



**Notice of Meeting**  
**and**  
**Information Circular**

**in respect of a**

**SPECIAL AND ANNUAL MEETING  
OF SHAREHOLDERS**

**to be held on May 28, 2008**

**ANTERRA ENERGY INC.  
NOTICE OF MEETING OF SHAREHOLDERS**

to be held on May 28, 2008

TO THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a Special and Annual Meeting (the "Meeting") of shareholders of Anterra Energy Inc. (the "Corporation") will be held at the office of Macleod Dixon LLP at 3700 Canterra Tower, 400 Third Avenue S.W., Calgary, Alberta on Wednesday, May 28, 2008 at 9:30 am (Calgary time) for the following purposes:

1. To receive the audited financial statements for the year ended December 31, 2007 and the report of the auditors thereon.
2. To elect the directors of the Corporation for the ensuing year.
3. To appoint the auditors of the Corporation for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors.
4. To approve the Corporation's existing stock option plan.
5. To transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

Shareholders are referred to the Information Circular for more detailed information with respect to the matters to be considered at the Meeting.

**If you are a *registered shareholder* of the Corporation and are unable to attend the Meeting in person, please date and execute the accompanying form of proxy and return it in the envelope provided to Olympia Trust Company, registrar and transfer agent of the Corporation, at 2300, 125-9<sup>th</sup> Avenue S.E., Calgary, Alberta T2G 0P6 by no later than 4:30 p.m. (Calgary time) on May 27, 2008.**

**If you are an *unregistered shareholder* of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or by the other intermediary.**

The directors of the Corporation have fixed April 28, 2008 as the record date. Holders of Class A shares and Class B shares of record at the close of business on April 28, 2008 are entitled to notice of the Meeting and to vote thereat or at any adjournment(s) thereof. The transfer books will not be closed.

BY ORDER OF THE BOARD OF DIRECTORS



A. Giles Parker  
Vice-President, Finance and Chief Financial Officer

Calgary, Alberta  
April 23, 2008

# **ANTERRA ENERGY Inc.**

## **INFORMATION CIRCULAR**

### **FOR THE SPECIAL AND ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON WEDNESDAY MAY 28, 2008**

#### **PURPOSE OF SOLICITATION**

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Anterra Energy Inc (the "Corporation") for use at the Special and Annual Meeting (the "Meeting") of the shareholders of the Corporation.** The Meeting will be held at the office of Macleod Dixon LLP at, 3700 Canterra Tower, 400 Third Avenue S.W., Calgary, Alberta, on Wednesday, May 28, 2008 at 9:30 am (Calgary time), and at any adjournments thereof for the purposes set forth in the Notice of Meeting of Shareholders accompanying this Information Circular. Information contained herein is given as of April 23, 2008 unless otherwise specifically stated.

Solicitation of proxies will be primarily by mail but may also be by telephone, facsimile or in person by directors, officers and employees of the Corporation who will not be additionally compensated therefore. Brokers, nominees or other persons holding shares in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such shares. The costs of soliciting proxies will be borne by the Corporation.

#### **APPOINTMENT AND REVOCATION OF PROXIES**

Enclosed herewith is a form of proxy for use at the Meeting. The persons named in the form of proxy are directors and officers of the Corporation. **A shareholder submitting a proxy has the right to appoint a nominee (who need not be a shareholder) to represent him at the Meeting other than the persons designated in the enclosed proxy form by inserting the name of his chosen nominee in the space provided for that purpose on the form and by striking out the printed names.**

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is signed by the shareholder or by the shareholder's attorney authorized in writing or, if the shareholder is a corporation, it must be executed by a duly authorized officer or attorney thereof. The proxy, to be acted upon, must be deposited with the Registrar and Transfer Agent of the Corporation, Olympia Trust Company ("Olympia Trust"), 2300, 125-9<sup>th</sup> Avenue S.E., Calgary, Alberta T2G 0P6 4:30 p.m. (Calgary time) on the last business day preceding the day of the Meeting or any adjournment(s) thereof, or with the chairman of the Meeting on the day of the Meeting or any adjournment(s) thereof.

A shareholder who has given a proxy may revoke it prior to its use, in any manner permitted by law, including by instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporation, executed by a duly authorized officer or attorney thereof and deposited at the office of Olympia Trust at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting or any adjournment thereof.

## **ADVICE TO BENEFICIAL HOLDERS OF CLASS A SHARES AND CLASS B SHARES**

**The Information set forth in this section is of significant importance to many shareholders of the Corporation, as a substantial number of shareholders do not hold shares in their own name.** Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of Class A shares and Class B shares in the capital of the Corporation (the "Common Shares") can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the names 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). Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge"). Broadridge typically asks Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving an Broadridge proxy cannot use that proxy to vote Common Shares directly at the Meeting - the proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend at 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 instrument 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 (or agent), well in advance of the Meeting.

## VOTING OF PROXIES

All shares represented at the Meeting by properly executed proxies will be voted on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the accompanying form of proxy, the shares represented by the proxy will be voted in accordance with such instructions. **In the absence of any such instruction, the persons whose names appear on the printed form of proxy will vote in favour of all the matters set out thereon. The enclosed form of proxy confers discretionary authority upon the persons named therein. If any other business or amendments or variations to matters identified in the Notice of Meeting properly comes before the Meeting, then discretionary authority is conferred upon the person appointed in the proxy to vote in the manner they see fit, in accordance with their best judgment.**

At the time of printing of this Information Circular, the management of the Corporation knows of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

## INFORMATION CONCERNING THE CORPORATION

### Voting Shares and Principal Holders Thereof

The directors of the Corporation have fixed April 28, 2008 as the record date. Holders of Common Shares at the close of business on April 28, 2008, are entitled to receive notice of the Meeting and to vote thereat or at any adjournments thereof on the basis of one vote for each Common Share held, except to the extent that (i) a registered shareholder has transferred the ownership of any shares, subsequent to April 28, 2008 and (ii) the transferee of those shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the shares and demands, not later than ten days before the Meeting, that his or her name be included on the shareholder list before the Meeting, in which case, the transferee shall be entitled to vote his or her shares at the Meeting. The transfer books will not be closed.

As of April 23, 2008, 32,169,040 Class A Shares and 753,014 Class B Shares were issued and outstanding as fully paid and non-assessable.

To the knowledge of the directors and senior officers of the Corporation, the only persons, firms or corporations that beneficially own, directly or indirectly, or exercise control or direction over ten percent (10%) or more of the issued and outstanding Common Shares of the Corporation are as follows:

<u>Name and Municipality of Residence</u>	<u>Type of Ownership</u>	<u>Number of Class A Shares Owned at April 23, 2008</u>	<u>Percentage of Outstanding Class A Shares</u>
Sprott Asset Management Inc. Toronto, Ontario	Control or Direction	3,627,900	11.3%

As of April 23, 2008, the directors and officers as a group owned beneficially, directly and indirectly, 10,471,360 Class A Shares and 153,727 Class B Shares of the Corporation, representing 32.6% and 20.4% respectively of the presently issued and outstanding Class A and Class B Shares.

## Indebtedness of Directors and Senior Officers

None of the directors or senior officers of the Corporation, nominees for election or associates or affiliates of such persons have been indebted to the Corporation at any time since the beginning of the last fiscal period.

## Executive Compensation

The following table discloses, for the past three years, total compensation received by the following executive officers: (i) those who acted as the Corporation's Chief Executive Officer during such period; (ii) those who acted as the Chief Financial Officer during such period; and (iii) executive officers whose total salary and bonus exceeded \$150,000 during such period (collectively the "Named Executive Officers").

### Summary Compensation Table

Name and Principal Position	Year	Annual Compensation			Long Term Compensation Securities Under Options Granted (#)	All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)		
Owen C. Pinnell Chairman & CEO	2007	124,132	25,000	(1)	300,000	Nil
	2006	108,332	Nil	(1)	400,000	Nil
	2005	74,581	7,611	(1)	25,000	Nil
Robert G. Dittmer <sup>(2)</sup> Vice President Finance & CFO	2005	37,500	Nil	(1)	50,000	Nil
A. Giles Parker <sup>(3)</sup> Vice President Finance & CFO	2007	119,961	10,000	(1)	150,000	Nil
	2006	103,333	Nil	(1)	100,000	Nil
	2005	27,800	2,686	(1)	Nil	Nil

#### Notes:

- (1) The aggregate value of the benefits received was less than 10% of the indicated salary.
- (2) Mr. Dittmer resigned as an officer of the Corporation effective July 31, 2005.
- (3) Mr. Parker was appointed an officer of the Corporation effective September 1, 2005.

### Stock Option Plan

The Corporation has established a stock option plan (the "Plan") for directors, officers, employees and consultants or advisors to the Corporation and its subsidiaries. The Board of Directors may designate which directors, officers, employees and other key personnel of the Corporation or its subsidiaries are to be granted options to acquire Common Shares, subject to the restriction that the aggregate number of Common Shares issuable upon the exercise of options granted thereunder shall not exceed 10% of outstanding Common Shares. The directors, in compliance with the requirements of the stock exchange or exchanges on which the Common Shares are listed, determine the exercise price associated with any options granted under the Plan. The options vest on a date set by the directors and expire at a time set by the directors, being not more than five years from the date of grant, provided that any outstanding options will expire on a date not exceeding 90 days following the date of termination of employment or service

or, in the event of the death of the optionee on a date not to exceed one year from the date of death of the optionee. Options granted under the Plan are non-assignable. Outstanding options granted under the Plan may be adjusted in certain events, as to exercise price and number of Common Shares, to prevent dilution or enlargement. The Plan provides for immediate vesting in the event of a change of control.

***Options to Acquire Common Shares Granted during the Year Ended December 31, 2007***

During the year, options to acquire an aggregate of 2,060,000 Common Shares were granted to officers, directors, consultants and employees of the Corporation. The following table provides information regarding the options granted to the Named Executive Officers during the financial year ended December 31, 2007.

<b>Name</b>	<b>Securities Under Options Granted (#)</b>	<b>% of Total Options Granted to Employees in Financial Year</b>	<b>Exercise or Base Price (\$/Share)</b>	<b>Market Value of Securities Underlying Options on the Date of Grant (\$/Share)</b>	<b>Expiration Date</b>
Owen C. Pinnell	300,000	22.6%	\$0.56	\$0.56	May 29, 2012
A. Giles Parker	150,000	11.3%	\$0.56	\$0.56	May 29, 2012

***Aggregated Options Exercised during the Year Ended December 31, 2007 and Option Values as at December 31, 2007***

The following table sets forth the options exercised during the year ended December 31, 2007 and the financial year-end values for options granted to the Named Executive Officers of the Corporation.

<b>Name</b>	<b>Securities Acquired on Exercise (#)</b>	<b>Aggregate Value Realized (\$)<sup>(1)</sup></b>	<b>Unexercised Options at FY-End (#) Exercisable/Unexercisable</b>	<b>Value of Unexercised in-the-Money Options at FY-End (\$) Exercisable/Unexercisable<sup>(2)(3)</sup></b>
Owen Pinnell	25,000	\$1,250	300,000/Nil	\$42,000/Nil
A. Giles Parker	Nil	Nil	50,000/100,000	\$7,000/\$14,000

**Notes:**

- (1) Calculated by multiplying the number of Common Shares acquired on the exercise of the options by the difference between the market price of the Common Shares on the date of exercise and the exercise price of the options.
- (2) The closing price of the Corporation's Class A Shares on the TSX Venture Exchange Inc. on December 31, 2007 was \$0.70.
- (3) Calculated by multiplying the number of Class A Shares purchasable on exercise of the options by the difference between the market price of the Class A Shares at December 31, 2007 and the exercise price of the options.

***Equity Compensation Plan Information as at December 31, 2007***

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of Securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
	<b>(a)</b>	<b>(b)</b>	
Equity compensation plans approved by securityholders	2,060,000	\$0.57	1,156,904
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	<b>2,060,000</b>	<b>\$0.57</b>	<b>1,156,904</b>

***Employment Contracts***

The Corporation has an employment agreement with Mr. Parker. Upon termination for any reason other than cause, or if there is a change of control, Mr. Parker is entitled to be paid an amount equal to six times his base monthly salary.

***Other Plans***

The Corporation has no retirement plans, pension plans or other forms of retirement compensation for its officers.

A bonus plan has been adopted by the Corporation whereby a percentage of funds flow from operations (as presented in the Corporation's Management's Discussion and Analysis) is paid to senior officers, including the Named Executive Officers. For 2007, 4% of the first \$1 million, 8% of the second \$1 million and 12% of the third \$1 million of funds flow was eligible to be paid. For 2008, approximately 5% of the first \$1.4 million, approximately 10% of the second \$1.4 million and approximately 18% of additional funds flow will be eligible to be paid.

***Compensation of Directors***

The Corporation has instituted a policy to pay to directors who are not officers or employees of the Corporation fees or fees for membership in a club of their choice up to \$2,500 annually. In addition, directors may be entitled to receive stock options of the Corporation. During the fiscal year ended December 31, 2007, six directors other than the Chairman and Chief Executive Officer, were granted options to purchase an aggregate of 600,000 Class A shares at an average market price of \$0.56. Directors are also reimbursed for travel and other expenses they incur when they attend meetings.

During the fiscal year ended December 31, 2007, the directors who are not officers or employees of the Corporation were paid fees or fees for membership in a club of \$2,500 each.

## **Interest Of Informed Persons in Material Transactions**

There were no material interests, direct or indirect, of directors and senior officers of the Corporation, nominees for director, any shareholder who beneficially owns more than 10% of the shares of the Corporation, or any known associate or affiliate of such persons in any transaction since the commencement of the Corporation's last completed financial period or in any proposed transaction which has materially affected or would materially affect the Corporation and which is not otherwise disclosed herein except for:

- The Corporation completed a private placement of 3,518,332 flow-through Class A shares in July 2007, at a price of \$0.60 per share. Directors and officers of the Corporation subscribed for an aggregate of 364,999 Class A shares. The transaction was completed on the same terms as to other arms length participants in the private placement.
- A legal firm, of which James Coleman, a director, is a partner, charged the Corporation \$239,081 (2006 - \$87,195) for fees and services. A legal firm, of which Ross Drysdale, a director, is a partner, charged the Corporation \$34,610 (2006 - nil).
- Douglas Wine, an officer, has an agreement with the Corporation whereby a company controlled by Mr. Wine has a 2% gross overriding royalty on all revenues from the earning well to be drilled on the Judy Creek property and also with respect to future revenues arising from the area of mutual interest for the Judy Creek area.
- Under an agreement dated October 11, 2007, a company owned by Jake Halldorson, a director, farmed in on a property owned by the Corporation paying 30% of the costs of a test well for a 30% interest before payout and a 15% interest after payout in the scheduled farmout lands.
- During 2007, a company owned by Owen Pinnell charged \$127,840 (2006 - \$69,600) to the Corporation for office space and related services. On June 1, 2007, the Corporation assumed all financial obligations with respect to the office lease with a monthly payment of \$13,196, which was adjusted for a change to operating costs to \$12,594 for the last quarter. Prior to this date, the monthly lease payment was \$10,557 (2006 - \$5,800). As of January 1, 2008, the Corporation assumed direct responsibility for the office lease.

## **Interest Of Certain Persons In Matters To Be Acted On**

Management of the Corporation is not aware of any material interest of any director or nominee for director, or senior officer or anyone who has held office as such since the beginning of the Corporation's last financial period or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than as disclosed in this Information Circular in the discussion of each such matter.

## **Corporate Cease Trade Orders or Bankruptcies**

Except as set forth herein, no proposed director of the Corporation has, within the ten years prior to the date of this information circular, been a director, officer or a promoter of any reporting issuer that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any statutory exemption for a period of more than 30 consecutive days or was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that person. Ross Drysdale, a director of the Corporation proposed to be re-elected at the Meeting, was

secretary of Patchgear.com Inc. ("Patchgear"), a company listed on the Alberta Stock Exchange. Patchgear was subject to a cease trade order in August 2001 for failure to file financial statements after ceasing operations. Mr. Drysdale was secretary to Equess Communications Inc. ("Equess") from March 1995 to March 2002. Equess was suspended pursuant to Rule C.1.07 on August 24, 2001.

## ANNUAL MEETING BUSINESS

### Financial Statements and Auditors' Report

Audited financial statements for the fiscal year ended December 31, 2007 and the report of the auditors thereon have been sent to registered shareholders. The presentation of such audited financial statements to the shareholders at the Meeting will not constitute a request for approval or disapproval.

### Election of Directors

The Articles of the Corporation provide that the Board of Directors shall consist of a minimum of three and a maximum of 11 directors to be elected annually. The term of office for each director is from the date of the meeting at which he is elected until the annual meeting next following or until his successor is elected or appointed.

The Board of Directors of the Corporation currently consists of seven directors. At the Meeting, a board of six directors is to be elected.

It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxies FOR the election of the nominees specified below as directors of the Corporation. If, prior to the Meeting, any vacancies occur in the slate of proposed nominees herein submitted, the persons named in the enclosed form of proxy intend to vote FOR the election of any substitute nominee or nominees recommended by management of the Corporation and FOR the remaining proposed nominees. Management has been informed that each of the proposed nominees listed below is willing to serve as a director if elected.

The following table states the names of all persons proposed to be nominated for election as directors, the position or office now held by them, if applicable, their principal occupation or employment for the past five years, the date on which they became directors of the Corporation and the number of shares in the capital of the Corporation beneficially owned directly or indirectly or over which they exercise control or direction.

Name and Municipality of Residence	Office Held	Principal Occupation for the Past Five Years	Director Since	Number of Shares Held
James H. Coleman <sup>(3)</sup> Calgary, Alberta	Director	Partner, Macleod Dixon LLP, Barristers and Solicitors.	April 2002	591,619 Class A 13,666 Class B
Ross O. Drysdale <sup>(3)</sup> Calgary, Alberta	Director	Lawyer and Counsel to the law firm of Burstall Winger LLP since February 2005. Previously, partner with Baker & McKenzie LLP from June 2002 to January 2005. Prior thereto, partner for 12 years with McCarthy Tetrault LLP	April 2007	970,308 Class A 4,379 Class B

<b>Name and Municipality of Residence</b>	<b>Office Held</b>	<b>Principal Occupation for the Past Five Years</b>	<b>Director Since</b>	<b>Number of Shares Held</b>
Jacob T. Halldorson <sup>(2,3)</sup> Calgary, Alberta	Director	Chief Executive Officer since April 2002 and Director since 1998 of Aqua-Pure Ventures Inc. Prior thereto, a senior executive and founding partner of Colt Engineering.	June 2004	1,716,190 Class A 35,794 Class B
John McGilvary P.Geol <sup>(1)</sup> Calgary, Alberta	Director	Since 2005, President and C.E.O. of Futurity Energy Group Inc., a private oil and gas investment company; in 2003 and 2004, the Chief Operating Officer at Viking Energy Royalty Trust, now Harvest Trust; from 1997 an independent consultant through Oilbank Exploration Inc.	May 2006	14,286 Class A 330 Class B
Owen C. Pinnell <sup>(2)</sup> Calgary, Alberta	Chairman and Chief Executive Officer	Founder and Managing Partner since 1999 of i3 Capital Partners Inc., a private company focusing on providing venture capital expertise to start-up companies.	March 2000	2,988,388 Class A 58,957 Class B
J. Ronald Woods <sup>(1)</sup> Toronto, Ontario	Director	Independent businessman since 2000 and director of several oil and gas companies listed on the Toronto Stock Exchange and TSX Venture Exchange.	November 2005	631,143 Class A 3,722 Class B

**Notes:**

- (1) Member of the Audit and Reserves Committee. An additional director will be appointed to the Audit and Reserves Committee upon the conclusion of the Meeting. The Corporation does not have an Executive Committee.
- (2) Member of the Environment and Safety Committee.
- (3) Member of the Compensation Committee

**Auditors**

The Corporation recommends the appointment of Deloitte & Touche LLP, Chartered Accountants, as auditors of the Corporation, to hold office until the next annual meeting of the Corporation at such remuneration as may be fixed by the Board of Directors.

**SPECIAL MEETING BUSINESS**

**Annual Approval of Stock Option Plan**

At the Meeting, the Corporation will be asked to consider and, if deemed advisable, approve a resolution approving the Corporation's existing stock option plan (the "Plan"). The TSX Venture Exchange Inc. requires annual shareholder approval of the Plan. The terms of the Plan are described in this Information Circular (see "Information Concerning the Corporation – Executive Compensation – Stock Option Plan") and no changes are proposed.

The form of resolution to be considered by shareholders at the Meeting is as follows:

"BE IT RESOLVED THAT:

1. The incentive stock option plan (the "Plan") of the Corporation, be and is hereby approved;
2. Any one officer or director of the Corporation is hereby authorized to execute and deliver all such documents and to do all such acts and things as may be

deemed advisable in such individual's discretion for the purpose of giving effect to this resolution."

To be effective, the resolution must be passed by at least a majority of the votes cast at the Meeting. The persons named in the enclosed form of proxy intend to vote in favour of this resolution at the Meeting.

## **OTHER BUSINESS**

Management is not aware of any other business to come before the Meeting other than as set forth in the Notice of Meeting of Shareholders. If any other business properly comes before the Meeting, it is the intention of the persons named in the Instrument of Proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

## **CORPORATE GOVERNANCE**

In establishing its corporate governance practices, the board of directors (the "Board") of the Corporation has been guided by Canadian securities legislation and the TSX guidelines for effective corporate governance, including National Policy 58-201 Corporate Governance Guidelines and other regulatory requirements such as Multilateral Instrument 52-110 *Audit Committees*.

### ***Board of Directors***

The Board is currently comprised of seven individuals, five of whom are independent (Ross O. Drysdale, Jacob T. Halldorson, John McGilvary, John K. Read and J. Ronald Woods). One of the directors is a member of management (Owen C. Pinnell) and, accordingly, is not independent within the meaning of that term set out in Multilateral Instrument 52-110 *Audit Committees*. The seventh director (James H. Coleman) is not considered to be independent due to the fact that Mr. Coleman is a partner in a law firm that provides services to the Corporation.

### ***Directorships***

The following table sets out the directors of the Corporation who are currently directors of other reporting issuers:

<b>Name</b>	<b>Other Reporting Issuers</b>
James H. Coleman	Arawak Energy Corporation Energold Drilling Corp. Gold Reserve Inc. Sulliden Exploration Inc.
Ross O. Drysdale	Arrowhead Water Products Ltd. Bandon Capital Resources Ltd. Nexstar Energy Ltd. West High Yield (W.H.Y.) Resources Ltd.
Jacob T. Halldorson	Aqua-Pure Ventures Inc.
John McGilvary	Colonia Energy Corp.
Owen C. Pinnell	Parkland Energy Services Inc.
John K. Read	Axia NetMedia Corporation PFB Corporation

### ***Orientation and Continuing Education***

New directors to the Board are provided with a director's package containing pertinent information about the Corporation. Members of the Board are provided with ongoing education respecting the Corporation's operations by way of management presentations. In addition, directors are encouraged to attend industry workshops respecting the responsibilities of directors.

### ***Ethical Business Conduct***

The Board encourages and promotes a culture of ethical business conduct by actively overseeing the management of the business.

### ***Nomination and Assessment of Directors***

The members of the Board share responsibility for proposing new nominees to the Board and for assessing directors on an ongoing basis. Due to the small number of Board members, this duty is not delegated to a committee.

### ***Compensation***

The Board as a whole reviews the compensation for the directors and senior management annually, following recommendations from the Compensation Committee.

### ***Board Committees***

To facilitate its exercise of independent supervision over management, the Board has established the Audit and Reserves committee, the Compensation committee and the Environment and Safety Committee.

### **Audit and Reserves Committee**

The Audit Committee is comprised of three individuals, all of whom are independent and financially literate as defined by Multilateral Instrument 52-110 *Audit Committees*.

The Audit Committee reviews the annual financial statements and related financing reporting of the Corporation and meets with the external independent auditors to review and consider audit procedures and to assess the appropriateness and effectiveness of the Corporation's policies, business practices and internal controls. The members of the Audit Committee have direct access to the external auditors of the Corporation. The Audit Committee also reviews the unaudited quarterly financial statements, management's discussion and analysis of financial results and earnings press releases. The charter of the Corporation's Audit Committee is set out in an appendix to the Information Circular filed on SEDAR on April 15, 2005 in respect of the Annual and Special Meeting of Shareholders held on May 19, 2005. This document is available on SEDAR at [www.sedar.com](http://www.sedar.com) and, upon request, the Corporation will promptly provide a copy of such document free of charge to shareholders of the Corporation.

As a company listed on the TSX Venture Exchange, the Corporation is exempt from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of Multilateral Instrument 52-110 *Audit Committees*.

### **Compensation Committee**

The compensation committee is comprised of a minimum of three directors, all of whom are independent, taking into account the applicable rules and regulations of securities regulatory authorities and/or stock exchange.

The Compensation Committee is responsible for assisting the Board in monitoring, reviewing and approving overall compensation policies and practices of the Corporation and administering the Corporation's share compensation plans.

### **Environment and Safety Committee**

The Environment and Safety Committee is comprised of three individuals, a majority of whom are not members of management.

The Environment and Safety Committee is responsible for ensuring that management has designed and implemented effective programs relating to safety and environment, including the prevention or mitigation of risks and compliance with applicable legal requirements.

All matters outside the mandates of the Audit and Reserves Committee, the Compensation Committee or the Environment and Safety Committee are considered by the full Board. The Board has considered this appropriate in light of the size of the Corporation and its stage of development.

### ***Fees Charged by External Auditors***

The following table sets out the aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for the category of fees described.

	<u>2007</u>	<u>2006</u>
Audit Fees	\$53,652	\$26,964
Audit-Related Fees	\$1,023	\$0
Tax Fees	\$15,169	\$25,680
Resolve amalgamation information circular and 3 <sup>rd</sup> qtr review	45,750	-
All Other Fees	2,359	\$0
Total	<u>\$117,953</u>	<u>\$52,644</u>

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is contained in the Corporation's consolidated financial statements and Management's Discussion and Analysis for the year ended December 31, 2007. If you wish to request copies of the Corporation's financial statements and Management's Discussion and Analysis, please contact Giles Parker, Chief Financial Officer, at 1420, 1122 – 4th Street SW, Calgary, Alberta, T2R 1M1, Tel: (403) 215-2427.