

VANOIL ENERGY LTD.

Notice of Meeting

and

Information Circular

in respect of an

ANNUAL GENERAL MEETING OF SHAREHOLDERS

to be held on Tuesday April 19, 2016

INFORMATION CIRCULAR

Dated March 10, 2016

This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this Information Circular, you should immediately contact your advisor.

VANOIL ENERGY LTD.

NOTICE OF MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general meeting (the “Meeting”) of the holders of common shares of **Vanoil Energy Ltd.** (the “Company”) will be held on **April 19, 2016** at the hour of **10:00 a.m.** (Vancouver time), at Suite 1100, 1111 Melville Street, Vancouver, BC for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company for the year ended September 30, 2015 and the report of the auditors thereon;
2. To re-appoint Ernst & Young LLP as auditors for the Company for the ensuing financial year at a remuneration to be fixed by the directors;
3. To fix the number of directors until the next Annual General Meeting;
4. To elect directors to hold office until the next Annual General Meeting; and
5. To transact such other business as may properly come before the Meeting or any adjournment thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Annual General Meeting.

The Company’s board of directors has fixed **March 10, 2016**, as the **record date** for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with the Company’s transfer agent, Computershare Investor Services Inc. (the “**Transfer Agent**”), at their offices located on the 9th Floor, 100 University Avenue, Toronto ON M5J 2Y1, or by toll-free fax within North America 1-866-249-7775 by **10:00 AM (Vancouver time)** on **April 15, 2016**, or at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of any adjournment or postponement thereof.

If you are a non-registered shareholder of the Company and received this Notice of Annual General Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing or any other person that holds your security on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED at Vancouver, British Columbia this 10th day of March, 2016

BY ORDER OF THE BOARD OF DIRECTORS

Yours truly,

(signed) *Donald Padgett*

Donald Padgett
Director

VANOIL ENERGY LTD.

INFORMATION CIRCULAR

For the Annual General Meeting of Shareholders to be held on **April 19, 2016**
(containing information as at March 10, 2016 unless otherwise indicated)

SOLICITATION OF PROXIES

This Information Circular (the "**Circular**") is furnished in connection with the solicitation of proxies by the management (the "**Management**") of Vanoil Energy Ltd. (the "**Company**"), for use at the annual general meeting (the "**Meeting**") of the shareholders (the "**Shareholders**") of the Company to be held on Tuesday, April 19, 2016 at the time and location and for the purposes set forth in the accompanying notice of meeting (the "**Notice**") and at any adjournment thereof.

PERSONS MAKING THE SOLICITATION

The enclosed form of Proxy is solicited by Management. Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders' nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute the Proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. None of the directors of the Company have advised that they intend to oppose any action intended to be taken by Management as set forth in this Circular.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named as proxy nominees (the "**Designated Persons**") in the enclosed instrument of proxy (the "**Proxy**") are directors and/or officers of the Company, or persons designated by them.

A Shareholder has the right to appoint a person or corporation (who need not be a Shareholder) to attend and represent the Shareholder at the Meeting other than the Designated Persons. To exercise this right, a Shareholder shall strike out the printed names of the Designated Persons in the Proxy and insert the name of its proxy nominee in the blank space provided in the Proxy, or complete another valid instrument of proxy. Such Shareholder should notify its proxy nominee of the appointment, obtain the proxy nominee's consent to act as proxy nominee and provide instructions to its proxy nominee on how the Shareholder's common shares should be voted. The proxy nominee should bring personal identification to the Meeting.

EXECUTION AND DELIVERY OF PROXY

An instrument of proxy will not be valid unless signed and dated by the Shareholder giving it or that Shareholder's attorney-in-fact duly authorized in writing, or, in the case of a corporation, signed and dated by an officer or attorney-in-fact duly authorized in writing for the corporate Shareholder. If an instrument of proxy is executed by an attorney-in-fact, or by an officer or attorney-in-fact for a corporate Shareholder, the instrument so empowering the attorney-in-fact or officer, as the case may be, or a notarially certified copy thereof, should accompany the instrument of proxy.

An instrument of proxy will not be valid unless deposited with the Company's registrar and transfer agent, Computershare Investor Services Inc. (the "**Transfer Agent**"), at its offices located on the 9th Floor, 100 University Avenue, Toronto, ON M5J 2Y1, or by toll-free fax within North America to 1-866-249-7775, at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof.

VOTING OF PROXY

If instructions as to voting indicated in a Proxy are certain, the common shares represented by a Proxy will be voted or withheld from voting by the Designated Persons in accordance with the instructions of the Shareholder on any ballot that may be called for, and if the Shareholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly. **In the absence of certain instructions in a Proxy or other instrument of proxy, it is intended that the common shares represented thereby will be voted in favour of the motions proposed to be made at the Meeting as stated in the Notice and in this Circular.**

The Proxy, when properly signed and delivered, confers discretionary authority upon the proxy nominee with respect to any amendments or variations to the matters identified in the Notice or in this Circular or any other matters which may properly come before the Meeting. At the date of this Circular, Management is not aware of any such amendments, variations or other matters. If, however, any amendments, variations or other matters should properly come before the Meeting, such discretionary authority conferred by a Proxy will be exercised in accordance with the best judgment of the Designated Persons on such matters.

In the case of abstentions from, or withholding of, the voting of common shares on any matter, the common shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

REVOCATION OF PROXY

A Shareholder who has given an instrument of proxy may revoke it at any time before it is exercised. The revocation of an instrument of proxy does not affect any matter on which a vote has been taken prior to such revocation.

In addition to revocation in any other manner permitted by law, an instrument of proxy may be revoked by an instrument in writing (i) signed by the Shareholder or that Shareholder's attorney-in-fact duly authorized in writing, or, in the case of a corporation, signed by an officer or attorney-in-fact duly authorized in writing for the corporate Shareholder; and (ii) delivered either to the Transfer Agent at the address/fax number set forth above at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof, or to the Chair of the Meeting on the day of the Meeting and prior to the commencement thereof or, in the case of any adjournment or postponement, prior to the reconvening thereof.

An instrument of proxy will also automatically be revoked by either (i) attendance at the Meeting and participation in a poll (ballot) by the Shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold common shares in their own name. Shareholders who do not hold their common shares in their own name (referred to herein as a "**Beneficial Shareholder**") should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of common shares (a "**Registered Shareholder**") can be recognized and acted upon at the Meeting.

If common shares are listed in an account statement provided to a Shareholder by a broker or another intermediary then in almost all cases those common shares will not be registered in the name of the Shareholder on the records of the Company, but in the name of that broker or intermediary or an agent of the broker or intermediary. In Canada, the vast majority of such common shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms and banks) and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many United States brokerage firms and banks).

Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person well in advance of the Meeting. Applicable regulatory policies require intermediaries and brokers to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every intermediary and broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker or intermediary or an agent of that broker or intermediary is often similar to the Proxy provided to Registered Shareholders by the Company. Its purpose, however, is limited to instructing the Registered Shareholder (the broker or intermediary or an agent of that broker or intermediary) on how to vote on behalf of the Beneficial Shareholder.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically applies a special sticker to proxy forms, mails those forms to the Beneficial Shareholders, and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the common shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge proxy form cannot use that proxy form to vote common shares directly at the Meeting. The proxy form must be returned to Broadridge or the alternative voting procedures must be completed well in advance of the Meeting in order to ensure such common shares are voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker or intermediary (or agent of that broker or intermediary), a Beneficial Shareholder may attend at the Meeting as proxy holder for the Registered Shareholder and vote their common shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxy holder for the Registered Shareholder should contact their broker, intermediary or other agent or nominee holder well in advance of the Meeting for instructions.

These security holder materials are being sent to both registered and non-registered owners of the common shares of the Company. If you are a non-registered owner and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. In this event, by choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

All references to Shareholders in this Circular and the Proxy are to Registered Shareholders unless specifically stated otherwise.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or an officer of the Company at any time since the beginning of its last completed financial year or any proposed nominee for election as a director, or any associate of any such director or officer, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors and the appointment of auditors, except as generally disclosed in this Circular or otherwise particularly described in the disclosure for a matter to be acted upon.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company has determined **March 10, 2016** as the record date (the "**Record Date**") for purposes of determining the persons entitled to notice of and to vote at the Meeting. The authorized share capital of the Company consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. As at the close of business on the Record Date, there were 116,925,738 common shares and no preferred shares outstanding.

Each common share carries, on any poll at the Meeting, one vote. Only registered holders of common shares as at the close of business on the Record Date will be entitled to receive notice of and to vote their common shares so shown on the register of the Company as at the close of business on the Record Date, at the Meeting. See also "Advice to Beneficial Shareholders", above.

To the knowledge of the Company's directors and executive officers, no person or company beneficially owns or exercises control or direction over, directly or indirectly, common shares carrying 10% or more of the voting rights attached to the outstanding common shares of the Company on the Record Date, other than as set forth below:

Name ⁽¹⁾	Approximate no. of common shares owned, controlled or directed	Percentage of outstanding common shares ⁽²⁾
James Passin	52,115,675 ⁽³⁾	44.6%

- (1) The majority of the common shares are held by the CDS & Co., an intermediary, and as such management is unaware of the beneficial holders thereof. The above information is based upon information supplied by the Company's registrar and transfer agent and the Company's management.
- (2) Based on 116,925,738 common shares outstanding on the Record Date.
- (3) Disclosed holdings of Mr. Passin, a director of the Company, includes control or direction over 32,551,045 common shares held by Firebird Global Master Fund Holdings, Ltd. and 19,064,630 common shares held by Firebird Global Master Fund II Holdings, Ltd. in his capacity as principal of the managers of those funds. Mr. Passin personally holds 500,000 common shares of the Company.

STATEMENT OF EXECUTIVE COMPENSATION

Unless otherwise noted the following information is for the Company's last completed financial year ended September 30, 2015.

For the purpose of this Circular:

"compensation securities" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

A Named Executive Officer ("NEO") of the Company means each of the following individuals:

- (a) a chief executive officer ("CEO") of the Company;
- (b) a chief financial officer ("CFO") of the Company; and
- (c) each of the Company's three most highly compensated executive officers, or individuals acting in a similar capacity, other than the CEO and CFO, at the end of, or during, the most recently completed financial year if their individual total compensation was more than \$150,000 for that financial year, including individuals who would be an NEO under this paragraph but for the fact that he or she was not acting in such capacity at the end of the financial year.

As of the fiscal year ended September 30, 2015, the Company had three NEO's, namely (i) Mr. Donald Padgett who was appointed President and CEO on October 30, 2014; (ii) replacing Mr. Samuel Malin who served as President and CEO of the Company from November 11, 2013 until October 30, 2014; and (iii) Mr. Sandy Huntingford who has served as CFO of the Company from December 10, 2009. All dollar amounts referenced herein are Canadian Dollars unless otherwise specified.

Compensation Discussion and Analysis

The Company's compensation program is intended to attract, motivate, reward and retain the management talent needed to achieve the Company's business objectives of improving overall corporate performance and creating long-term value for the Company's shareholders. The compensation program is intended to reward executive officers on the basis of individual performance and achievement of corporate objectives, including the advancement of the exploration and development goals of the Company. The Company's current compensation program is comprised of base salary or fees, short term incentives such as discretionary bonuses and long term incentives such as stock options.

The Board has not created or appointed a compensation committee given the Company's current size and stage of development. All tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the members of the Board. The compensation of the NEOs, directors and the Company's employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula or criteria. NEOs that are also directors of the Company are involved in discussion relating to compensation, and disclose their interest in and abstain from voting on compensation decisions relating to them, as applicable, in accordance with the applicable corporate legislation.

Director and NEO Compensation, Excluding Compensation Securities

The following table sets forth all annual and long-term compensation for services paid to or earned by the NEOs and the directors for the two fiscal years ended September 30, 2015 and 2014.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees¹ (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Donald Padgett ⁽¹⁾ CEO, Director	2015	7,777	Nil	Nil	Nil	Nil	7,777
	2014	90,490	Nil	Nil	Nil	Nil	90,490
Samuel Malin ⁽²⁾ Former CEO, Director	2015	13,368	Nil	Nil	Nil	Nil	13,368
	2014	188,402	Nil	Nil	Nil	Nil	188,402
Sandy Huntingford ⁽³⁾ CFO	2015	185,000	Nil	Nil	Nil	Nil	185,000
	2014	240,000	Nil	Nil	Nil	Nil	240,000
James Passin ⁽⁴⁾ Director	2015	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil
Thea Koshman ⁽⁵⁾ Director	2015	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil
Larry Van Hatten Former Director	2015	3,750	Nil	Nil	Nil	Nil	3,750
	2014	45,000	Nil	Nil	Nil	Nil	45,000

(1) Mr. Padgett was appointed CEO on October 30, 2014 and a director on December 10, 2009.

(2) Mr. Malin was appointed as a director on April 2, 2013 and as CEO on November 11, 2013 and resigned as a CEO and director on October 30, 2014.

(3) Mr. Huntingford was appointed as CFO on December 10, 2009 and resigned as CFO on December 31, 2015. Subsequent to the end of the most recently completed financial year, Mr. Sabino Di Paola assumed the office of CFO of the Company.

(4) Mr. Passin was appointed as a director on December 10, 2009.

(5) Ms. Koshman was appointed as a director on April 29, 2015.

(6) Mr. Van Hatten was appointed as a director on May 23, 2012 and resigned as a director on May 4, 2015.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to each NEO and director by the Company in the financial year ended September 30, 2015 for services provided or to be provided, directly or indirectly, to the Company:

Compensation Securities							
Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Donald Padgett ⁽³⁾ CEO, Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Samuel Malin Former CEO, Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Sandy Huntingford CFO	N/A	Nil	N/A	N/A	N/A	N/A	N/A
James Passin Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Thea Koshman Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Larry Van Hatten Former Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

Exercise of Compensation Securities by Directors and NEO							
Name and Position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date
Donald Padgett CEO, Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Samuel Malin Former CEO, Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Sandy Huntingford CFO	N/A	Nil	N/A	N/A	N/A	N/A	N/A
James Passin Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Thea Koshman Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Larry Van Hatten Former Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A

Exercise of Compensation Securities by Directors and NEOs

No director or NEO were granted nor exercised any compensation securities, being solely comprised of stock options, during the year ended September 30, 2015.

Stock Option Plans and Other Incentive Plans

The Company currently has a fixed stock option plan (the "**Option Plan**") pursuant to which its directors, officers, employees and consultants may be granted options to acquire common shares as an incentive mechanism to foster their interest in the success of the Company and to encourage their proprietary ownership of the Company. The Option Plan was approved by shareholders on May 10, 2013, and adopted by the directors of the Company that same day and approved by the TSXV on October 1, 2013; reserving up to 13,323,728 common shares for issue pursuant to options granted under the Option Plan.

The principal terms of the Option Plan are as follows:

- (a) the number of common shares reserved for issue to any one Person and, where permitted under this Policy 4.4, any Companies that are wholly owned by that Person in any 12 month period under the Option Plan may not exceed 5% of the outstanding common shares at the time of grant without Disinterested Shareholder Approval (as defined in Policy 4.4 of the Exchange);
- (b) the number of common shares reserved for issue to any Consultant (as defined by the Exchange) in any 12 month period under the Option Plan may not exceed 2% of the outstanding common shares at the time of grant;
- (c) the aggregate number of options granted to all Persons retained to provide Investor Relations Activities must not exceed 2% of the issued shares of the Company in any 12 month period, calculated at the date an option is granted to any such Person;
- (d) the number of common shares reserved for issue to Insiders (as a group) (as defined by the Exchange) at any time, and in any 12 month period, may not exceed 10% of the outstanding common shares at the time of grant without Disinterested Shareholder Approval;
- (e) options granted to Consultants performing Investor Relations Activities shall vest over a minimum of 12 months with no more than 1/4 of such Options vesting in any three month period;
- (f) the exercise price per common share for a stock option may not be less than the Discounted Market Price (as calculated pursuant to the policies of the Exchange) at the time of grant;
- (g) stock options may have a term not exceeding ten years;
- (h) there is no longer any requirement that stock options terminate within specified periods of the optionee ceasing to be a director, officer, employee or consultant of the Company but only must expire within a reasonable period after ceasing to serve in such capacities;
- (i) stock options are non-assignable and non-transferable;
- (j) the Option Plan contains provisions for adjustment in the number of common shares or other property issuable on exercise of stock options in the event of a share consolidation, split, reclassification or other relevant change in the common shares, or an amalgamation, merger, arrangement or other relevant event affecting the common shares;
- (k) in connection with the exercise of an option, as a condition to such exercise, the Company shall require the optionee to pay to the Company an amount as necessary so as to ensure that the Company is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such option;
- (l) the Board may amend, subject to any required approval of any regulatory authority having jurisdiction, or suspend or terminate the Option Plan or any portion or provision thereof.

As at the end of the most recently completed fiscal year ended September 30, 2015, there were 3,600,000 options outstanding. Based on the Company having outstanding share capital of 116,925,738 shares outstanding, an additional 9,723,728 options could be granted under the Option Plan.

The Company has no other plan providing for the grant of stock appreciation rights, deferred share units or restricted stock units or any other incentive plan or portion of a plan under which awards are granted.

Employment, Consulting and Management Agreements

During the most recently completed financial year, the significant terms of the employment agreement or arrangement for each NEO is as follows:

- Mr. Padgett had a verbal arrangement approved by the Board that provides for directors fees of \$3,750 per month. On October 21, 2014, Mr. Padgett agreed to forgo in his monthly directors fees from the Company. Subsequent to the end of the most recently completed financial year, Mr. Padgett's director fees of \$3,750 per month was reinstated.

Fluormin PLC, a subsidiary of the Company, paid director fees to Mr. Padgett of US\$3,500 per month. On October 21, 2014, Mr. Padgett agreed to forgo in his monthly directors fees from Fluormin PLC.

- Mr. Sandy Huntingford had an unwritten arrangement approved by the Compensation Committee that provides for monthly compensation of \$15,000.
- Mr. James Passin did not have any compensation arrangement with the Company.
- Ms. Koshman did not have any compensation arrangement with the Company.
- Mr. Van Hatten had an unwritten arrangement approved by the Board that provided for compensation of \$3,750 per month. On October 21, 2014, Mr. Van Hatten agreed to forgo in his monthly compensation from the Company.

Pension Plan Benefits

The Company has no pension, defined benefit or defined contribution plans in place.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company has no compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year other than the Stock Option Plan of the Company (the "**Option Plan**").

The following table sets forth information with respect to the Option Plan as at the end of the most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans [excluding securities reflected in column (a)]
Equity compensation plans approved by security holders ⁽¹⁾	3,600,000	\$0.61	9,723,728
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	3,600,000	\$0.61	9,723,728

- (1) Represents stock option plan of the Company, which reserves a fixed number of 13,323,728 common shares for issue pursuant to stock options under the plan

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the individuals who are, or at any time during the most recently completed year were, directors or executive officers of the Company or any subsidiary thereof, the proposed nominees for election as a director, or associates of such persons, is or has been indebted to the Company (other than routine indebtedness) at any time since the beginning of the most recently completed financial year, or is a person whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or a subsidiary thereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this Circular, "**informed person**" means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company, or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

No informed person or proposed director of the Company, nor any associate or affiliate of any such informed person or proposed director, has any material interest, direct or indirect, in any material transaction since the commencement of the Company's last completed financial year or in any proposed transaction which, in either case, has materially affected or will materially affect the Company or any subsidiary thereof, except as generally disclosed in this Circular or otherwise under the heading for the matter to be acted upon.

MANAGEMENT CONTRACTS

The management functions of the Company and any subsidiary thereof are not, to any substantial degree, performed by any person other than the directors and executive officers of the Company or any subsidiary thereof.

AUDIT COMMITTEE DISCLOSURE

Pursuant to the policies of the TSX-V and National Instrument 52-110 *Audit Committees* ("NI 52-110"), the Company is required to have an Audit Committee comprised of at least three directors, the majority of which must not be officers or employees of the Company.

The Company must also have a written charter, which sets out the duties and responsibilities of its audit committee. In providing the following disclosure, the Company is relying on the exemption provided under NI 52-110, which allows for the short form disclosure of the audit committee procedures of venture issuers. A copy of the Company's Audit Committee Charter has been posted to the SEDAR website.

Audit Committee's Charter

Mandate

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

- serve as an independent and objective party to monitor the Company's financial reporting and internal control systems and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and

- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board.

Composition

The Committee will be comprised of at least three directors as determined by the Board, the majority of whom will be free from any relationship that, in the opinion of the Board, would reasonably interfere with the exercise of his or her independent judgment as a member of the Committee. At least one member of the Committee should have accounting or related financial management expertise. All members of the Committee that are not financially literate must work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements. The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders' meeting.

Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- Review and update this Charter annually.
- Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.
- Confirm that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements.

External Auditors

- Review annually, the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company.
- Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Company, consistent with the Independence Standards Board Standard 1.
- Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- Take, or recommend that the full Board take appropriate action to oversee the independence of the external auditors.
- Recommend to the Board the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- At each yearly audit meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The preapproval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee. Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.

Composition of the Audit Committee

As at September 30, 2015, the following were the members of the Company's audit committee:

Name	Independent ⁽¹⁾	Financially Literate ⁽¹⁾
James Passin	no	yes
Donald Padgett	no	yes
Thea Koshman	yes	yes

(1) As defined and determined under NI 52-110.

Relevant Education and Experience

James Passin - Mr. Passin is a fund manager at Firebird Management LLC. He joined the firm in 1999. Mr. Passin is the Co-Founder and Manager of Firebird Mongolia Fund, Ltd., Firebird New Mongolia Fund, LP, Firebird Global Master Fund Holdings, Ltd., Firebird Global Master Fund II Holdings, Ltd. and a Principal at FGS Advisors LLC and FG2 Advisors LLC. He is a director of a number of both public and private Mongolian and Canadian companies, including Khot Infrastructure Holdings, Ltd., BDSec JSC, Sharyn Gol JSC and Khot Development JSC. Mr. Passin is a graduate of St. John's College, where he majored in Philosophy and Classical Literature. Mr. Passin has directed Firebird's portfolio and private equity investment activity in Mongolia since 2006.

Donald Padgett - Mr. Padgett is an experienced senior management leader with a proven track record of developing and executing successful strategies for profitable international business ventures. He has served as Chairman, President and director of several public and private companies. Mr. Padgett has also enjoyed a successful investment banking career in senior management positions including: Managing Director of the investment banking group at Canaccord Financial Ltd.'s Western Canadian office and more than 10 years as a senior member of the Investment Banking Group at Burns Fry, now Nesbitt Burns. Mr. Padgett holds a law degree from Dalhousie University, an MBA from McMaster and a BSc from University of Toronto.

Thea Koshman, BA, LL.B - Ms. Koshman obtained an LL.B. from Osgoode Hall Law School in 1987 and a Bachelor of Arts (Honours) degree from York University in 1984. Ms. Koshman is a securities lawyer and is a member of the Law Society of British Columbia. Ms. Koshman has held various positions as director, vice president, corporate secretary and /or corporate counsel for a number of public companies. She is currently an independent director of Durango Resources Inc., Jiulian Resources Inc. and Huaxing Machinery Corp., all listed on the TSXV. In her capacity as a securities lawyer and as corporate counsel, she has provided securities law advice and guidance to industrial, junior resource issuers and other public companies for over 25 years.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "External Auditors".

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditor for the fiscal periods ending September 30, 2015 and 2014 are as follows:

Financial Year Ending	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
September 30, 2015	\$40,000	Nil	Nil	Nil
September 30, 2014	\$70,000	Nil	Nil	Nil

(1) The aggregate fees billed by the Company's auditor for audit fees.

(2) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".

(3) Fees charged for tax compliance, tax advice and tax planning services.

(4) Fees for services other than disclosed in any other column.

Exemption

The Company is relying upon the exemption in section 6.1 of NI52-110 with respect to compliance with the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI52-110.

CORPORATE GOVERNANCE DISCLOSURE

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 *Corporate Governance Guidelines* provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI58-101**") prescribes certain disclosure by the Company of its corporate governance practices. The following information has been prepared and provided as required by NI58-101.

Board of Directors

The Board facilitates its exercise of independent supervision over the Management through frequent communication with Management.

In accordance with NI 52-101, a director is considered "independent" if he or she has no direct or indirect "material relationship" with the Company, being a relationship which could in the view of the Board be reasonably expected to interfere with the exercise of a director's independent judgment, subject to certain specified circumstances where an individual is considered to have a material relationship.

Directorships

The directors listed below are presently directors of a reporting issuer (or equivalent) in a jurisdiction of Canada or a foreign jurisdiction.

Director	Directorship in other Reporting Issuer(s)
James Passin	BDSec JSC Berkh UUL JSC Sharyn Gol JSC Khot Infrastructure Holdings, Ltd. Khot Development JSC
Donald Padgett	Khot Infrastructure Holdings, Ltd. War Eagle Mining Company Inc.
Thea Koshman	Durango Resources Inc. Jiulian Resources Inc. Huaxing Machinery Corp.

Orientation and Continuing Education

Each new director brings a different background and skill set and with this information the Board determines what orientation as to the nature and operations of the Company's business will be necessary and relevant to each new director. The Company provides continuing education for its directors as such need arises and encourages open discussion at all meetings which facilitates participation and open learning by the directors.

Ethical Business Conduct

The Board expects Management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance objectives and goals, and is encouraged to discuss with the Board any perceived or potential issues in ethical business conduct.

In addition, the Board must comply with conflict of interest provisions of applicable corporate, securities and common law, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

Nomination of Directors

Individual directors identify new nominees to the Board based on perceived or potential requirements for particular knowledge or skills. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President of the Company.

Compensation

The Board reviews, as needed, compensation to directors and to officers with respect to industry comparables and with regards to the particular circumstances of the Company and the position.

Other Board Committees

The Company has no standing committees other than the audit committee.

Assessments

The Board collectively conducts and reviews informal annual assessments of the effectiveness of the Board, its individual committees and its individual directors.

PARTICULARS OF MATTERS TO BE ACTED UPON

APPOINTMENT OF AUDITOR

Management recommends, and the Designated Persons, if named as proxy, intend to vote in favour of, a resolution re-appointing Ernst & Young LLP, Chartered Accountants (since September 9, 2009), as auditor of the Company for the ensuing year, to hold office until the close of the next annual general meeting of shareholders or until Ernst & Young LLP resigns or is removed from office, at a remuneration to be fixed by the Board. Unless a proxy contains express instructions to vote otherwise, it is intended that all proxies received will be voted in favour of such resolution.

ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the next Annual General Meeting of Shareholders or until their successors are duly elected or appointed, unless an office is earlier vacated by death or by resignation or removal in accordance with the Business Corporations Act and the Articles of the Company.

Number of Directors

Management recommends, and the Designated Persons, if named as proxy, intend to vote in favour of, a resolution fixing the number of directors for the ensuing year at three (3). Unless a proxy contains express instructions to vote otherwise, it is intended that all proxies received will be voted in favour of such resolution.

Management Nominees for Directorship

The following table sets out required information, as at the Record Date, regarding Management's nominees for election as a director. Management does not contemplate that any of its nominees will be unable to serve as a director.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity and except as generally disclosed in this Circular or otherwise under the heading for the matter to be acted upon. The Company has not received notice of, and Management is not aware of, any proposed nominee for director other than Management's nominees.

Name, Province/State and Country of ordinary residence ⁽¹⁾ , and positions held with the Company	Principal occupation and, IF NOT elected to present term of office, principal occupation for the past five years ⁽¹⁾	Period(s) serving as Director	Common shares beneficially owned or controlled or directed ⁽¹⁾
James Passin ⁽²⁾ NY, USA Chairman and Director	Co-Founder and manager of several Firebird Funds and director of a number of public and private companies	Dec. 2009 to present	52,115,675 ⁽³⁾
Donald Padgett ⁽²⁾ BC, Canada CEO and Director	Mining Executive; corporate finance and investment banking executive; director and officer of several public companies	Dec. 2009 to present	213,909 ⁽⁴⁾
Thea Koshman ⁽²⁾ BC, Canada and Hawaii, USA Director	Self-employed securities, business and corporate finance lawyer and consultant since April 2008	N/A	Nil

(1) The information as to number of common shares of the Company beneficially owned or controlled or directed, directly or indirectly, by the nominee director and his or her associates and affiliates, not being within the knowledge of the Company, has been furnished by the respective nominees. Information provided as at the Record Date.

(2) Member of Audit Committee.

(3) Disclosed holdings of Mr. Passin, a director of the Company, includes control or direction over 32,551,045 common shares held by Firebird Global Master Fund Holdings, Ltd. and 19,064,630 common shares held by Firebird Global Master Fund II Holdings, Ltd. in his capacity as principal of the managers of those funds. Mr. Passin personally holds 500,000 common shares of the Company.

(4) Disclosed holdings of Mr. Padgett, a director of the Company, includes 166,667 common shares held by 1091096 Ontario Inc., a private company owned by Mr. Padgett. Mr. Padgett personally holds 47,242 common shares of the Company.

Corporate Cease Trade Orders, Bankruptcies and Penalties and Sanctions

For purposes of the disclosure in this section, an "order" means 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, in each case that was in effect for a period of more than 30 consecutive days; and for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to the directors or executive officers of the relevant company that was in effect for a period of more than 30 consecutive days.

None of the proposed Management nominees for election as a director of the Company:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities

regulatory authority since December 31, 2000, or before December 31, 2000 if the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or

- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Recommendation

Management recommends, and the Designated Persons, if named as proxy, intend to vote in favour of, the election of Management's nominees for election as a director. Unless a proxy contains express instructions to vote otherwise, it is intended that all proxies received will be voted in favour of such election.

OTHER MATTERS

Other than the above, management of the Company knows of no other matters to come before the Meeting, other than those referred to in the Notice of Meeting. However, if any other matters shall properly come before said Meeting, the shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the shares represented by the proxy.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com or the Company's web site www.vanoil.ca. Financial information concerning the Company is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year, which is available on SEDAR at the internet address indicated above. Shareholders may contact the Company at the address or contact numbers below to request copies of the Company's financial statements and MD&A:

Vanoil Energy Ltd.
1111 Melville Street, Suite 1100
Vancouver, B.C. V6E 3V6
Tel: (604) 684 1974
Fax: (604) 687 8678
E-mail: info@vanoil.ca

DIRECTOR APPROVAL

The contents and the sending of this Circular to the Shareholders has been approved by the Board of Directors.

Dated: March 10, 2016

BY ORDER OF THE BOARD
(signed) Donald Padgett
Director