



STANDARD
EXPLORATION LTD.

**ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS**

TO BE HELD ON THURSDAY, SEPTEMBER 21, 2017

**NOTICE OF MEETING AND
MANAGEMENT PROXY AND INFORMATION CIRCULAR**

THIS NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF STANDARD EXPLORATION LTD. OF PROXIES TO BE VOTED AT THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF STANDARD EXPLORATION LTD. TO BE HELD ON THURSDAY, SEPTEMBER 21, 2017.

**TO BE HELD AT:
Suite 1600, Dome Tower
333 - 7th Avenue S.W.
Calgary, Alberta T2P 2Z1**

At 10:00 a.m.

Dated: August 23, 2017

STANDARD EXPLORATION LTD.

100, 718 – 15th Avenue S.W.
Calgary, Alberta T2R 0R6

Tel: 403-262-4450 ▪ Fax: 403-262-4451

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the "**Meeting**") of holders ("**Shareholders**") of common shares ("**Common Shares**") of Standard Exploration Ltd. (the "**Corporation**") will be held at Suite 1600, Dome Tower, 333 - 7th Avenue S.W., Calgary, Alberta T2P 2Z1, on Thursday, September 21, 2017 at 10:00 a.m. (Calgary time) for the following purposes:

1. to receive and consider the audited financial statements of the Corporation for the year ended December 31, 2016 and the report of the auditor thereon;
2. to fix the number of directors for the ensuing year at five (5);
3. to elect directors for the ensuing year as described in the management information circular (the "**Information Circular**") accompanying this Notice;
4. to appoint an auditor for the Corporation to hold office until the close of the next annual general meeting and to authorize the directors to fix the remuneration to be paid to the auditors;
5. to consider and, if thought fit, approve, adopt and ratify, with or without modification, the ordinary resolution approving the Corporation's stock option plan, as more particularly set out in the accompanying Information Circular; and
6. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information of the Corporation's most recently completed financial year is provided in the Corporation's comparative financial statements and management discussion and analysis available on SEDAR. A Shareholder may contact the Corporation at 100, 718 – 15th Avenue S.W. Calgary, Alberta T2R 0R6, Attn: Chief Financial Officer to obtain a copy of the Corporation's most recent financial statements and management discussion and analysis.

Shareholders who are unable to attend the Meeting in person and who wish to appoint, as their proxy, the officers of the Corporation, whose names appear on the proxy form, are requested to complete, date and sign the enclosed form of proxy and return it to the Corporation's transfer agent and registrar, Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. In order to be valid, proxies must be received by the transfer agent NOT LESS THAN 48 HOURS PRIOR to the commencement of the Meeting or any adjournment(s) thereof, excluding Saturdays, Sundays and holidays.

Shareholders are cautioned that the transmission of proxies by mail is at each shareholder's risk. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

The directors of the Corporation fixed the close of business on August 21, 2017 as the record date (the "**Record Date**") for determining holders of Common Shares who are entitled to vote at the Meeting. Only Shareholders of record at the Record Date are entitled to notice of, and to attend and vote at, the Meeting or any adjournment or adjournments thereof unless after the Record Date a holder of record transfers his or her Common Shares and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he or she owns such shares, requests at least 10 days before the Meeting that the transferee's name be included in the list of Shareholders entitled to vote, in which case such transferee shall be entitled to vote such shares at the Meeting.

Please advise the transfer agent of the Corporation of any change in your address.

DATED at Calgary, Alberta, this 23rd day of August, 2017.

BY ORDER OF THE BOARD
STANDARD EXPLORATION LTD.

(signed) "Tom MacKay"

Tom MacKay
Chief Executive Officer

STANDARD EXPLORATION LTD.

100, 718 - 15th Avenue S.W.
Calgary, Alberta T2R 0R6

MANAGEMENT INFORMATION CIRCULAR

As at August 23, 2017
unless otherwise noted

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR ("INFORMATION CIRCULAR") IS PROVIDED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF STANDARD EXPLORATION LTD. (THE "CORPORATION") of proxies from the holders of common shares (the "**Common Shares**") for the annual general and special meeting (the "**Meeting**") of the shareholders of the Corporation (the "**Shareholders**") to be held at Suite 1600, Dome Tower, 333 - 7th Avenue S.W., Calgary, Alberta T2P 2Z1, on Thursday, September 21, 2017 at 10:00 a.m. (Calgary time), or at any adjournment(s) thereof for the purposes set out in the accompanying notice of meeting (the "**Notice of Meeting**").

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 ("**NI 54-101**"), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named (the "**Management Designees**") in the enclosed instrument of proxy ("**Instrument of Proxy**") have been selected by the directors of the Corporation and have indicated their willingness to represent as proxy the shareholder of the Corporation (the "**Shareholder**") who appoints them. A Shareholder has the right to designate a person (whom need not be a Shareholder) other than the Management Designees to represent him or her at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy the name of the person to be designated and by deleting therefrom the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Corporation. Such Shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instructions on how the Common Shares are to be voted. The nominee should bring personal identification with him to the Meeting. In any case, the form of proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form). In addition, a proxy may be revoked by a Shareholder personally attending at the Meeting and voting his Common Shares.

Registered shareholders electing to submit a proxy may do so by:

- (a) completing, dating and signing the enclosed form of proxy and returning it to the Corporation's transfer agent, Computershare Trust Company of Canada, by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail or by hand to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1;

- (b) using a touch-tone phone to transmit voting choices to a toll free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the proxy access number; or
- (c) using the internet through the website of the Corporation's transfer agent at www.computershare.com/ca/proxy. Registered shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the proxy access number.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Corporation, c/o Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. In order to be valid and acted upon at the Meeting, proxies must be returned to the aforesaid address not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof. Shareholders are cautioned that the transmission of proxies by mail is at each Shareholder's risk. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

A Shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the Shareholder or by his authorized attorney in writing, or, if the Shareholder is a Corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the registered office of the Corporation or Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used, or by depositing the instrument in writing with the Chairman of such Meeting on the day of the Meeting, or any adjournment thereof. In addition, a proxy may be revoked by the Shareholder personally attending the Meeting and voting his Common Shares.

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 hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in the Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholder's name. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their 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 the agent of the broker) is

substantially similar to the Instrument of Proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Beneficial Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as non-objecting beneficial owners or "NOBOs". Those Beneficial Shareholders who have objected to their intermediary disclosing ownership information about themselves to the Corporation are referred to as objecting beneficial owners or "OBOs".

Pursuant to NI 54-101, the Corporation has distributed copies of proxy-related materials in connection with this Meeting (including this Information Circular) indirectly to all Beneficial Shareholders. The Corporation is not relying on the notice and access delivery procedures outlined in NI 54-101 to distribute copies of the proxy related materials in connection with the Meeting.

The Corporation will not be paying for intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the proxy-related materials and related documents. Accordingly, an OBO will not receive copies of the proxy-related materials and related documents unless the OBO's intermediary assumes the costs of delivery.

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, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All reference to Shareholders in this Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to registered shareholders unless specifically stated otherwise.

VOTING OF PROXIES

Each Shareholder may instruct his proxy how to vote his Common Shares by completing the blanks on the Instrument of Proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting (including the voting on any ballot), and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the Instrument of Proxy, the Management Designees, if named as proxy, will vote in favour of the matters set out therein. In the absence of any specification as to voting on any other form of proxy, the Common Shares represented by such form of proxy will be voted in favour of the matters set out therein.**

The enclosed Instrument of Proxy confers discretionary authority upon the Management Designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Corporation is not aware of any amendments to, variations of or other matters that may come before the Meeting. In the event that other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgment of management of the Corporation.

QUORUM

The by-laws of the Corporation provide that a quorum of Shareholders is present at a meeting of Shareholders if at least two (2) holders of not less than five (5%) percent of the outstanding shares of the Corporation entitled to vote at a meeting are present in person or by proxy.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares without par value. As at the effective date of this Information Circular (the "**Effective Date**"), which is August 23, 2017, the Corporation has 121,234,854 Common Shares issued and outstanding. The Common Shares are the only shares entitled to be voted at the Meeting.

Holders of Common Shares of record at the close of business on August 21, 2017 (the "**Record Date**") are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share held except to the extent that, (a) the holder has transferred the ownership of any of his Common Shares after the Record Date, and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he owns the Common Shares, and demands not later than 10 days before the day of the Meeting that his name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his Common Shares at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, there is no person beneficially owning, directly or indirectly, or exercising control or direction over, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation.

MATTERS TO BE ACTED UPON AT THE MEETING

1. Report and Financial Statements

The Board of Directors of the Corporation (the "**Board**") will place before the Meeting the financial statements for the financial year ended December 31, 2016 together with the auditors' report thereon. The financial statements have been sent to the Shareholders concurrently with this Information Circular. No formal action is, or will be taken in respect of the financial statements at the Meeting.

2. Fixing the Number of Directors

The Shareholders will be asked to consider a resolution fixing the number of directors of the Corporation to hold office until the next annual meeting of the Shareholders. Management of the Corporation proposes that the number of directors be set at five (5). There are presently five (5) directors of the Corporation. **Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of setting the number of directors of the Corporation to be elected at the Meeting at five (5).** In order for the resolution setting the number of directors to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting.

3. Election of Directors

The Board has adopted an individual voting standard for the election of directors at the Meeting. Under the individual voting standard, in the event that a nominee for director receives a greater number of votes "withheld" than votes "for" his election as a director, the Board shall consider the circumstances of such vote, the particular attributes of the director nominee including his knowledge, experience and contribution at Board meetings and make whatever determination the Board deems appropriate, including without limitation, requesting such director to resign at an appropriate time and advise Shareholders of the Board's decision in that regard. This policy applies only to uncontested elections, meaning elections where the number of nominees for directors is equal to the number of directors to be elected. The Board may fill any vacancy created by any such resignation or determine to leave the resulting vacancy unfilled.

Shareholders should note that, as a result of the majority voting policy, a "withhold" vote is effectively the same as a vote against a director nominee in an uncontested election.

The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Corporation presently held by such nominee, the nominee's municipality of residence, principal occupation at the present and during the preceding five years, the period during which the nominee has served as a director and the number and percentage of Common Shares of the Corporation that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the date of this Information Circular.

Name, Municipality of Residence and Office	Present Occupation and Positions Held During the Last Five Years	Director Since	Number and Percentage of Common Shares owned, controlled or directed, directly or indirectly⁽¹⁾
Tom MacKay ⁽³⁾ Millarville, Alberta Chief Executive Officer and Director	Chief Executive Officer of the Corporation since July 3, 2013. Prior thereto, President of Penco Oil and Gas Ltd. from 2011 to 2013. Managing Director of Thoroughbred Energy Ltd. since 2007.	July 3, 2013	2,520,942 ⁽⁶⁾ (2.08%)
Alan R. Breakey ⁽⁵⁾ Bragg Creek, Alberta Vice-President, Exploration and Director	Vice-President, Exploration of the Corporation since July 3, 2013. Prior thereto, Vice-President, Exploration of Penco Oil and Gas Ltd. from 2011 to 2013. Managing Director of Moose Mountain Resources Inc. since 1995.	July 3, 2013	6,524,141 ⁽⁷⁾ (5.38%)
Peter Sider ⁽⁴⁾⁽⁵⁾ Sundre, Alberta Director	Vice President Engineering, Operations and Business Development of Petromanas Energy Inc. from June 2013 to Mar 2016. Prior thereto, Vice President, European Operations of Vermilion Energy Inc. from May 2006 to June 2012.	July 3, 2013	1,600,000 (1.32%)
V.E. Dale Burstall ⁽³⁾⁽⁴⁾⁽⁵⁾ Calgary, Alberta Secretary and Director	Partner at Burstall Winger Zammit LLP since 1994.	July 3, 2013	1,300,000 (1.07%)
David V. Richards ⁽³⁾⁽⁴⁾ Calgary, Alberta Director	Chairman and Managing Director of Network Capital Management Inc. since April 2014. Prior thereto, President and Managing Director of Network Capital Management Inc. from 2004 to April 2014.	July 29, 2013	1,000,000 ⁽⁸⁾ (0.82%)

Notes:

- (1) Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the Effective Date, based on information furnished to the Corporation by the above individuals.
- (2) Assumes a total of 121,234,854 Common Shares issued and outstanding as at the Effective Date.

- (3) Member of Audit Committee.
- (4) Member of Corporate Governance and Compensation Committee.
- (5) Member of Reserves, Health Safety and Environment Committee.
- (6) Mr. MacKay holds 1,351,069 shares indirectly with his spouse.
- (7) Mr. Breakey holds 2,683,308 shares indirectly through Moose Mountain Resources Inc., a company wholly owned by him, and also owns 699,000 through a brokerage account.
- (8) Mr. Richards holds these shares indirectly through Network Capital Inc., a company wholly owned by him.

The directors and officers of the Corporation, as a group, control 12,945,083 Common Shares representing 10.68% of the outstanding Common Shares, before giving effect to the exercise of any outstanding stock options or other rights.

Cease Trade Orders or Bankruptcies

Other than as set forth below, no proposed director, within 10 years before the date of this Information Circular, has been a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) 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 (collectively, an "**Order**") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) 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.

Mr. Burstall was a director of Ranger Canyon Energy Inc. until September 27, 2011, which was cease traded by the Alberta Securities Commission on May 21, 2009 and continues to be cease traded for failure to file financial statements, management discussion and analysis and certificates of annual filings for the year ended December 31, 2008 and subsequent periods. On or about April 2, 2014, the Alberta Securities Commission cease traded QSolar Limited ("**QSolar**") based on the fact that the entire board of directors and all of the executive officers resigned and QSolar discontinued operations. Pursuant to a court order dated on or about April 17, 2015, Dale Burstall, along with three other individuals, were appointed directors of QSolar in order to try to preserve the assets of QSolar. Mr. Burstall resigned as a director of QSolar effective June 18, 2015. Mr. Burstall has been a director of CanAsia Financial Inc. ("**CanAsia**") since March 25, 2015. On May 5, 2016, the Alberta Securities Commission cease traded CanAsia for failing to file annual audited financial statements, annual management's discussion and analysis and certification of annual filings for the year ended December 31, 2015 and subsequent periods.

Personal Bankruptcies

No proposed director has within 10 years before the date of this Information Circular, become 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 the assets of such person.

Penalties and Sanctions

No proposed director 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 deciding whether to vote for a proposed director.

4. Appointment and Remuneration of Auditor

Unless otherwise directed, it is the intention of the Management Designees to vote the proxies in favour of an ordinary resolution to re-appoint the firm of MNP LLP as the auditor of the Corporation to hold office until the next annual general meeting of Shareholders or until the firm of MNP LLP is removed from office or resigns as provided by law or by the by-laws of the Corporation, and to authorize the directors of the Corporation to fix the remuneration of MNP LLP as auditor. MNP LLP were first appointed auditors of the Corporation effective March 10, 2017.

5. Approval of Stock Option Plan

The stock option plan of the Corporation (the "**Plan**") was previously approved by the Shareholders on June 28, 2016. A copy of the Plan is attached as Schedule "A" to this Information Circular. The policies of the TSX Venture Exchange ("**TSXV**") require that stock option plans which reserve for issuance up to 10% of a listed corporation's shares be re-approved annually by the shareholders of the listed corporation. That approval is being sought at the Meeting.

Under the Plan, the Board may, from time to time, grant options to purchase Common Shares to certain directors, officers, employees and consultants of the Corporation and of its subsidiaries and affiliates. The purpose of the Plan is to develop the interests of directors, officers, employees and consultants of the Corporation in the growth and development of the Corporation by providing them with the opportunity through share options to acquire an increased proprietary interest in the Corporation. The maximum number of Common Shares issuable under the Plan and all other security based compensation arrangements of the Corporation is 10% of the Common Shares outstanding from time to time, subject to the following additional limitations:

- (a) the aggregate number of Common Shares reserved for issuance to any one person under the Plan, together with all other security based compensation arrangements of the Corporation, must not exceed 5% of the then outstanding Common Shares (on a non-diluted basis);
- (b) in the aggregate, no more than 10% of the issued and outstanding Common Shares (on a non-diluted basis) may be reserved at any time for insiders under the Plan, together with all other security based compensation arrangements of the Corporation;
- (c) the number of securities of the Corporation issued to insiders, within any one year period, under all security based compensation arrangements, cannot exceed 10% of the issued and outstanding Common Shares;
- (d) options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares of the Corporation in any 12 month period to any one consultant of the Corporation (or any of its subsidiaries); and

- (e) options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares of the Corporation in any 12 month period to persons employed to provide investor relations activities. Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than $\frac{1}{4}$ of the options vesting in any three month period.

The period during which an option granted under the Plan is exercisable may not exceed five years from the date such option is granted. All options are non-assignable and non-transferrable. The price which the Common Shares may be acquired upon exercise of an option may not be less than the price permitted under the rules of any stock exchange on which the Common Shares are listed and the vesting provisions are determined by the Board at the time of grant.

If prior to the exercise of an option, the holder ceases to be a director, officer, employee or consultant of the Corporation for any reason other than death, the option may be exercised within the earlier of up to 90 days after such cessation or the expiry of the option, but only to the extent that the holder was entitled to exercise the option at the date of cessation. In the case of death an optionee, the option may be exercised within the earlier of up to 12 months after such death or the expiry of the option, but only to the extent that the holder was entitled to exercise the option at the date of death.

The Plan specifies the types of amendments to the Plan and the options granted thereunder that can be made by the Board without the approval of the Shareholders. The Plan includes a black-out provision. Pursuant to the policies of the Corporation respecting restrictions on trading, there are a number of periods each year during which directors, officers and certain employees are precluded from trading in the Corporation's securities. These periods are referred to as "black-out periods". A black-out period is designed to prevent a person from trading while in possession of material information that is not yet available to other Shareholders. The Plan includes a provision that should an option expiration date fall within a black-out period or immediately following a black-out period, the expiration date will automatically be extended for 10 business days following the end of the black-out period.

The Plan allows the Board to terminate or discontinue the Plan at any time without the consent of the option holders provided that such termination or discontinuance shall not alter or impair any option previously granted under the Plan. The only amendments to the Plan that would be subject to Shareholder approval are amendments that would:

- (a) reduce the exercise price of an option held by an insider of the Corporation;
- (b) extend the expiry date of an option held by an insider of the Corporation (subject to such date being extended by virtue of the black-out provision noted above);
- (c) amend the limitations on the maximum number of Common Shares reserved or issued to insiders;
- (d) increase the maximum number of Common Shares issuable pursuant to the Plan; or
- (e) amend the amendment provisions of the Plan.

The Shareholders will be asked to consider and if thought fit, approve an ordinary resolution re-approving the Plan as the Corporation's stock option plan. In order for the resolution re-approving the Plan to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by Shareholders present in person or by proxy at the Meeting.

In the absence of contrary direction, the Management Designees intend to vote proxies in the accompanying form in favour of this ordinary resolution. The text of the ordinary resolution which management intends to place before the Meeting for the re-approval of the Plan is as follows:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The stock option plan (the "Plan") of the Corporation in the form of the Plan attached as Schedule "A" to the Information Circular, be and is hereby approved with such modifications as may be required by the TSX Venture Exchange;
2. The maximum number of common shares of the Corporation which may be issued under the Plan shall be equal to ten percent (10%) of the then issued and outstanding common shares of the Corporation from time to time; and
3. Any director or officer of the Corporation be and is hereby authorized and directed to do and perform all such acts and things and to execute and deliver or cause to be delivered, for, in the name of and on behalf of the Corporation (whether under the seal of the Corporation or otherwise) all such agreements, instruments and other documents as in such individual's opinion may be necessary or desirable to perform the terms of this resolution."

Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be voted against the resolution re-approving the Plan, the persons named in the enclosed form of proxy will vote FOR the resolution re-approving the Plan.

In order to be effected, the resolution re-approving the Plan must be approved by a simple majority of the votes cast at the Meeting in person or by proxy.

OTHER BUSINESS

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the Shareholders at the Meeting, **it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

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

Other than as set forth in this Information Circular, the management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer at any time since the beginning of the Corporation's last financial year or any proposed nominee for election as a director, or any associate or affiliate of any of the foregoing persons, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors. All of the directors and officers may receive options pursuant to the Plan.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Corporation has a Corporate Governance and Compensation Committee consisting of V.E. Dale Burstall, David V. Richards and Peter Sider, two of whom, Messrs. Richards and Sider, are independent. Pursuant to National Instrument 52-110 *Audit Committees* ("**NI-52-110**") V.E. Dale Burstall is not independent by virtue of being legal counsel of the Corporation. The Corporation's compensation policies and programs are designed to be competitive with comparable resource companies and to recognize and reward executive performance

consistent with the success of the Corporation's business. These policies and programs are intended to attract and retain capable and experienced people. The Corporate Governance and Compensation Committee's role and philosophy is to ensure that the Corporation's compensation goals and objectives, as applied to the actual compensation paid to the Corporation's CEO and other executive officers, are aligned with the Corporation's overall business objectives and with Shareholder interests.

Philosophy and Objectives

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

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

In compensating its senior management, the Corporation has employed a combination of base salary and equity participation through its stock option plan.

Elements of the Compensation Program

The significant elements of compensation awarded to the Named Executive Officers (as defined herein) are a cash salary, bonus and stock options. The Corporation does not presently have a long-term incentive plan for its Named Executive Officers. The Board reviews annually the total compensation package of each of the Corporation's executives on an individual basis, against the backdrop of the compensation goals and objectives described above.

Cash Salary and Bonus

As a general rule, the Corporation seeks to offer its Named Executive Officers a compensation package that is in line with that offered by other companies in the industry, and as an immediate means of rewarding the Named Executive Officer for efforts expended on behalf of the Corporation and related outcomes and results. The Board acknowledges that payment of such salary may impact on other elements of the compensation package to a particular Named Executive Officer; for example, the lower annual salary may be a factor when considering bonuses and granting stock options.

Equity Participation

The Corporation believes in encouraging its executives and employees to become Shareholders to align their interests with those of its Shareholders. Stock options that are granted to senior executives take into account a number of factors, including the amount and term of options previously granted and base salaries and competitive factors. Options are generally granted to senior executives which vest on terms established by the Board.

Stock Options

The Corporation's stock option plan is intended to emphasize management's commitment to the growth of the Corporation and the enhancements of Shareholders' equity through, for example, improvements in its resource base and share price increments.

Perquisites and Other Personal Benefits

The Corporation's Named Executive Officers are not generally entitled to significant perquisites or other personal benefits not offered to the Corporation's other employees.

Summary Compensation Table

The following table sets forth all annual and long term compensation for the financial year ended December 31, 2016, December 31, 2015 and December 31, 2014, respectively, for services in all capacities to the Corporation and its subsidiaries in respect of individual(s) who were acting as, or were acting in a capacity similar to, a chief executive officer or chief financial officer and the three (3) most highly compensated individuals whose total compensation exceeded \$150,000 (the "Named Executive Officers" or "NEOs").

Name and principal position	Year	Salary (\$)	Share-based awards (\$) ⁽¹⁾	Option-based awards (\$) ⁽²⁾⁽³⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Tom MacKay Chief Executive Officer	Dec 31, 2016	66,000	Nil	Nil	Nil	Nil	Nil	Nil	66,000
	Dec 31, 2015	66,000	Nil	34,020	Nil	Nil	Nil	Nil	100,020
	Dec 31, 2014	66,000	Nil	33,436	Nil	Nil	Nil	Nil	99,436
Vincent E. Ghazar Vice-President, Finance and Chief Financial Officer	Dec 31, 2016	150,000	Nil	Nil	Nil	Nil	Nil	Nil	150,000
	Dec 31, 2015	150,000	Nil	17,010	Nil	Nil	Nil	Nil	167,010
	Dec 31, 2014	149,000	Nil	16,718	Nil	Nil	Nil	Nil	165,718

Notes:

- (1) "**Share-Based Award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.
- (2) "**Option-Based Award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features.
- (3) The "grant date fair value" has been determined by using the Black-Scholes option pricing model. See discussion below.

Narrative Discussion

During the financial year ended December 31, 2016, the Corporation granted nil options. Calculating the value of stock options using the Black-Scholes option pricing model is very different from a simple "in-the-money" value calculation. In fact, stock options that are well out-of-the-money can still have a significant "grant date fair value" based on a Black-Scholes option pricing model, especially where, as in the case of the Corporation, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation.

Incentive Plan Awards

Outstanding Share-based Awards and Option-based Awards

The following table sets out all share-based awards and option-based awards outstanding as at December 31, 2016, for each NEO:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾⁽²⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Tom MacKay	150,000	0.10	July 3, 2018	Nil	N/A	N/A
	350,000	0.05	April 1, 2019	Nil		
	1,000,000	0.05	February 24, 2020	Nil		
Vincent E. Ghazar	500,000	0.05	April 1, 2019	Nil	N/A	N/A
	500,000	0.05	February 24, 2020	Nil		

Notes:

- (1) Unexercised "in-the-money" options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.
- (2) The aggregate of the difference between the market value of the Common Shares as at December 30, 2016, being \$0.01 per Common Share, and the exercise price of the options.

None of the awards disclosed in the table above have been transferred at other than fair market value.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out all incentive plans (value vested or earned) during the financial year ended December 31, 2016, for each NEO:

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Tom MacKay	Nil	Nil	Nil
Vincent E. Ghazar	Nil	Nil	Nil

Note:

- (1) Amounts referred to in this column represent the aggregate dollar value that would have been realized by the NEO if the stock options had been exercised on the vesting date. Where the share price on the vesting date is lower than the exercise price of the stock options a nil value is noted.

Narrative Discussion

The Corporation has a stock option plan previously approved by the Shareholders on June 28, 2016. The details of the Plan are described under "*PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of Stock Option Plan*".

Pension plan benefits

The Corporation has no pension plans for its directors, officers or employees.

Termination and Change of Control Benefits

Other than as set forth below, the Corporation is not a party to any contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation, its subsidiaries or affiliates or a change in a Named Executive Officer's responsibilities.

The Corporation entered into a consulting agreement dated April 1, 2013 (the "**Consulting Agreement**") with Vincent E. Ghazar and his consulting company to provide to the Corporation the services of Vice-President, Finance and Chief Financial Officer. The Consulting Agreement may be terminated by the parties thereto by providing 30 days written notice.

DIRECTOR COMPENSATION

The Corporation currently has five (5) directors, one (1) of whom, Tom MacKay, is also an NEO. For a description of the compensation paid to the Named Executive Officer of the Corporation who also acts as a director of the Corporation, see "*EXECUTIVE COMPENSATION*".

Director Compensation Table

The following table sets forth all compensation provided to directors who are not also Named Executive Officers ("**Other Directors**") of the Corporation for the financial year ended December 31, 2016.

Name	Fees earned (\$) ⁽¹⁾	Share-based Awards (\$) ⁽²⁾	Option-based awards (\$) ⁽³⁾⁽⁴⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Alan Breakey	Nil ⁽⁵⁾	Nil	Nil	Nil	Nil	Nil	Nil
Peter Sider	4,000	Nil	Nil	Nil	Nil	Nil	4,000
V.E. Dale Burstall	4,000	Nil	Nil	Nil	Nil	Nil	4,000
David V. Richards	3,000	Nil	Nil	Nil	Nil	Nil	3,000

Notes:

- (1) Includes all fees awarded, earned, paid or payable in cash for services as a director, including annual retainer fees, committee, chair and meeting fees. Each Director was paid \$500 for each board of director meeting held.
- (2) "**Share-Based Award**" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.
- (3) "**Option-Based Award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features.
- (4) The "grant date fair value" has been determined by using the Black-Scholes option pricing model. See discussion below.
- (5) Mr. Breakey received \$66,000 of salary in his capacity as Vice-President, Exploration of the Corporation and not in his capacity as a director.

Narrative Discussion

During the financial year ended December 31, 2016, the directors of the Corporation, other than Mr. MacKay, acting in the capacity of Chief Executive Officer and Mr. Breakey, acting in the capacity of Vice-President, Exploration, each received \$500 compensation for each Board meeting held for the year as listed above. In addition, directors are reimbursed for reasonable expenses incurred in respect of their activities as directors.

During the financial year ended December 31, 2016 the Corporation granted nil options to Messrs. MacKay, Breakey, Burstall, Sider, and Richards. Calculating the value of stock options using the Black-Scholes option pricing model is very different from a simple "in-the-money" value calculation. In fact, stock options that are well out-of-the-money can still have a significant "grant date fair value" based on a Black-Scholes option pricing model, especially where, as in the case of the Corporation, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation.

The Corporation has no pension plan or other arrangement for non-cash compensation to the Other Directors, except incentive stock options.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all awards outstanding for each Other Director as at December 31, 2016, including awards granted before the most recently completed financial year.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾⁽²⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Alan Breakey	150,000	0.10	July 3, 2018	Nil	N/A	N/A
	350,000	0.05	April 1, 2019	Nil		
	1,000,000	0.05	February 24, 2020	Nil		
Peter Sider	150,000	0.10	July 3, 2018	Nil	N/A	N/A
	350,000	0.05	April 1, 2019	Nil		
	500,000	0.05	February 24, 2020	Nil		
V.E. Dale Burstall	150,000	0.10	July 3, 2018	Nil	N/A	N/A
	350,000	0.05	April 1, 2019	Nil		
	500,000	0.05	February 24, 2020	Nil		
David V. Richards	150,000	0.10	July 3, 2018	Nil	N/A	N/A
	350,000	0.05	April 1, 2019	Nil		
	500,000	0.05	February 24, 2020	Nil		

Notes:

- (1) Unexercised "in-the-money" options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.
- (2) The aggregate of the difference between the market value of the Common Shares as at December 30, 2016, being \$0.01 per Common Share, and the exercise price of the options.

None of the awards disclosed in the table above have been transferred at other than fair market value.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth the value of option-based awards and share-based awards which vested or were earned during the financial year ended December 31, 2016 for the Other Directors.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Alan Breakey	Nil	Nil	Nil
Peter Sider	Nil	Nil	Nil
V.E. Dale Burstall	Nil	Nil	Nil
David V. Richards	Nil	Nil	Nil

Note:

- (1) Amounts referred to in this column represent the aggregate dollar value that would have been realized by the Other Directors if the stock options had been exercised on the vesting date. Where the share price on the vesting date is lower than the exercise price of the stock options a nil value is noted.

Narrative Discussion

The Corporation has a stock option plan previously approved by the Shareholders on June 28, 2016. The details of the Plan are described under "*PARTICULARS OF MATTERS TO BE ACTED UPON - Approval of Stock Option Plan*".

Other Compensation

Other than as set forth herein, the Corporation did not pay any other compensation to executive officers or directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full time employees) during the financial year ended December 31, 2016, other than benefits and perquisites which did not amount to \$10,000 or greater per individual.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at the end of the Corporation's 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 ⁽¹⁾
Equity compensation plans approved by securityholders	8,500,000	\$0.06	3,623,485
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	8,500,000	\$0.06	3,623,485

Note:

- (1) The aggregate number of Common Shares that may be reserved for issuance under the Plan shall not exceed 10% of the issued and outstanding Common Shares. As at December 31, 2016, the number of Common Shares issued and outstanding was 121,234,854.

INDEBTEDNESS TO CORPORATION OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Corporation or its subsidiaries nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation or its subsidiaries nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation except as disclosed in the audited financial statements.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein or as previously disclosed, the Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership or otherwise, of any director or executive officer, proposed nominee for election as a director or any Shareholder holding more than 10% of the voting rights attached to the Common Shares or any associate or affiliate of any of the foregoing in any transaction in the preceding financial year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation.

MANAGEMENT CONTRACTS

During the most recently completed financial year, no management functions of the Corporation were to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Corporation. The Board is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 — *Disclosure of Corporate Governance Practices*, the Corporation is required to disclose its corporate governance practices as summarized below.

Board of Directors

The Board is currently comprised of five (5) directors, Alan Breakey, Tom MacKay, Peter Sider, V.E. Dale Burstall and David V. Richards. The size and composition of the Board reflects a breadth of backgrounds and experience that is important for effective governance of a corporation in the oil and gas exploration industry.

Two (2) of the directors, Peter Sider and David V. Richards, are independent as defined in National Policy 58-201 – *Corporate Governance Guidelines* and NI 52-110. Alan Breakey and Tom MacKay are not independent by virtue of their acting as executive officers of the Corporation. V.E. Dale Burstall is not independent by virtue of being legal counsel of the Corporation.

Directorships

The following directors of the Corporation are presently directors of other issuers that are reporting issuers (or the equivalent) in any jurisdiction including foreign jurisdictions:

Director	Other Reporting Issuers
V.E. Dale Burstall	Newton Energy Corporation Marksmen Energy Inc. CanAsia Financial Inc.
David V. Richards	Wilmington Capital Management Inc. Mood Media Corporation

Orientation and Continuing Education

The Corporation does not have a formal orientation and continuing education program. However, the Corporation ensures that new Board members are properly trained and oriented as part of the Board's overall stewardship responsibility. The Board is responsible for supervising management in carrying on the business and affairs of the Corporation. Directors are required to act and exercise their powers with reasonable prudence in the best interests of the Corporation. The Board discharges the following responsibilities as part of its overall stewardship responsibility:

- the strategic planning process of the Corporation;
- identification and management of the principal risks associated with the business of the Corporation;
- planning for succession of management;
- the Corporation's policies regarding communications with its Shareholders and others; and
- the integrity of the internal controls and management information systems of the Corporation.

Ethical Business Conduct

The directors of the Corporation encourage and promote a culture of ethical business conduct through communication and supervision as part of their overall stewardship responsibility.

Nomination of Directors

There is no formal procedure for the nomination of directors of the Corporation. However, the Board considers potential future members as part of its succession planning.

Compensation

The Corporation has a Corporate Governance and Compensation Committee consisting of V.E. Dale Burstall, David V. Richards and Peter Sider of which Messrs. Richards and Sider are independent pursuant to NI 52-110. V.E. Dale Burstall is not independent by virtue of being legal counsel of the Corporation.

The Corporate Governance and Compensation Committee is responsible to assist the Board by:

- In conjunction with the CEO, reviewing the Corporation's compensation philosophy and programs for the Corporation's executive officers and directors, and making recommendations to the Board regarding such philosophy and programs;
- In conjunction with the CEO, reviewing the compensation plans in effect for the Corporation's employees, officers and directors, and reviewing and approving compensation plans, arrangements and awards proposed for the Corporation's employees, officers and directors;

- recommending candidates for nomination, appointment, and re-election to the Board and its committees and assessing director and Board performance;
- assessing executive officer performance and assisting with establishing criteria to assess such performance; and
- assessing and recommending changes to the Corporation's corporate governance procedures and policies.

Other Board Committees

Except for the Corporate Governance and Compensation Committee, the Board has formally appointed only an Audit Committee and a Reserves Committee and has no other committees in place at this time.

Reserves Committee

The Reserves Committee is responsible for: (a) reviewing the Corporation's procedures relating to the disclosure of information with respect to oil and gas activities including reviewing its procedures for complying with its disclosure requirements and restrictions set forth under applicable securities requirements; (b) reviewing the Corporation's procedures for providing information to the independent evaluator; (c) meeting, as considered necessary, with management and the independent evaluator to determine whether any restrictions placed by management affect the ability of the evaluator to report without reservation on the Reserves Data (as defined in National Instrument 51-101) (the "**Reserves Data**") and to review the Reserves Data and the report of the independent evaluator thereon (if such report is provided); (d) reviewing the appointment of the independent evaluator and, in the case of any proposed change to such independent evaluator, determining the reason therefore and whether there have been any disputes with management; (e) providing a recommendation to the Directors as to whether to approve the content or filing of the statement of the Reserves Data and other information that may be prescribed by applicable securities requirements including any reports of the independent engineer and of management in connection therewith; (f) reviewing the Corporation's procedures for reporting other information associated with oil and gas producing activities; (g) generally reviewing all matters relating to the preparation and public disclosure of estimates of the Corporation's reserves; and (h) co-ordinate meetings with the Audit Committee of the Corporation, the Corporation's senior engineering management, independent evaluating engineers and auditors as required to address matters of mutual concern in respect of the Corporation's evaluation of petroleum and natural gas reserves.

Assessments

The Board does not conduct any formal evaluation of the performance and effectiveness of the members of the Board, the Board as a whole or any committee of the Board.

AUDIT COMMITTEE

The Audit Committee is a committee of the Board to which the Board delegates its responsibility for oversight of the financial reporting process. The Audit Committee is also responsible for managing, on behalf of the Shareholders, the relationship between the Corporation and the external auditor.

Pursuant to NI 52-110, the Corporation is required to disclose certain information with respect to its Audit Committee, as summarized below.

Audit Committee Charter

The Audit Committee of the Board operates under a written charter that sets out its responsibilities and composition requirements. The text of the Audit Committee charter is attached as Schedule "B" to this Information Circular.

Composition of the Audit Committee

As of the date of hereof, the members of the Audit Committee are David V. Richards, V.E. Dale Burstall and Tom MacKay. One (1) member, David V. Richards is "independent", within the meaning set out in NI 52-110. Tom MacKay is not independent by virtue of his acting as an executive officer of the Corporation. V.E. Dale Burstall is not independent by virtue of being legal counsel of the Corporation. All of the members of the Audit Committee are financially literate, within the meaning set out in NI 52-110.

Relevant Education and Experience

David V. Richards is a Fellow of the Institute of Chartered Accountants of Alberta and past senior partner of both Coopers & Lybrand and Arthur Andersen and Co. For the past 19 years Mr. Richards has been actively involved as an investment manager focused on the energy sector.

Mr. Burstall received a Bachelor of Commerce Degree from the University of Calgary and a Law Degree from the University of British Columbia, and has been a Member of the Law Society of Alberta since 1986. Mr. Burstall has practiced as a securities and corporate lawyer dealing with both public and private companies for over 25 years, and has acted as an officer or director of several companies listed on either the TSX Venture Exchange Inc. or the Toronto Stock Exchange.

Mr. MacKay is a professional engineer and has over 35 years of oil industry experience. In that time, he has been part of senior management teams that have built several successful companies, including Forte Energy Ltd., Forte Resources Ltd. and Valiant Energy Ltd. Mr. MacKay has been a director of several other oil and gas corporations, both private and public, and is currently a director of eight private companies. Mr. MacKay holds a Bachelor of Applied Science with Honours from Queen's University. Mr. MacKay is familiar with the audit process and the financial reporting process of both public and private companies.

Audit Committee Oversight

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

Reliance on Certain Exemptions

Since the effective date of NI 52-110, the Corporation has not relied on either of the exemptions contained in section 2.4 (De Minimis Non-audit Services) or section 8 (Exemptions). Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided.

Pre-Approval Policies and Procedures

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

External Auditor's Fees

Set forth below are details of certain service fees paid or payable to the Corporation's external auditor relating to each of the last two (2) fiscal years:

Financial Year End	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
December 31, 2016	\$23,005	\$Nil	\$1,500	\$1,817
December 31, 2015	\$40,000	\$Nil	\$2,500	\$1,250

Notes:

- (1) Audit fees were for professional services rendered by the auditors for the audit of the Corporation's annual financial statements as well as services provided in connection with statutory and regulatory filings.
- (2) Audit-related fees are for services related to performance of limited procedures performed by the Corporation's auditors related to interim reports.
- (3) Tax fees are for tax compliance, tax advice and tax planning.
- (4) All other fees for services performed by the Corporation's auditors and other accounting services.

Exemption

The Corporation is entitled to rely on the exemption in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

GENERAL

Unless otherwise directed, it is management's intention to vote proxies in favour of the resolutions set forth herein. All special resolutions to be brought before the Meeting require, for the passing of the same, a two-thirds majority of the votes cast at the Meeting by the holders of Common Shares. All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the holders of Common Shares.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information of the Corporation's most recently completed financial year is provided in the Corporation's comparative financial statements and management discussion and analysis available on SEDAR. A Shareholder may contact the Corporation at 100, 718 - 15th Avenue S.W., Calgary, Alberta T2R 0R6, Attn: Chief Financial Officer to obtain a copy of the Corporation's most recent financial statements and management discussion and analysis.

BOARD APPROVAL

The contents and the sending of this Information Circular have been approved by the Board.

DATED this 23rd day of August, 2017.

**Schedule "A" to the Information Circular of
Standard Exploration Ltd. (the "Corporation")**

STOCK OPTION PLAN

1. Purpose

The purpose of the Stock Option Plan (the "**Plan**") of Standard Exploration Ltd., a corporation incorporated under the *Canada Business Corporations Act* (the "**Corporation**") is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Corporation (the "**Shares**"), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

2. Administration

The Plan shall be administered by the Board of Directors of the Corporation or by a special committee of the directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the "**Board**"). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

Each option granted by the Corporation prior to the date of the approval of the Plan by the shareholders of the Corporation, including options granted under previously approved stock option plans of the Corporation, be and are continued under and shall be subject to the terms of the Plan after the Plan has been approved by the shareholders of the Corporation.

3. Stock Exchange Rules

All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the Shares of the Corporation are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the "**Exchange**").

4. Shares Subject to Plan

Subject to adjustment as provided in Section 15 hereof, the Shares to be offered under the Plan shall consist of Shares of the Corporation's authorized but unissued Shares. The aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the issued and

outstanding Shares of the Corporation from time to time. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

5. Maintenance of Sufficient Capital

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

6. Eligibility and Participation

Directors, officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries ("**Management Company Employees**") shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as "**Participants**"). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees or consultants of the Corporation or Management Company Employees, the option agreements to which they are party must contain a representation of the Corporation that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or its subsidiaries.

A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

7. Exercise Price

Options may be exercised at a price that shall be fixed by the Board at the time that the option is granted. No option shall be granted with an exercise price at a discount to the market price. The market price shall be the closing price of the Shares on the Exchange on the first day preceding the date of grant on which at least one board lot of Shares traded.

Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may be reduced upon receipt of Board approval, provided that in the case of options held by insiders of the Corporation (as defined in the policies of the Exchange), the exercise price of an option may be reduced only if disinterested shareholder approval is obtained.

8. Number of Optioned Shares

(a) The aggregate number of Shares that may be issued pursuant to the exercise of Options awarded under the Plan and all other security based compensation arrangements of the Corporation is 10% of the issued and outstanding Shares from time to time, subject to the following additional limitations:

(i) the aggregate number of Shares reserved for issuance to any one person under the Plan, together with all other security based compensation arrangements of the Corporation, must not exceed 5% of the then outstanding Shares (on a non-diluted basis);

(ii) in the aggregate, no more than 10% of the issued and outstanding Shares (on a non-diluted basis) may be reserved at any time for insiders as defined in subsection 1(i) of the *Securities Act* (Alberta) and includes an associate, as defined in subsection 1(a.1) of the *Securities Act* (Alberta) ("**Insider(s)**") under the Plan, together with all other security based compensation arrangements of the Corporation;

(iii) the number of securities of the Corporation issued to Insiders, within any one year period, under all security based compensation arrangements, cannot exceed 10% of the issued and outstanding Shares;

(iv) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Shares of the Corporation in any twelve-month period to any one consultant of the Corporation (or any of its subsidiaries); and

(v) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Shares of the Corporation in any twelve month period to persons employed to provide investor relations activities. Options granted to Consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than $\frac{1}{4}$ of the options vesting in any 3 month period.

(b) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.

9. Duration of Option

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 12 and 13, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange. For greater certainty, if the Corporation is listed on the TSX Venture Exchange Inc. ("**TSX Venture**"), the maximum term may not exceed 10 years. The TSX does not impose a maximum term for the duration of an option.

Should the expiry date of an Option fall within a Black Out Period or within nine business days following the expiration of a Black Out Period, such expiry date of the Option shall be automatically extended without any further act or formality to that date which is the tenth business day after the end of the Black Out Period, such tenth business day to be considered the expiry date for such Option for all purposes under the Plan. The ten business day period referred to in this paragraph may not be extended by the Board.

"Black Out Period" means the period during which the relevant Participant is prohibited from exercising an Option due to trading restrictions imposed by the Corporation pursuant to any policy of the Corporation respecting restrictions on trading that is in effect at that time.

10. Option Period, Consideration and Payment

(a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 12 and 13 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant.

(b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.

(c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.

(d) Except as set forth in Sections 12 and 13, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.

(e) The exercise of any option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares of the Corporation unless and until the certificates for Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.

11. Withholding Taxes

The Corporation shall have the authority to take steps for the deduction and withholding, or for the advance payment or reimbursement by the Participant to the Corporation, of any taxes or other required source deductions which the Corporation is required by law or regulation of any governmental authority whatsoever to remit in connection with this Plan, or any issuance of Shares. Without limiting the generality of the foregoing, the Corporation may, in its sole discretion:

(a) deduct and withhold additional amounts from other amounts payable to a Participant;

(b) require, as a condition of the issuance of Shares to an Participant that the Participant make a cash payment to the Corporation equal to the amount, in the Corporation's opinion, required to be withheld and remitted by the Corporation for the account of the Participant to the appropriate governmental authority and the Corporation, in its discretion, may withhold the issuance or delivery of Shares until the Participant makes such payment; or

(c) sell, on behalf of the Participant, all or any portion of Shares otherwise deliverable to the Participant until the net proceeds of sale equal or exceed the amount which, in the Corporation's opinion, would satisfy any and all withholding taxes and other source deductions for the account of the Participant.

12. Ceasing To Be a Director, Officer, Consultant or Employee

If a Participant shall cease to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, subject to extension at the discretion of the Board, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Corporation, subject to extension at the discretion of the Board.

Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

13. Death of Participant

Notwithstanding section 12, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

(a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and

(b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

14. Rights of Optionee

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued and delivered.

15. Proceeds from Sale of Shares

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

16. Adjustments

If the outstanding Shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation or another Corporation or entity through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, or any adjustment relating to the Shares optioned or issued on exercise of options, or the exercise price per share as set forth in the respective stock option agreements, shall be adjusted in accordance to the terms of such agreements.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Common Share shall be required to be issued under the Plan on any such adjustment.

17. Transferability

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

18. Amendment and Termination of Plan

The Board may terminate or discontinue the Plan at any time without the consent of the Participants provided that such termination or discontinuance shall not alter or impair any Option previously granted under the Plan.

The Board may by resolution amend this Plan and any Options granted under it without shareholder approval, however, the Board will not be entitled, in the absence of shareholder and Exchange approval, to:

- (a) reduce the exercise price of an Option held by an Insider of the Corporation;
- (b) extend the expiry date of an Option held by an Insider of the Corporation (subject to such date being extended by virtue of paragraph 9 above)
- (c) amend the limitations on the maximum number of Shares reserved or issued to Insiders under paragraphs 8(a)(ii) and 8(a)(iii) hereof;
- (d) increase the maximum number of Shares issuable pursuant to this Plan; or
- (e) amend the amendment provisions of this Plan under this Article 18.

Where shareholder approval is sought for amendments under subsections (a), (b) and (c) above, the votes attached to Shares held directly or indirectly by Insiders benefiting from the amendments will be excluded.

19. Necessary Approvals

The ability of a Participant to exercise options and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Corporation and any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation will be returned to the Participant.

20. Effective Date of Plan

The Plan has been adopted by the Board subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

21. Interpretation

The Plan will be governed by and construed in accordance with the laws of the Province of Alberta.

**Schedule "B" to the Information Circular of
Standard Exploration Ltd. (the "Corporation")**

CHARTER OF THE AUDIT COMMITTEE

I. Mandate

The primary function of the audit committee (the "**Committee**") is to assist the board of directors of the Corporation (the "**Board of Directors**") in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting, and the Corporation's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Corporation'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 Corporation's financial reporting and internal control system and review the Corporation's financial statements.
- Review and appraise the performance of the Corporation's external auditors.
- Provide an open avenue of communication among the Corporation's auditors, financial and senior management and the Board of Directors.

II. Composition

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be independent directors, pursuant to the policies of the TSX Venture Exchange (the "**TSX-V**").

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Corporation'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 Corporation's financial statements.

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

III. Meetings

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

The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to the Committee members with copies to the Board of Directors, the Chief Financial Officer or such other officer acting in that capacity, and the external auditor.

IV. **Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- 1) Review and update this Charter annually.
- 2) Review the Corporation's financial statements, MD&A and any annual and interim earnings, press releases before the Corporation 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.

External Auditors

- 1) Require the external auditors to report directly to the Committee.
- 2) Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Corporation.
- 3) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Corporation and confirming their independence from the Corporation.
- 4) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- 5) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- 6) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval and the compensation of the external auditors.
- 7) Review with management and the external auditors the terms of the external auditors' engagement letter.
- 8) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements.
- 9) Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
- 10) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- 11) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Corporation's external auditors. The pre-approval 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 Corporation constitutes not more than five percent (5%) of the total amount of revenues paid by the Corporation to its external auditors during the fiscal year in which the non-audit services are provided;
- (ii) such services were not recognized by the Corporation 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 Corporation 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 of Directors 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

- 1) In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.
- 2) Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
- 3) Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management.
- 4) 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.
- 5) 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.
- 6) Review any significant disagreement among management and the external auditors regarding financial reporting.
- 7) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- 8) Review the certification process.
- 9) Establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Other

- 1) Review any related-party transactions.

V. Authority

The Committee may:

- 1) engage independent outside counsel and other advisors as it determines necessary to carry out its duties;
- 2) set and pay the compensation for any advisors employed by the Committee; and
- 3) communicate directly with the internal and external auditors.

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

ADDENDUM "A" TO THE AUDIT COMMITTEE CHARTER

WHISTLE BLOWER POLICY

Introduction

Standard Exploration Ltd. ("**Standard**" or the "**Corporation**") is committed to the highest standards of openness, honesty and accountability. In line with that commitment, we expect employees and others that we deal with who have serious concerns about any aspect of the Corporation's activities and operations to come forward and voice those concerns.

Employees are often the first to realize that there may be something seriously wrong within the Corporation. However, they may decide not to express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Corporation. They may also fear recrimination, harassment or victimization. In these circumstances, they may feel it would be easier to ignore the concern rather than report what may just be a suspicion of wrong-doing.

This policy document makes it clear that employees can report wrong-doings or suspected wrong-doings without fear of victimization, subsequent discrimination or disadvantage. This Whistle Blowing Policy is intended to encourage and enable employees to raise serious concerns within the Corporation rather than overlooking a problem or seeking a resolution of the problem outside the Corporation.

This Policy applies to all employees and those contractors working for Standard. It is also intended to provide a method for other stakeholders (suppliers, customers, shareholders etc.) to voice their concerns regarding the Corporation's business conduct.

The Policy is also intended as a clear statement that if any wrongdoing by the Corporation or any of its employees or by any of its contractors or suppliers is identified and reported to the Corporation, it will be dealt with expeditiously and thoroughly investigated and remedied. The Corporation will further examine and implement the means of ensuring that such wrongdoing can be prevented in future.

A whistleblowing or reporting mechanism invites all employees and other stakeholders to act responsibly to uphold the reputation of their organization and maintain public confidence. Encouraging a culture of openness within the organization will also help this process. This Whistle Blowing Policy aims to ensure that serious concerns are properly raised and addressed within the Corporation.

Background

1. What is Whistleblowing?

Employees are usually the first to know when something is going seriously wrong. A culture of turning a "blind eye" to such problems means that the alarm is not sounded and those in charge do not get the chance to take action before real damage is done. Whistleblowing can therefore be described as giving information about potentially illegal and/or underhanded practices i.e. wrong doing.

2. What is wrong doing?

Wrong doing involves any unlawful, illegal or otherwise improper behaviour and can include:

- An unlawful act whether civil or criminal;
- Breach of or failure to implement or comply with any approved policy of Standard, including the internal financial controls approved by Standard;
- Knowingly breaching federal or provincial laws or regulations;

- Unprofessional conduct or conduct that is not consistent with recognized, established standards of practice;
- Questionable accounting or auditing practices;
- Dangerous practice likely to cause physical harm/damage to any person/property;
- Failure to rectify or take reasonable steps to report a matter likely to give rise to a significant and avoidable cost or loss to the Corporation;
- Abuse of power or authority for any unauthorized or ulterior purpose;
- Unfair discrimination in the course of employment or provision of services.

This list is not definitive, but is intended to give an indication of the kind of conduct which might be considered as "wrong doing".

3. Who is protected?

This Whistle Blowing Policy is set in the context of the regulatory provisions of the Canadian Securities Association (CSA) National Instrument 52-110 - *Audit Committees*. Any employee who makes a disclosure or raises a concern under this Policy will be protected if the employee:

- Discloses the information in good faith;
- Believes it to be substantially true;
- Does not act maliciously or make knowingly false allegations; and
- Does not seek any personal or financial gain.

4. Who should you contact?

- (a) Anyone with a complaint or concern about the Corporation should try to contact their supervisor or manager responsible for the group which provides the relevant service. This depends however, on the seriousness and sensitivity of the issues involved and who is suspected of malpractice.
- (b) As an alternative, they could contact (i) the Chair of the Audit Committee; or (ii) external legal counsel for the Corporation.

5. How the Corporation will respond

The Corporation will respond positively to your concerns. Where appropriate, the matters raised may:

- (a) be investigated by management, the Board of Directors, internal audit (when implemented), or through the disciplinary process;
- (b) be referred to the police;
- (c) be referred to the external auditor or external legal counsel;
- (d) form the subject of an independent inquiry.

In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required, this will be taken before any investigation is conducted.

Within ten working days of a concern being raised, the responsible officer will write to you:

- (a) acknowledging that the concern has been received;
- (b) indicating how he/she proposes to deal with the matter;
- (c) giving an estimate of how long it will take to provide a response;
- (d) telling you whether any initial enquiries have been made; and
- (e) telling you whether further investigations will take place and if not, why not.

The amount of contact between the officers considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, the Corporation will seek further information from you.

The Corporation will take steps to minimize any difficulties which you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings, the Corporation will arrange for you to receive advice about the procedure.

The Corporation accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, we will inform you of the outcomes of any investigation.

6. Time Frames

Concerns will be investigated as quickly as possible. It should be borne in mind that it may be necessary to refer a matter to an external agency and this may result in an extension of the investigative process. It should also be borne in mind that the seriousness and complexity of any complaint may have an impact on the time taken to investigate a matter. A designated person will indicate at the outset the anticipated time frame for investigating the complaint.

7. Prevention of recriminations, victimization or harassment

The Corporation will not tolerate an attempt on the part of anyone to apply any sanction or detriment to any person who has reported to the Corporation a serious and genuine concern that they may have about an apparent wrongdoing.

8. Confidentiality and Anonymity

The Corporation will respect the confidentiality of any whistle blowing complaint received by the Corporation where the complainant requests that confidentiality. However, it must be appreciated that it will be easier to follow up and to verify complaints if the complainant is prepared to give his or her name.

9. False and Malicious Allegations

The Corporation is proud of its reputation with the highest standards of honesty. It will therefore ensure that substantial and adequate resources are put into investigating any complaint which it receives. However, the Corporation will regard the making of any deliberately false or malicious allegations by any employee of the Corporation as a serious disciplinary offence which may result in disciplinary action, up to and including dismissal for cause.