 2011. The exercise price of the Prospectus Warrants is \$0.50 per Common Share during the first 12 month period and \$0.60 per Common Share thereafter. These Prospectus Warrants expired unexercised on November 10, 2011.

In February 2012 the Corporation issued 50,000 shares upon the exercise of stock options.

Significant Acquisitions

There were no significant acquisitions completed by DualEx during the year ended December 31, 2011 for which disclosure is required under NI 51-102.

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

Summary of Reserves & Future Net Revenue

There are not presently, nor has there ever been, any production from or reserves assigned to the Tunisian Exploration Interests. No reserves have been assigned to the Corporation's Wyoming Interest as it is royalty paid on production and is considered not material. As a result, the Corporation's only reserves are located in Hungary and western Canada. Thus, the following reserve information only includes reserves in Hungary and western Canada.

In accordance with the requirements of NI 51-101, the following Statement of Reserves Data and Other Oil and Gas Information for DualEx is dated with an effective date of December 31, 2011 and a preparation date of March 28, 2012.

M&B has prepared a reserve report dated as of March 28, 2012 with an effective date of December 31, 2011 (the "M&B Report") which evaluates the proved and probable crude oil, natural gas and NGL reserves attributable to DualEx's interests in its western Canadian and Hungarian properties and net present value of estimated future cash flow from such reserves, based on forecasted price and cost assumptions. The reserves information contained in the M&B Report was prepared and is presented in accordance with the requirements of NI 51-101 and COGEH.

In preparing its report, M&B obtained basic information from DualEx, which included land data, well information, geological information, reservoir studies, estimates of on-stream dates, contract information, current hydrocarbon product prices, operating cost data, capital budget forecasts, financial data and future operating plans. Other engineering, geological or economic data required to conduct the evaluation and upon which the M&B Report is based, was obtained from public records, other operators and from M&B's non-confidential files. The extent and character of ownership and the accuracy of all factual data supplied for the independent evaluation, from all sources, was accepted by M&B as represented by DualEx.

The following tables, based on the M&B Report, show the estimated share of DualEx's crude oil, natural gas and NGL reserves in its properties and the net present value of estimated future net revenue for these reserves, using forecast prices and costs as indicated. All evaluations of the present value of estimated future net revenue in the M&B Report are stated after provision for estimated future capital expenditures, well abandonment and reclamation costs (including the offsetting salvage value of tangible equipment after abandonment) but prior to income taxes and indirect costs and do not necessarily represent the fair market value of the reserves. The recovery and reserve estimates of DualEx's oil, NGL and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided herein.

References to oil, gas, natural gas liquids, reserves (gross, net, proved, probable, possible, developed, developed producing, developed non-producing, undeveloped), constant prices and costs, forecast prices and costs, operating costs, development costs, future net revenue and future income tax expenses shall, unless expressly stated to be to the contrary, have the meaning attributed to such terms as set out in NI 51-101, the NI 51-101 Companion Policy and all forms referenced therein.

The following is a summary of oil and natural gas reserves and net present values of future net revenue as of December 31, 2011 using forecast prices and costs:

Summary of Oil and Natural Gas Reserves
As at December 31, 2011
Forecast Prices and Costs

RESERVES CATEGORY	NATURAL GAS		COAL BED METHANE GAS		NATURAL GAS LIQUIDS		TOTAL	
	Gross (MMcf) (1)	Net (MMcf) (2)	Gross (MMcf) (1)	Net (MMcf) (2)	Gross (MBbl) (1)	Net (MBbl) (2)	Gross (MMcfe) (1)	Net (MMcfe) (2)
CANADA								
Proved Reserves								
Proved Developed Producing	-	-	92	86	-	-	92	86
Total Proved	-	-	92	86	-	-	92	86
Probable	-	-	20	18	-	-	20	18
Total Proved Plus Probable Reserves	-	-	112	104	-	-	112	104
HUNGARY								
Proved Reserves								
Proved Developed Producing	44	36	-	-	-	-	44	36
Total Proved	44	36	-	-	-	-	44	36
Probable	706	575	-	-	4	3	730	593
Total Proved Plus Probable Reserves	750	611	-	-	4	3	774	629
TOTAL COMPANY								
Proved Reserves								
Proved Developed Producing	44	36	92	86	-	-	136	122
Total Proved	44	36	92	86	-	-	136	122
Probable	706	575	20	18	4	3	750	611
Total Proved Plus Probable Reserves	750	611	112	104	4	3	886	733

Notes:

- (1) Gross Reserves means the Corporation's working interest (operating and non-operating) share before deduction of royalties and income taxes.
- (2) Net Reserves means Corporation's working interest (operating and non-operating) share after deduction of royalties but before deduction of income taxes.

Net Present Values of Future Net Revenue
As at December 31, 2011
Forecast Prices and Costs

RESERVES CATEGORY	NET PRESENT VALUES OF FUTURE NET REVENUE									
	BEFORE INCOME TAXES					AFTER INCOME TAXES				
	DISCOUNTED AT (% / YEAR)					DISCOUNTED AT (% / YEAR)				
	0	5	10	15	20	0	5	10	15	20
	(in \$ thousands)					(in \$ thousands)				
CANADA										
Proved Reserves										
Proved Developed Producing	147	118	95	78	66	147	118	95	78	66
Total Proved	147	118	95	78	66	147	118	95	78	66
Probable	36	21	12	8	6	36	21	12	8	6
Total Proved Plus Probable Reserves	183	139	107	86	72	183	139	107	86	72
HUNGARY										
Proved Reserves										
Proved Developed Producing	241	237	233	230	226	218	215	211	208	205
Total Proved	241	237	233	230	226	218	215	211	208	205
Probable	5,608	4,865	4,250	3,733	3,298	4,077	3,532	3,082	2,704	2,385
Total Proved Plus Probable Reserves	5,849	5,102	4,483	3,963	3,524	4,295	3,747	3,293	2,912	2,590
TOTAL COMPANY										
Proved Reserves										
Proved Developed Producing	388	355	328	308	292	365	333	306	286	271
Total Proved	388	355	328	308	292	365	333	306	286	271
Probable	5,644	4,886	4,262	3,741	3,304	4,113	3,553	3,094	2,712	2,391
Total Proved Plus Probable Reserves	6,032	5,241	4,590	4,049	3,596	4,478	3,886	3,400	2,998	2,662

Additional Information Concerning Future Net Revenue

Reserves Category	Total Future Revenue (Undiscounted in \$ thousands)							
	Revenue	Royalties	Operating Costs	Development Costs	Abandonment and Reclamation Costs	Future Net Revenue Before Income Taxes	Income Taxes	Future Net Revenue After Income Taxes
CANADA								
Total Proved	477	26	276	-	28	147	-	147
Total Proved plus Probable	618	32	370	-	33	183	-	183
HUNGARY								
Total Proved	603	116	162	-	84	241	23	218
Total Proved plus Probable	10,359	1,918	1,063	1,395	133	5,850	1,556	4,294
TOTAL COMPANY								
Total Proved	1,080	142	438	-	112	388	23	365
Total Proved plus Probable	10,977	1,950	1,433	1,395	166	6,033	1,556	4,477

The net present value of future net revenue by reserves category and production group and on a unit basis as at December 31, 2011, using forecast prices and discounted at 10% per year, is set forth below:

Future Net Revenue By Production Group Before Income Taxes
As at December 31, 2011
Forecast Prices and Costs (In Thousands discounted at 10%)

RESERVES CATEGORY	Natural Gas Mmcfe	Coal Bed Methane MMcf
CANADA		
Proved Developed Producing	-	95
Total Proved	-	95
Total Proved Plus Probable Reserves	-	107
HUNGARY		
Proved Developed Producing	233	-
Total Proved	233	-
Total Proved Plus Probable Reserves	4,482	-
TOTAL COMPANY		
Proved Developed Producing	233	95
Total Proved	233	95
Total Proved Plus Probable Reserves	4,482	107

Future Net Revenue By Production Group on a Unit Basis Before Income Taxes
As at December 31, 2011
Forecast Prices and Costs (Discounted at 10% net reserves)

RESERVES CATEGORY	Natural Gas \$/MCFe	Coal Bed Methane \$/MCF
CANADA		
Proved Developed Producing	-	1.10
Total Proved	-	1.10
Total Proved Plus Probable Reserves	-	1.03
HUNGARY		
Proved Developed Producing	6.47	-
Total Proved	6.47	-
Total Proved Plus Probable Reserves	7.34	-
TOTAL COMPANY		
Proved Developed Producing	6.47	1.10
Total Proved	6.47	1.10
Total Proved Plus Probable Reserves	7.34	1.03

Pricing Assumptions

M&B employed the following price and exchange rate and inflation rate assumptions as at December 31, 2011 in estimating DualEx's reserves data using forecast prices and costs:

Year	NATURAL GAS			Natural Gas Liquids \$/Bbl	EXCHANGE RATE	INFLATION RATE
	Aggregator Average Field \$/MMBTU	AECO C Spot \$/MMBTU	Hungarian Gas Price \$/MMBTU		\$US/\$CDN	%/YEAR
2012	3.20	3.53	13.24	69.63	0.98	-
2013	3.60	4.00	13.48	67.14	0.98	2.00
2014	4.10	4.50	13.53	67.21	0.98	2.00
2015	4.60	5.00	13.56	67.60	0.98	2.00
2016	5.10	5.50	13.63	67.93	0.98	2.00
2017	5.60	6.00	13.70	68.25	0.98	2.00
2018	5.70	6.10	13.97	69.61	0.98	2.00
2019	5.80	6.20	14.25	70.98	0.98	2.00
2020	5.90	6.30	14.52	72.35	0.98	2.00
2021	6.00	6.40	14.79	73.71	0.98	2.00
2022	6.10	6.50	15.07	75.08		
Thereafter			Increases 2%/Year			

The price received for gas produced in Hungary is based on a reference price formula. The benchmark price used is based on historical European gas/oil and heavy fuel oil pricing.

Reconciliation of Reserves

The following table reconciles the Corporation's oil and natural gas reserves (on a gross basis) from December 31, 2010 to December 31, 2011, using forecast prices and costs.

Reconciliation of Gross Reserves

Factors	Natural Gas			Coal Bed Methane Gas			Natural Gas Liquids			Total		
	Proved (mmcf)	Probable (mmcf)	Proved and Probable (mmcf)	Proved (mmcf)	Probable (mmcf)	Proved and Probable (mmcf)	Proved (mmbbl)	Probable (mmbbl)	Proved and Probable (mmbbl)	Proved (mmcfe)	Probable (mmcfe)	Proved and Probable (mmcfe)
CANADA												
December 31, 2010	-	-	-	54.0	19.0	73.0	-	-	-	54.0	19.0	73.0
Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-	-	-	-	-	-	-
Extensions	-	-	-	-	-	-	-	-	-	-	-	-
Technical Revisions	-	-	-	57.6	1.0	58.6	-	-	-	57.6	1.0	58.6
Discoveries	-	-	-	-	-	-	-	-	-	-	-	-
Economic Factors	-	-	-	-	-	-	-	-	-	-	-	-
Improved Recovery	-	-	-	-	-	-	-	-	-	-	-	-
Production	-	-	-	(18.6)	-	(18.6)	-	-	-	(18.6)	-	(18.6)
December 31, 2011	-	-	-	93.0	20.0	113.0	-	-	-	93.0	20.0	113.0
HUNGARY												
December 31, 2010	554.0	860.0	1,414.0	-	-	-	8.0	6.0	14.0	602.0	896.0	1,498.0
Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-	-	-	-	-	-	-
Extensions	-	-	-	-	-	-	-	-	-	-	-	-
Technical Revisions	(285.2)	(146.8)	(432.0)	-	-	-	(4.6)	(3.2)	(7.8)	(312.8)	(166.0)	(478.8)
Discoveries	-	-	-	-	-	-	-	-	-	-	-	-
Economic Factors	-	-	-	-	-	-	-	-	-	-	-	-
Improved Recovery	-	-	-	-	-	-	-	-	-	-	-	-
Production	(228.2)	-	(228.2)	-	-	-	(3.0)	-	(3.0)	(246.2)	-	(246.2)
December 31, 2011	40.6	713.2	753.8	-	-	-	0.4	2.8	3.2	43.0	730.0	773.0
TOTAL COMPANY												
December 31, 2010	554.0	860.0	1,414.0	54.0	19.0	73.0	8.0	6.0	14.0	656.0	915.0	1,571.0
Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-
Dispositions	-	-	-	-	-	-	-	-	-	-	-	-
Extensions	-	-	-	-	-	-	-	-	-	-	-	-
Technical Revisions	(285.2)	(146.8)	(432.0)	57.6	1.0	58.6	(4.6)	(3.2)	(7.8)	(255.2)	(165.0)	(420.2)
Discoveries	-	-	-	-	-	-	-	-	-	-	-	-
Economic Factors	-	-	-	-	-	-	-	-	-	-	-	-
Improved Recovery	-	-	-	-	-	-	-	-	-	-	-	-
Production	(228.2)	-	(228.2)	(18.6)	-	(18.6)	(3.0)	-	(3.0)	(264.8)	-	(264.8)
December 31, 2011	40.6	713.2	753.8	93.0	20.0	113.0	0.4	2.8	3.2	136.0	750.0	886.0

Undeveloped Reserves

The Corporation had the following undeveloped reserves as at December 31, 2009, 2010 and 2011.

Probable Undeveloped Reserves		
Year	Natural Gas (MMcf)	
	First Attributed	Cumulative at Year End
Prior to 2009	-	923
2009	399	399
2010	-	465
2011	232	698

All the undeveloped reserves are related to the Corporation's Hungary operations. The 2009 and 2010 probable undeveloped reserves relate to the PEN-100 well which is anticipated to be drilled in 2013, the remainder relates to the PEN-105A well which is currently being drilled.

Significant Factors or Uncertainties

Aside from the potential impact of material fluctuations in commodity prices, other significant factors or uncertainties that may affect either the Corporation's reserves or the future net revenue associated with such reserves include:

Canada - Technical risk associated with producing natural gas from unconventional reservoirs.

Hungary - Access to third party infrastructure

- Risk of water influx into the reservoir
- Potential of changes in royalty and income tax rates

Future Development Costs

The amount of development costs deducted in the estimated net present value of future net revenue is as follows:

Forecast Prices and Cost (Undiscounted)		
(In \$ thousands)		
Year	Proved Reserves	Proved Plus Probable
2012	-	1,395
	-	1,395

The Corporation expects to fund these development costs through its internally generated cash flow and existing working capital. However, there can be no guarantee that funds will be available or that the board of directors of the Corporation will allocate funding to develop all of the reserves requiring development in the M&B Report. Failure to develop such reserves could negatively impact future net revenue.

Oil and Natural Gas Wells and Properties

The following table summarizes, as at December 31, 2011, the Corporation's interest in producing wells and in non-producing wells which were not producing, but may be capable of production. All wells are located onshore.

Country	Producing Oil Wells		Producing Gas Wells		Suspended/Shut-In		Service	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Hungary	-	-	2	0.83	1	0.40	-	-
Alberta, Canada	-	-	4	1.33	-	-	-	-
	-	-	6	2.16	1	0.40	-	-

The two (gross) producing wells in Hungary are the PEN-105 and PEN-101 discovery wells. The PEN-102 well is the suspended well.

Unproved Properties

The following table summarizes the gross and net acres of unproved properties in which DualEx has an interest and also the number of net acres for which DualEx's rights to explore, develop or exploit will, absent further action, expire within one year.

Country	Gross Acres	Net Acres	Net Acres Expiring Within One Year
Hungary	9,800	4,000	-
Tunisia	105,000	105,000	-
Western Canada	640	80	-
Total	115,440	109,080	-

Exploration and Development Activities

During the years ended December 31, 2011 and December 31, 2010, DualEx has drilled and completed or participated in drilling and completion of the following wells.

	Year Ended December 31, 2011		Year Ended December 31, 2010	
	Gross	Net	Gross	Net
HUNGARY				
Drilled & Cased				
Producing Wells – Natural Gas	-	-	1	0.43
Suspended	-	-	-	-
Dry Holes (Abandoned)	-	-	1	0.43
TOTAL	-	-	2	0.86
Exploration	-	-	2	0.86
Development	-	-	-	-
TOTAL	-	-	2	0.86
SYRIA				
Drilled & Cased				
Dry Holes (Abandoned)	-	-	1 *	0.317
Exploration	-	-	1 *	0.317

* well was drilled in 2009, completed and abandoned in 2010.

Production Estimates

The following table sets out the volume of the Corporation's production estimated for the year ended December 31, 2012, which is reflected in the estimate of the future net revenue disclosed in the "Summary of Reserves and Future Net Revenue" section of this Annual Information Form.

RESERVES CATEGORY	Natural Gas MCF/d	Coal Bed Methane MCF/d	Natural Gas Liquids MBbl/d
CANADA			
Proved	-	41	-
Probable	-	1	-
Total Proved Plus Probable Reserves	-	42	-
HUNGARY			
Proved	115	-	1
Probable	57	-	1
Total Proved Plus Probable Reserves	172	-	2

Quarterly Production and Netback History

The following table sets forth the Corporation's average daily production volume, on a company interest basis, and the average netback received for each fiscal quarter in 2011 and for the entire year. Netbacks are calculated on the basis of prices received, less related royalty and production costs.

	Three Months Ended, 2011				Year Ended
	31-Mar	30-Jun	30-Sep	31-Dec	31-Dec-11
Average Daily Production					
Natural Gas (mcf/day)	1,068	703	538	368	667
Coal Bed Methane Gas (mcf/day)	61	59	56	54	58
Total (mcf/day)	1,129	762	594	422	725
Aggregate Sales	\$ 1,086,868	\$ 780,723	\$ 688,452	\$ 543,840	\$ 3,099,883
Average Price per mcfe	\$ 10.69	\$ 11.25	\$ 12.60	\$ 14.02	\$ 11.72
Royalty per mcfe	(2.28)	(2.46)	(2.36)	(2.32)	(2.35)
Operating Expenses per mcfe	(2.24)	(2.46)	(2.85)	(4.12)	(2.70)
Netback per mcfe	\$ 6.17	\$ 6.33	\$ 7.39	\$ 7.58	\$ 6.67

Abandonment and Reclamation Costs

The Corporation is liable for ongoing environmental obligations and for the ultimate abandonment and reclamation costs for its natural gas and petroleum properties. The Corporation identifies obligations related to petroleum and natural gas properties by estimating the present value of expected future costs to reclaim and abandon these properties and the timing of the costs to be incurred in future periods. These estimates are currently based on 2.57 net wells. The present value of abandonment and reclamation liability associated with the exploration activity undertaken by DualEx, and its acquired properties, discounted at 10% is \$119,000. The undiscounted amount of the estimated future cash flows required to settle the obligations is \$220,000. These obligations are expected to be paid over the next several years with a weighted average life of approximately 5 years with no amount anticipated to be paid over the next three years. The abandonment and reclamation liabilities relate to western Canada and Hungary.

Acquisition, Exploration and Development Costs

The amounts incurred by the Corporation during year ended December 31, 2011 in connection with property acquisitions and exploration and development activities are presented in the table below. The costs used in this calculation are all capital costs related to land acquisition and retention, drilling, completions, tangible well site equipment, tie-ins, facilities, and estimated future development costs.

<u>Country</u>	<u>Acquisition Costs</u>	<u>Exploration Costs</u>	<u>Development Costs</u>
Hungary	\$ -	\$ -	\$ 49,735
Tunisia	-	185,345	-
Total	<u>\$ -</u>	<u>\$ 185,345</u>	<u>\$ 49,735</u>

Future Price Commitments

DualEx has not entered into any hedges or future price commitments on any of its future production.

Tax Horizon

The Company is unable to estimate when taxes may become payable as it is dependent on the level of future commercial exploration and development success.

Human Resources

As of December 31, 2011, there were 6 full time equivalent personnel employed by the Corporation.

DESCRIPTION OF CAPITAL STRUCTURE

DualEx is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series. As of December 31, 2011, 85,818,337 Common Shares and no preferred shares of DualEx were issued and outstanding.

Holders of Common Shares are entitled to receive notice of and attend all meetings of shareholders of DualEx. The Common Shares carry one vote per Common Share. Subject to the prior rights of holders of preferred shares, holders of Common Shares are entitled to dividends, if, as and when declared by the board of directors of DualEx, and, in the event of the liquidation, dissolution or winding up of DualEx or other distribution of its assets, to receive on a pro rata basis all of the remaining property of DualEx.

DIVIDEND RECORD AND POLICY

Since incorporation, DualEx has not paid any dividends on its outstanding Common Shares. Any decision to pay dividends on the Common Shares in the future will be dependent upon the financial requirements of DualEx to finance future growth, the financial condition of DualEx, and other factors which the board of directors of DualEx may consider appropriate in the circumstances.

MARKET FOR SECURITIES

The Common Shares are listed for trading on the TSXV and trade under the symbol “DXE”. The Common Shares commenced trading on the TSXV on May 31, 2006. The following table sets out the price range for and trading volume of the Common Shares for the periods indicated.

Period	High	Low	Volume
January 2011	\$0.115	\$0.075	2,942,690
February 2011	\$0.095	\$0.08	2,101,064
March 2011	\$0.11	\$0.07	2,933,078
April 2011	\$0.105	\$0.085	1,008,705
May 2011	\$0.11	\$0.08	1,742,231
June 2011	\$0.09	\$0.075	963,050
July 2011	\$0.09	\$0.075	1,004,406
August 2011	\$0.10	\$0.065	1,682,555
September 2011	\$0.07	\$0.04	1,380,797
October 2011	\$0.075	\$0.045	1,498,262
November 2011	\$0.14	\$0.065	5,633,765
December 2011	\$0.14	\$0.105	1,906,539

PRIOR SALES

There have been no issuances of securities of the Corporation during the year ended December 31, 2011 which are not listed or quoted on a marketplace other than the issuance of 1,875,000 stock options on December 20, 2011 at an exercise price of 12 cents. The options vest 1/3 per year on the anniversary date of the grant for the next three years.

DIRECTORS AND OFFICERS

The following table provides the names, municipalities of residence, position, principal occupations and security holdings of the directors and officers of DualEx.

Name and Municipality of Residence and Position with DualEx	Director/Officer Since	Principal Occupations	Number and Percentage of Common Shares Held
Garry T. Hides ⁽²⁾ Chestermere, AB Chief Executive Officer, President and Director	March 20, 2006	President and CEO of DualEx. Prior thereto, Vice-President of Land and Business Development for Dual since July 2005. Prior thereto, Vice-President of Land and Business Development for Devlan Exploration Inc. beginning June 2004. Prior thereto, Vice-President, Land with Petrobank Energy and Resources for seven years and held various positions of increasing responsibility with Chevron Canada Resources for 13 years prior to that. Mr. Hides is a professional landman with over 25 years of diversified land, negotiations and business development experience, both domestically and internationally. He is a member of both the <i>Canadian Association of Petroleum Landmen</i> and the <i>Association of International Petroleum Negotiators</i> .	593,107 (0.7%)
Kenneth M. Tompson ⁽³⁾ Calgary, AB Executive Vice-President, Chief Operating Officer and Director	March 20, 2006	Executive VP and COO of DualEx. Prior thereto, Mr. Tompson was the Vice-President of Exploration for Dual since July 2005. He joined Dual's predecessor, Devlan Exploration Inc., in February 2003 as its Vice-President of Exploration. Prior to establishing an exploration consulting practice in February 2001, he was the Vice-President, Exploration of Petrobank Energy and Resources Ltd. Mr. Tompson has in excess of 30 years of experience in oil and gas exploration. He is a member of the <i>Canadian Society of Petroleum Geologists</i> and the <i>Association of Professional Engineers, Geologist and Geophysicists of Alberta</i> .	3,204,714 (3.7%)
David Rain ⁽¹⁾⁽²⁾ Calgary, AB Director	May 30, 2006	Director and CFO of Caribou Capital Corp., a private investment company, since June 1999; Prior Vice-President and CFO of Harvest Energy Trust from July 2004 to February 2006. V.P. Finance and CFO of Petrobank Energy and Resources Ltd. from October 2001 to March 2004 and Director, Corporate Finance of Petrobank from April 2000 to September 2001. Mr. Rain is a Chartered Accountant with over 20 years experience in the oil and gas industry, both in Canada and internationally.	187,500 (0.2%)
Roy Hudson ⁽¹⁾⁽²⁾⁽³⁾ Calgary, AB Director	May 30, 2006	Partner of Davis LLP since September 2004. Mr. Hudson is a director of three other publicly held corporations and has practiced securities and corporate law since 1984.	20,000 (0.0%)

Name and Municipality of Residence and Position with DualEx	Director/Officer Since	Principal Occupations	Number and Percentage of Common Shares Held
John Nelson ⁽¹⁾⁽³⁾ Calgary, AB Director	August 30, 2007	Mr. Nelson has over twenty-five years of resource industry experience in geology and geophysics, including numerous frontier exploration areas worldwide for Mobil Oil Corp. (1985 to 1991). He is currently a Director and Chief Executive Officer of Africa Hydorcarbons Inc. (since March 2012), the Corporation's farmin partner on the Bouhajla permit. He also serves as a director of Liuyang Fireworks Ltd. (since June 2009) and Resource Hunter Capital Corp. (since February 2008) He is the former President and director of Winslow Resources Inc. (April 2003 to August 2007) and was Vice-President of Exploration for Petrovista Energy Corp. (2008). He was former President Chief Executive Officer of Lion Energy Corp. (June 2010 – June 2011) Mr. Nelson was a co-founder of Ceres Capital Corp., now Reliable Energy Inc. and Resource Hunter Capital, now Plains Creek Phosphate Corp.	143,380 (0.2%)
Lorne A. Morozoff Calgary, AB Vice-President Finance and Chief Financial Officer	September 1, 2006	A Chartered Accountant with over 20 years experience, the last fourteen in the international oil and gas industry, and most recently as Controller of Stratic Energy Corporation. Prior thereto, he held various senior level positions within Nexen Inc. from 2001 - 2005, including a two year assignment in Yemen. Prior thereto he served as a Senior Internal Auditor with the Qatar General Petroleum Corporation in Doha, Qatar from 1997 to 2000.	580,000 (0.7%)

Notes:

- (1) Denotes audit committee members.
- (2) Denotes corporate governance and compensation committee members.
- (3) Denotes reserves committee member.

Each director will hold office until the next annual general meeting of Shareholders of DualEx or until his successor is elected or appointed.

As at December 31, 2011 the directors and executive officers of DualEx, as a group beneficially own, directly or indirectly, approximately 6% of the outstanding Common Shares, and 11% on a fully diluted basis. Directors and executive officers as a group hold Options and Warrants, with the rights to purchase or acquire an aggregate of an additional 4,950,000 Common Shares.

Cease Trade Orders or Bankruptcies

Except as noted below or otherwise herein, none of the above directors, as at the date of this Annual Information Form, or within 10 years before the date of this Annual Information Form, has been, a director, chief executive officer or chief financial officer of any company, that:

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

Bankruptcies

Except as noted below or otherwise herein, no director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, is:

- (a) as at the date of this Annual Information Form, or has been within the 10 years before the date of this Annual Information Form, a director or executive officer of any company that, while that person was acting that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has within the 10 years before the date of the Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties and Sanctions

No director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to materially affect the control of the Corporation, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in making an investment decision.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

At no time since the beginning of the most recently completed financial period has there been any indebtedness of any director or officer, or any associate of any such director or officer, to the Corporation or to any other entity which is, or at any time since the beginning of the most recently completed financial period has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

TRANSFER AGENT AND REGISTRARS

The transfer agent and registrar for the Common Shares is Olympia Trust Company at its principal offices in Calgary, Alberta.

MATERIAL CONTRACTS

There are no material contracts, other than contracts entered into in the ordinary course of business, that are material to DualEx that were entered into within the most recently completed financial year, or before the most recently completed financial year but are still in effect.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described below under “CONFLICTS OF INTEREST”, there are no material interests, direct or indirect, of directors or executive officers of DualEx, any shareholder who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the outstanding Common Shares of DualEx, or any known associate or affiliate of such persons, in any transaction since commencement of operations of DualEx which has materially affected DualEx or in any proposed transaction which would materially affect DualEx.

INTEREST OF EXPERTS

Deloitte & Touche LLP is the external auditor of DualEx and is independent within the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta. As of the date hereof, none of the partners and associates of M&B, the authors the M&B Report dated March 28, 2012, owned any of our outstanding Common Shares.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of the Corporation, there are no legal proceedings or regulatory actions material to the Corporation to which the Corporation is a party, or was a party to in 2011, or of which any of its properties is the subject matter, or was the subject matter of in 2011, nor are there any such proceedings known to the Corporation to be contemplated. There have been no penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority and the Corporation has not entered into any settlement agreements with a court or securities regulatory authority.

CONFLICTS OF INTEREST

As of March 2012, Mr. John Nelson, a director of DualEx, became President, Chief Executive Officer and Director of Africa Hydrocarbons Inc. a farmin partner on the Corporation's Bouhajla Exploration Permit in Tunisia, which was executed in November 2011. There are additional potential conflicts of interest to which the directors and officers of DualEx may be subject to in connection with the operations of DualEx. Some of the directors have been and will continue to be engaged in the identification and evaluation, with a view to potential acquisition of, interests in businesses and corporations on their own behalf and on behalf of other corporations, and situations may arise where the directors will be in direct competition with DualEx. No assurances can be given that opportunities identified by such board members will be provided to DualEx.

In the event of such conflicts, decisions will be made on a basis consistent with the objectives and financial resources of each group of interested parties, the time limitations on investment of such financial resources, and on the basis of operating efficiencies having regard to the then current holdings of properties of each group of interested parties consistent with the duties of DualEx to each such group of persons. All reasonable efforts will be used to resolve such conflicts of interest in a manner which will treat DualEx and the other interested party fairly taking into account all of the circumstances of DualEx and such interested party and to act honestly and in good faith in resolving such matters. Conflicts, if any, will be subject to the procedures and remedies under the ABCA.

RISK FACTORS

Overview

The business carried on by DualEx is subject to a number of risk factors. An investment in securities of DualEx is suitable only to those investors who are willing to risk the loss of their entire investment. Investors must rely upon the ability, expertise, judgement, discretion, integrity and good faith of management of DualEx. An investment in the securities of DualEx is speculative and involves a high degree of risk due to the nature of DualEx's involvement in the business of exploration for petroleum and natural gas. The following is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Annual Information Form.

Stage of Development

An investment in DualEx is subject to certain risks related to the nature of DualEx's business and its early stage of development. There are numerous factors which may affect the success of DualEx's business which are beyond DualEx's control including local, national and international economic and political conditions. DualEx's business involves a high degree of risk which a combination of experience, knowledge and careful evaluation may not overcome. DualEx's operations in Hungary and Tunisia have exposed DualEx to risks which may not exist for domestic operations such as political and currency risks. There can be no assurance that DualEx's business will be successful or profitable or that commercial quantities of oil and/or natural gas will be discovered by DualEx. DualEx has not paid any dividends and it is unlikely to pay dividends in the immediate or foreseeable future.

Oil and Natural Gas Development

The future value of DualEx is dependent on the success or otherwise of DualEx's activities which are principally directed toward the further exploration, appraisal and development of its assets in Hungary and Tunisia. DualEx has a right to explore and appraise such assets in Tunisia but does not have a right to produce same until such time as the reserves are determined to be commercial. Exploration, appraisal and development of oil and natural gas reserves is speculative and involves a significant degree of risk. There is no guarantee that exploration or appraisal of the Tunisian Exploration Interests will lead to a commercial discovery or, if there is commercial discovery, that DualEx will be able to realize such reserves as intended. Not all properties that are explored are ultimately developed into new reserves. If at any stage DualEx is precluded from pursuing its exploration or development programs, or such programs are otherwise not continued, DualEx's business, financial condition and/or results of operations and, accordingly, the trading price of the Common Shares, is likely to be materially adversely affected.

Oil and natural gas exploration involves a high degree of risk and there is no assurance that expenditures made on future exploration or development activities by DualEx will result in discoveries of oil, condensate or natural gas that are commercially or economically possible. It is difficult to project the costs of implementing any exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as overpressured zones and tools lost in the hole, and changes in drilling plans and locations as a result of prior exploratory wells or additional technical data and interpretations thereof.

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Corporation and may delay exploration and development activities.

Infrastructure development in some of the countries in which the Corporation operates is limited. These factors may affect the Corporation's ability to explore and develop its properties in a timely manner and to store and transport its oil and gas production.

DualEx's operations are subject to all the risks normally incident to the exploration, development and operation of oil and natural gas properties and the drilling of oil and natural gas wells, including encountering unexpected formations or pressures, premature declines of reservoirs, potential environmental damage, blow-outs, cratering, fires and spills, all of which could result in personal injuries, loss of life and damage to property of DualEx and others. In accordance with industry practice, DualEx has normal and customary insurance coverage.

Environmental regulation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing.

Risks of Foreign Operations

The majority of DualEx's oil and natural gas properties and operations are located in foreign jurisdictions. As such, DualEx is subject to political, economic, and other uncertainties, including, but not limited to, expropriation of property without fair compensation, changes in energy policies or the personnel administering them, nationalization, currency fluctuations and devaluations, exchange controls and royalty and tax increases and other risks arising out of foreign governmental sovereignty over the areas in which DualEx's operations are conducted, as well as risks of loss due to civil strife, acts of war, guerrilla activities and insurrections.

DualEx's operations may also be adversely affected by laws and policies of Canada affecting foreign trade, taxation and investment. In the event of a dispute arising in connection with DualEx's operations in Hungary, Tunisia or the United States, DualEx may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. DualEx may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, DualEx's exploration, development and production activities in Hungary, Tunisia or the United States could be substantially affected by factors beyond DualEx's control, any of which could have a material adverse effect on DualEx.

DualEx's operations may be adversely affected by changes in government policies and legislation or social instability and other factors which are not within the control of DualEx including, among other things, a change in oil or natural gas pricing policy, the risks of war, terrorism, abduction, expropriation, nationalization, renegotiation or nullification of existing concessions and contracts, taxation policies, economic sanctions, the imposition of specific drilling obligations and the development and abandonment of fields.

Political risk of Tunisia operations

The Corporation is subject to additional risks resulting from doing business in Tunisia. While the Corporation has attempted to reduce many of these risks through agreements with the Government of Tunisia, no assurance can be given that such risks have been mitigated. These risks can involve matters arising out of the evolving laws and policies of Tunisia, political turmoil and unrest, the impositions of special taxes or similar charges, oil export or pipeline restrictions, foreign exchange fluctuations and currency controls, the unenforceability of contractual rights or the taking of property without fair compensation, and other matters.

The political landscape in Tunisia has changed dramatically since January 14, 2011, when the former president fled the Country. and the former government was replaced in October, 2011 by a democratically-elected interim Constituent Assembly charged with drafting a new constitution that will pave the way to parliamentary/presidential elections in due course. The Corporation continued to operate in Tunisia throughout this period and the day-to-day operations have for the most part been unaffected. The Corporation is continuously monitoring the political environment to ensure it can appropriately respond to any changes.

There can be no assurance that the agreements entered into with the Government of Tunisia are enforceable or binding in accordance with the Corporation's understanding of their terms or that if breached, the Corporation would be able to find a remedy.

Additional Financing

The Corporation's future capital requirements on its existing assets may exceed existing cash resources, which may require DualEx to raise additional funds. In particular, notwithstanding the Corporation's Farmee partner on the Bouhajla Permit having a legal obligation to fund its remaining commitments under the Farmin Agreement, should it fail to do so, the Corporation would be required to find a new joint venture partner or raise additional capital to fund the commitment well pursuant to the Bouhajla PSC. In such a circumstance, the Corporation would retain the funds previously provided by the Farmee and 100% of the contractor interest in the Permit. The ability of DualEx to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of DualEx. This in turn could limit growth prospects in the short run or may even require DualEx to dedicate cash flow, dispose of properties or raise new equity to continue operations under circumstances of declining energy prices, disappointing drilling results, or economic or political dislocation in foreign countries. There can be no assurance that DualEx will be successful in its efforts to arrange additional financing on terms satisfactory to DualEx. This may be further complicated by the limited market liquidity for shares of smaller companies, restricting access to some institutional investors. If additional financing is raised by the issuance of shares from the treasury of DualEx, control of DualEx may change and shareholders may suffer additional dilution.

From time to time DualEx may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may temporarily increase DualEx's debt levels above industry standards.

Uninsurable Risks

In the course of exploration, development and production of oil and gas properties, certain risks, and in particular, blow-outs, pollution, craterings, fires and oil spills and premature decline of reservoirs and invasion of water into producing formations may occur all of which could result in personal injuries, loss of life and damage to property of the Corporation and others. Hazards such as unusual or unexpected geological formations, pressures or other conditions may be encountered in drilling and operating wells as the Corporation will initially have interests in a limited number of properties, such risk is more significant than if spread over a number of properties. It is not always possible to fully insure against such risks and the Corporation may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Corporation. Insurance against damages caused by terrorism, specifically guerrilla activities, is generally not available.

Although the Corporation intends to obtain insurance to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances, be insurable or, in certain circumstances, the Corporation may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Corporation. The occurrence of a significant event that The Corporation is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on The Corporation's financial position, results of operations or prospects. There can be no assurance that insurance will be available in the future.

Industry Conditions

The international oil and natural gas industry is intensely competitive and DualEx competes with other companies which possess greater technical and financial resources. Many of these competitors not only explore for and produce oil and natural gas but also carry on refining operations and market petroleum and other products on an international basis. Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including premature decline of reservoirs and invasion of water into producing formations.

The marketability and price of oil and natural gas which may be acquired or discovered by DualEx will be affected by numerous factors beyond the control of DualEx. The ability of DualEx to market any natural gas discovered may depend upon its ability to acquire space on pipelines which deliver natural gas to commercial markets. DualEx is also subject to market fluctuations in the prices of oil and natural gas, uncertainties related to the delivery and proximity of its reserves to pipelines and processing facilities and extensive government regulation relating to prices,

taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business. DualEx is also subject to a variety of waste disposal, pollution control and similar environmental laws.

The oil and natural gas industry is subject to varying environmental regulations in each of the jurisdictions in which DualEx may operate. Environmental regulations place restrictions and prohibitions on emissions of various substances produced concurrently with oil and natural gas and can impact on the selection of drilling sites and facility locations, potentially resulting in increased capital expenditures. DualEx may be responsible for abandonment and site restoration costs. DualEx is of the view that its abandonment and restoration obligations can be satisfied out of general corporate funds as such obligations become due.

Foreign Subsidiaries

DualEx conducts its operations through its Bahamian subsidiaries operating in foreign jurisdictions. Therefore, to the extent of these holdings, DualEx will be dependent on the cash flows of these subsidiaries to meet its obligations. The ability of its subsidiaries to make payments to DualEx may be constrained by the following factors:

- a) the level of taxation, particularly corporate profits and withholding taxes, in the jurisdiction in which it operates and any changes in tax laws or treaties; and
- b) the introduction of exchange controls or repatriation restrictions or the availability of hard currency to be repatriated.

Need to Add Reserves

DualEx's oil and natural gas reserves and production, and therefore its cash flows and earnings, are highly dependent upon DualEx discovering or acquiring reserves. To the extent that cash flow from operations is insufficient and external sources of capital become limited or unavailable, DualEx's ability to make the necessary capital investments to expand its oil and natural gas reserves will be impaired. There can be no assurance that DualEx will be able to find and develop or acquire reserves at commercially feasible costs.

Environmental Regulation and Risks

Extensive national, state and local environmental laws and regulations in foreign jurisdictions affect nearly all of the operations of DualEx. These laws and regulations set various standards regulating certain aspects of health and environmental quality, provide for penalties and other liabilities for the violation of such standards and establish in certain circumstances obligations to remediate current and former facilities and locations where operations are or were conducted. In addition, special provisions may be appropriate or required in environmentally sensitive areas of operation. There can be no assurance that DualEx will not incur substantial financial obligations in connection with environmental compliance.

Significant liability could be imposed on DualEx for damages, cleanup costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of properties purchased by DualEx or non-compliance with environmental laws or regulations. Such liability could have a material adverse effect on DualEx. Moreover, DualEx cannot predict what environmental legislation or regulations will be enacted in the future or how existing or future laws or regulations will be administered or enforced. Compliance with more stringent laws or regulations, or more vigorous enforcement policies of any regulatory authority, could in the future require material expenditures by DualEx for the installation and operation of systems and equipment for remedial measures, any or all of which may have a material adverse effect on DualEx.

Volatility of Oil and Gas Prices and Markets

DualEx's financial condition, operating results and future growth are dependent on the prevailing prices for its oil and natural gas production. Historically, the markets for oil and natural gas have been volatile and such markets are likely to continue to be volatile in the future. Prices for oil and natural gas are subject to large fluctuations in

response to relatively minor changes to the demand for oil and natural gas, whether the result of uncertainty or a variety of additional factors beyond the control of DualEx. Any substantial decline in the prices of oil and natural gas could have a material adverse effect on DualEx and the level of its oil and natural gas reserves. Additionally, the economics of producing from some wells may change as a result of lower prices, which could result in a suspension of production by DualEx. No assurance can be given that oil and natural gas prices will be sustained at levels which will enable DualEx to operate profitably. From time to time DualEx may avail itself of forward sales or other forms of hedging activities with a view to mitigating its exposure to the risk of price volatility.

Decreases in oil and natural gas prices typically result in a reduction of the Corporation's net production revenue and may change the economics of producing from some wells which could result in a reduction in the volume of the Corporation's reserves. Any substantial declines in the prices of crude oil or natural gas could result in delay or cancellation of existing or future drilling, development or construction programs or the curtailment of production. All of these factors could result in a material decrease in the Corporation's net production revenue, cash flows and profitability causing a reduction in its oil and gas acquisition and development activities. In addition, bank borrowings available to the Corporation will in part be determined by the Corporation's borrowing base. A sustained material decline in prices from historical average prices could further reduce such borrowing base, therefore reducing the bank credit available and could require that a portion of its bank debt, if any, be repaid.

Title to Properties and Assets

Although title reviews will be done according to industry standards prior to the purchase of most oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat the claim of DualEx which could result in a reduction of the revenue received by DualEx. In civil law jurisdictions, including Hungary and Tunisia, legal title is not perfected until such time as the appropriate governmental authorities approve the assignment of a participating interest, record the title holder in the applicable registry. This process can take time, as a result, it is common business practice for commercial parties to proceed with the completion of a purchase and sale transaction, notwithstanding the fact that governmental approval may take years to properly reflect these business dealings. In these cases, title review due diligence involves ensuring that the current title holder has started the different authorization procedures, and also involves an update as to the status of the required authorizations.

Legal Systems

As civil law jurisdictions, Hungary and Tunisia have legal systems which are different from the common law jurisdictions of western Canada. Standard legal practices in civil law jurisdictions may result in risks such as (i) a higher degree of discretion on the part of governmental authorities; (ii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations, particularly where those rules and regulations are the result of recent legislative changes or have been recently adopted; (iii) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; and (iv) relative inexperience of the judiciary and courts in such matters. In the case of foreign entities such as DualEx doing business in civil law jurisdictions, effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation or in an ownership dispute, may be more difficult to obtain. As well, legislation and regulations may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licenses, license applications or other legal arrangements will not be adversely affected by changes in governments, the actions of government authorities or others, or the effectiveness and enforcement of such arrangements.

Fluctuations in Foreign Currency Exchange Rates

The majority of DualEx's operations are located in foreign jurisdictions. Fluctuations in the U.S. dollar, the Euro, and/or the Hungarian Forint exchange rates may cause a negative impact on revenue and costs and could have a material adverse impact on DualEx's operations.

Competition

Competition could adversely affect DualEx's performance. The oil and natural gas industry is characterized by intense competition and DualEx competes directly with other companies that have greater technical and financial resources. Many of these competitors not only explore for and produce oil and natural gas but also carry on refining operations and market petroleum and other products on an international basis. The industry also competes with other industries who supply non-petroleum energy products.

Potential Conflicts of Interest

There are potential conflicts of interest to which some of the directors of DualEx will be subject in connection with the operations of DualEx. Some of the directors are engaged and will continue to be engaged in the search of oil and gas interests on their own behalf and on behalf of other corporations, and situations may arise where the directors will be in direct competition with DualEx. Conflicts of interest, if any, which arise will be subject to and be governed by procedures prescribed by the ABCA which require a director or officer of a corporation who is a party to or is a director or an officer of or has a material interest in any person who is a party to a material contract or proposed material contract with DualEx, to disclose his interest and to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA.

Key Personnel

The competition for qualified personnel in the oil and natural gas industry is intense and there can be no assurance that DualEx will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of DualEx, as the case may be.

Sources of Revenue

DualEx's non-interest revenue in its fiscal year ending December 31, 2011 was derived from its Hungarian, western Canadian property and the Wyoming Royalty. The occurrence of any event that would prevent the production of natural gas, including physical problems with the infrastructure facilities (howsoever arising) supporting the producing region or negative actions on the part of any government or regulatory authority would negatively affect DualEx's cash flows and revenue until such time as such problem is remedied.

Capital Expenditures

There is no certainty that capital expenditures will result in or lead to commercial discoveries of natural gas, oil or condensate.

INDUSTRY CONDITIONS

Government Regulation

The Corporation's oil and natural gas operations in Canada are subject to various Canadian federal, provincial and local governmental regulations. Matters subject to regulation include permits for drilling operations, reports concerning operations, the spacing of wells, and unitization and pooling of properties and taxation. From time to time, regulatory agencies have imposed price controls and limitations on production by restricting the rate of flow of oil and natural gas wells below actual production capacity in order to conserve supplies of oil and natural gas. The production, handling, storage, transportation and disposal of oil and natural gas, by-products thereof and other substances and materials produced or used in connection with oil and natural gas operations are also subject to regulation under federal, state, provincial and local laws and regulations primarily relating to the protection of human health and the environment. To date, expenditures related to complying with these laws and for remediation of existing environmental contamination have not been significant in relation to the results of operations of the Corporation. Although the Corporation believes it is in substantial compliance with all applicable laws and

regulations, the requirements imposed by such laws and regulations are frequently changed and subject to interpretation, and the Corporation is unable to predict the ultimate cost of compliance with these requirements or their effect on its operations.

In the areas where the Corporation conducts activities, there are statutory laws and regulations governing the activities of oil and gas companies. These laws and regulations allow administrative agencies to govern the activities of oil companies in the development, production and sale of both oil and gas. Changes in these laws and regulations may substantially increase or decrease the costs of conducting any exploration or development project. The Corporation believes that its operations comply with all applicable legislation and regulations and that the existence of such regulations has no more restrictive effect on the Corporation's method of operations than on similar companies in the industry.

Pricing and Marketing — Oil and Natural Gas

The Corporation's revenue and future rate of growth are also substantially dependent upon the prevailing prices of oil and natural gas. Prices for oil and natural gas are subject to wide fluctuation in response to relatively minor changes in the supply of and demand for oil and natural gas, market uncertainty and a variety of additional factors that are beyond the control of the Corporation. These factors include the level of consumer product demand, weather conditions, domestic and foreign governmental regulations, the price and availability of alternative fuels, political conditions in the Middle East, the foreign supply of oil and natural gas, the price of oil and gas imports and overall economic conditions. From time to time, excess domestic and imported supplies have depressed oil and gas prices. There can be no assurance that current price levels will be sustained. It is impossible to predict future oil and natural gas price movements with any certainty. Declines in oil and natural gas prices will adversely affect the Corporation's financial condition, liquidity and results of operations and may reduce the amount of the Corporation's oil and natural gas that can be produced economically. As a result, the Corporation could elect not to drill, develop or produce from certain wells.

The exchange rate differential between the Canadian, U.S. dollar, Euro, and Hungarian Forint also affects the profitability of the Corporation. World oil prices are quoted in United States dollars and the price received is therefore affected by the Canadian/U.S. exchange rate that may fluctuate over time. The Corporation may reduce the impact of fluctuation to foreign exchange fluctuations by using risk management tools related to foreign exchange rates and commodity prices. The Corporation has not entered into any foreign exchange contracts at this time.

Environmental Regulation

The oil and natural gas industry is subject to environmental regulation pursuant to local, provincial and federal legislation. Environmental legislation provides for restrictions and prohibitions on releases or emissions and regulation on the storage and transportation of various substances produced or utilized in association with certain oil and gas industry operations and can affect the location and operation of wells and facilities and the extent to which exploration and development is permitted. In addition, legislation requires that well and facilities sites be abandoned and reclaimed to the satisfaction of provincial authorities. As well, applicable environmental laws may impose remediation obligations with respect to property designated as a contaminated site upon certain responsible persons, which include persons responsible for the substance causing the contamination, persons who caused the release of the substance and any past or present owner, tenant or other person in possession of the site. Compliance with such legislation can require significant expenditures and a breach of such legislation may result in the suspension or revocation of necessary licenses and authorizations, civil liability for pollution damage, the imposition of fines and penalties or the issuance of clean up orders.

Environmental legislation in the Province of Alberta has been consolidated into the Environmental Protection and Enhancement Act (Alberta) (the "APEA"), which came into force on September 1, 1993 and the Oil and Gas Conservation Act (Alberta) (the "OGCA"). The APEA and OGCA impose stricter environmental standards, require more stringent compliance, reporting and monitoring obligations and significantly increase penalties. The Corporation is committed to meeting its responsibilities to protect the environment wherever it operates and anticipates making increased expenditures of both a capital and an expense nature as a result of the increasingly stringent laws relating to the protection of the environment and the Corporation will be taking such steps as required to ensure compliance with the APEA and similar legislation in other jurisdictions in which it operates. The

Corporation believes that it is reasonably likely that the trend towards stricter standards in environmental legislation and regulation will continue.

Trends

Volatility of commodity prices is an ongoing trend within the oil and gas industry during the past several years. The Corporation's natural gas revenue in Hungary is closely tied to world oil prices. Oil prices are influenced by various factors including, the economy and OPEC's ability to adjust supply to world demand. During 2008 and the beginning of 2009, crude oil prices declined to multi-year lows due to the world economic crisis. Crude oil prices have strengthened throughout the balance of 2009, 2010 and 2011.

The impact on the oil and gas industry from commodity price volatility is significant. During periods of high prices, producers generate sufficient cash flows to conduct active exploration programs without external capital. Increased commodity prices frequently translate into very busy periods for service suppliers triggering premium costs for their services. Purchasing land and properties similarly increase in price during these periods. During low commodity price periods, acquisition costs drop, as do internally generated funds to spend on exploration and development activities. With decreased demand, the prices charged by the various service suppliers also decline.

ADDITIONAL FINANCIAL AND OTHER INFORMATION

Additional information relating to DualEx may be found on SEDAR at www.sedar.com.

Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Common Shares, securities authorized for issuance under equity compensation plans and interests of insiders in material transactions, if applicable, is contained in the Management Information Circular and Proxy dated May 18, 2011 in respect of the meeting of shareholders of Dual held on June 23, 2011. The next annual meeting of shareholders of the Corporation is anticipated to be held in Calgary on June 21, 2012. Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Common Shares, securities authorized for issuance under equity compensation plans and interests of insiders in material transactions, if applicable, will be disclosed in the management information circular prepared for such meeting.

Additional financial information is contained in the Corporation's annual financial statements and management's discussion and analysis for the year ended December 31, 2011, which are also available on SEDAR at www.sedar.com.

Any document referred to in this Annual Information and described as being filed on SEDAR at www.sedar.com (including those documents referred to as being incorporated by reference in this Annual Information Form) may be obtained free of charge from DualEx at 200, 521 - 3rd Avenue S.W., Calgary, Alberta, T2P 3T3.

FORM 51-101F2 **REPORT ON RESERVES DATA**

To the board of directors of DualEx Energy International Inc. (the "Company):

1 We have evaluated the Company's reserves data as at December 31, 2011. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2011, estimated using forecast prices and costs.

2 The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGI Handbook") prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy and Petroleum (Petroleum Society).

3 Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

4 The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us for the year ended December 31, 2011 and identifies the portions thereof that we have evaluated and reported on to the Company's management and board of directors.

Independent Qualified Reserves Evaluator	Description & Prep. Date of Evaluation Report	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue (before income taxes, 10% discount rate) x 1000			
			Audited	Evaluated	Reviewed	Total
Martin & Brusset Assoc.	Dec 31/11	Canada Hungary	\$0	\$107	\$0	\$107
				4,482	0	4,482
				<u>\$4,589</u>	<u>\$0</u>	<u>\$4,589</u>

5 In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.

6 We have no responsibility to update our reports referred to in paragraph 4 for events and circumstances occurring after their respective preparation dates.

- 7 Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

Executed as to our report referred to above:

Martin & Brusset Associates
Calgary, Alberta, Canada

April 2, 2012

"Neil Sedgwick"

S. Neil Sedgwick, B.Sc., P.Eng.

SCHEDULE B
REPORT OF MANAGEMENT AND DIRECTORS ON RESERVES DATA
AND OTHER INFORMATION
(FORM 51-101F3)

This is the form referred to in item 3 of section 2.1 of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("NI 51-101").

1. Terms to which a meaning is ascribed in *NI 51-101* have the same meaning in this form.
2. The report referred to in item 3 of section 2.1 of *NI 51-101* must in all material respects be as follows:

Management of DualEx Energy International Inc. (the "Company") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data which are estimates of proved reserves, probable reserves and possible reserves and related future net revenue as at December 31, 2011 estimated using forecast prices and costs.

Independent qualified reserves evaluators have evaluated the Company's reserves data. The report of the independent qualified reserves evaluators will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of the board of directors of the Company has:

- (a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluators;
- (b) met with the independent qualified reserves evaluators to determine whether any restrictions affected the ability of the independent qualified reserves evaluators to report without reservation; and
- (c) reviewed the reserves data with management and the independent qualified reserves evaluators.

The Reserves Committee of the board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has, on the recommendation of the Reserves Committee, approved

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluators on the reserves data; and
- (c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

(signed) "Kenneth M. Thompson"
Kenneth M. Thompson, Chief Operating Officer
and Director

(signed) "Roy Hudson"
Roy Hudson
Director

(signed) "John Nelson"
John Nelson
Director

(signed) "Garry T. Hides"
Garry T. Hides
President and Chief Executive Officer

April 10, 2012