

ALPETRO RESOURCES LTD.

MANAGEMENT INFORMATION CIRCULAR for the Annual Meeting of Shareholders to be held on Monday, June 1, 2009

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the board of directors and the management of Alpetro Resources Ltd. (the "Corporation") for use at the annual meeting (the "Meeting") of the holders of voting shares ("Common Shares") of the Corporation, to be held on Monday, June 1, 2009 at 10:00 a.m. (Calgary time), at the offices of the Corporation, Suite 2240, 444 – 5th Avenue S.W., Calgary, Alberta, or at any adjournment thereof, for the purposes set out in the accompanying notice of meeting (the "Notice of Meeting"). As a shareholder, you are cordially invited to be present at the Meeting.

The solicitation of proxies is expected to be primarily by mail but may also be supplemented by telephone, other personal contact or other means of communication by the directors, officers and regular employees of the Corporation, at no additional compensation. The costs of solicitation will be borne by the Corporation. None of the directors of the Corporation have advised management in writing that they intend to oppose any action intended to be taken by management as set forth in this Information Circular.

No person is authorized to give any information or make any representations other than those contained in this Information Circular and if given or made, such information or representations must not be relied upon as having been authorized to be given or made. Except where otherwise stated, the information herein is given as of May 4, 2009.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying instrument of proxy (the "Instrument of Proxy") are directors or officers of the Corporation. **A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for the shareholder at the Meeting other than the persons named in the accompanying Instrument of proxy.** Such right may be exercised by inserting in the blank space provided for that purpose on the Instrument of Proxy, the name of the person(s) to be designated and by deleting therefrom the names of the management designees, or by completing another proper form of proxy. Such shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy, and provide instructions on how the shareholder's Common Shares are to be voted. The nominee should bring personal identification with him to the Meeting. In any case, the Instrument of Proxy or other 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), or if the shareholder is a corporation, under its corporate seal or by an officer of attorney thereof duly executed.

An Instrument of Proxy or other form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Corporation's transfer agent, Computershare Trust Company of Canada ("Computershare"), Proxy Department, located at 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, no later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion prior

to the commencement of the Meeting, 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 with Computershare at the address set out above, 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 the shareholder's Common Shares.

ADVICE TO NON-REGISTERED 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 this management 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), and in the United States, under the name Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many US brokerage firms and custodian banks). 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 shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that instructions respecting the voting of their Common Shares 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. Often, 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 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.**

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.**

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. All references to shareholders in this Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to registered shareholders.

VOTING OF SHARES AND EXERCISE OF DISCRETION 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 persons whose names appear on the Instrument of Proxy, 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 Instrument of Proxy confers discretionary authority upon the persons whose names appear therein, 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, or variations of or other matters which may come before the Meeting. In the event that other matters come before the Meeting, then the persons whose names appear in the Instrument of Proxy intend to vote in accordance with the judgment of management of the Corporation.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value. As at the date of this Information Circular, which is May 4, 2009, the Corporation has 10,887,770 Common Shares issued and outstanding. The holders of Common Shares are entitled to one vote for each Common Share held.

The Board of Directors of the Corporation has fixed April 24, 2009 as the record date (the "Record Date") for determining which shareholders are entitled to receive notice of the Meeting and to vote thereat. All holders of Common Shares at the close of business on the Record Date are entitled to attend and vote the

Common Shares held by them, either in person or by proxy, at the Meeting or any adjournment thereof. However, a person appointed under a proxy will be entitled to vote the Common Shares represented by that proxy only if it is effectively delivered in the manner set out herein under the heading "Appointment and Revocation of Proxies" and has not been revoked.

To the extent that a person has transferred any Common Shares after the Record Date, and the transferee of those Common Shares produces a properly endorsed share certificate or otherwise establishes ownership no later than ten (10) days before the Meeting, such person shall be entitled to demand inclusion in the list of shareholders prepared by the Corporation before the Meeting and to vote thereat.

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

To the knowledge of the directors and executive officers of the Corporation as at May 4, 2009, only the following persons or companies beneficially own, or control or direct, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached thereto:

Name	Number of Common Shares	Percentage of Common Shares Held
Nazrul Islam	5,625,770	51.7

MATTERS TO BE CONSIDERED AT THE MEETING

1. Financial Statements

The audited financial statements for the financial year ended December 31, 2008, the auditors' report thereon and management's discussion and analysis accompany this Information Circular. No formal action will be taken at the Meeting to approve such financial statements. If any shareholders have questions respecting such financial statements, the questions may be brought forward at the Meeting.

2. Fixing the Number of Directors

The Board of Directors currently consists of four (4) members. The term of office for each of the present directors of the Corporation expires at the Meeting. It is proposed that the number of directors to be elected at the Meeting, for the ensuing year, be fixed at four (4). At the Meeting, the shareholders of the Corporation will be asked to consider and, if thought fit, approve an ordinary resolution fixing the number of directors to be elected at the Meeting at four (4). **The persons designated in the Instrument of Proxy, unless instructed otherwise, intend to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at four (4).**

3. Election of Directors

The persons designated in the Instrument of Proxy, unless instructed otherwise, intend to vote for the election of the following nominees. Management does not contemplate that any of the nominees will be unable to serve as a director, but, if that should occur for any reason prior to the Meeting, **the persons designated in the Instrument of Proxy reserve the right to vote for other nominees in their discretion unless the Shareholder has specified in its proxy that its Common Shares are to be withheld from voting in the election of directors.** Each director elected will hold office until the next annual meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the By-laws of the Corporation.

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 him, his province or state and country of residence, principal occupation, business or employment, the period during which he has served as a director, and the number of Common Shares that he has advised are beneficially owned by him, directly or indirectly, or over which control or direction is exercised, as of the date hereof.

Name and Municipality of Residence	Principal Occupation for Past Five Years	Year Became a Director	Number of Common Shares Beneficially Owned or Controlled ⁽¹⁾
Nazrul Islam ⁽²⁾ <i>President, Chief Executive Officer and Director</i> Calgary, Alberta, Canada	President and Chief Executive Officer of the Corporation	1994	5,625,770 ⁽³⁾
Robin Chan <i>Treasurer, Chief Financial Officer, Secretary and Director</i> Calgary, Alberta, Canada	Senior Accountant and Controller for Invasion Energy Inc., a private Alberta oil and gas company	2002	150,000 ⁽⁴⁾
Vincent Murphy ⁽⁵⁾ <i>Director</i> Calgary, Alberta, Canada	Independent landman	2006	0 ⁽⁶⁾
James Phillips ⁽⁷⁾ <i>Director</i> Calgary, Alberta, Canada	Independent petroleum engineer	2008	0

Notes:

- (1) The information as to the number of Common Shares beneficially owned or controlled by directors, not being within the knowledge of the Corporation, has been furnished to the Corporation by the individual nominees.
- (2) Member of the Corporation's audit committee. The Corporation does not have an executive committee or a compensation committee.
- (3) Does not include options to acquire 400,000 Common Shares, exercisable at \$0.64 each, expiring on June 30, 2011.
- (4) Does not include options to acquire 98,500 Common Shares, exercisable at \$0.64 each, expiring on June 30, 2011.
- (5) Member of the Corporation's audit committee.
- (6) Does not include options to acquire 50,000 Common Shares, exercisable at \$0.64 each, expiring on June 30, 2011.
- (7) Member of the Corporation's audit committee.

4. Appointment of Auditors

It is proposed that Hudson LLP, Chartered Accountants, be appointed as the auditors of the Corporation to hold office until the next annual meeting of shareholders. Hudson LLP, Chartered Accountants, were first appointed as auditors of the Corporation on January 31, 1995.

The persons designated in the Instrument of Proxy, unless instructed otherwise, intend to vote for the appointment of Hudson LLP, Chartered Accountants, as auditors of the Corporation, to hold office until the close of the next annual general meeting of shareholders or until Hudson LLP, Chartered Accountants, are removed from office or resign as provided by the Corporation's By-laws, at a remuneration to be fixed by the board of directors.

5. Re-approval of Stock Option Plan

At the Corporation's last annual general meeting of shareholders, held on June 4, 2008, the shareholders of the Corporation approved the Corporation's 2008 Plan. Under the 2008 Plan, the Corporation's board of directors may grant up to 10% of the issued number of shares outstanding at the date of the stock option grant. On this basis, the 2008 Plan has been operated as a "Rolling Plan" which, in accordance with Exchange policy, must be re-approved on an annual basis. Accordingly, shareholders will be asked at the Meeting to vote on a resolution to re-approve and adopt the 2008 Plan as a Rolling Plan for the ensuing year, in the form attached as Schedule "A" hereto (the "2009 Plan").

The 2009 Plan provides that the board of directors of the Corporation may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, the option to purchase Common Shares. The 2009 Plan provides for a floating maximum limit of 10% of the outstanding Common Shares, as permitted by the Policies of the Exchange. As at the Effective Date, this represents 1,088,770 Common Shares available under the 2009 Plan. To date, options to purchase a total of 548,500 Common Shares have been issued to directors and officers of the Corporation, none of which were exercised in 2008.

The number of Common Shares reserved for any one person may not exceed 5% of the outstanding Common Shares. The board of directors determines the price per Common Share and the number of Common Shares that may be allotted to each director, officer, employee and consultant and all other terms and conditions of the options, subject to the rules of the Exchange. The price per Common Share set by the directors is subject to minimum pricing restrictions set by the Exchange.

Options may be exercisable for up to five years from the date of grant, but the board of directors has the discretion to grant options that are exercisable for a shorter period. Options under the 2009 Plan are non-assignable. If prior to the exercise of an option, the holder ceases to be a director, officer, employee or consultant, the option shall be limited to the number of Common Shares purchasable by him immediately prior to the time of his cessation of office or employment and he shall have no right to purchase any other Common Shares. Options must be exercised within ninety days of termination of employment or cessation of position with the Corporation (thirty days in the case of a person engaged in investor relations), provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death or disability, the option must be exercised within one year, subject to the expiry date.

A complete copy of the 2009 Plan is attached as Schedule "A" to this Information Circular. The 2009 Plan is subject to approval by the Exchange and subject to approval by the shareholders of the Corporation, as required by the rules of the Exchange.

At the Meeting, the shareholders will be asked to approve the following resolution:

"BE IT RESOLVED THAT:

- (a) the stock option plan of the Corporation, as described in and attached as Schedule "B" to the Information Circular of the Corporation dated May 4, 2009 (the "2009 Plan"), be and is hereby approved and adopted as the stock option plan of the Corporation;
- (b) the 2009 Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation;

- (c) all issued and outstanding stock options previously granted are continued under and governed by the 2009 Plan, and are hereby ratified, confirmed and approved;
- (b) any one (or more) director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to make all such arrangements, to do all acts and things, and to execute all documents and instruments in writing, whether under the corporate seal of the Corporation or otherwise, as may be considered necessary or advisable to give full force and effect to this ordinary resolution.”

The resolution must be approved by a simple majority of the votes cast at the meeting by the holders of Common Shares. If the 2009 Plan is not approved by the shareholders, the Corporation will have to consider other methods of compensating and providing incentives to directors, officers, employees and consultants.

The persons designated in the Instrument of Proxy, unless instructed otherwise, intend to vote for approval of the 2009 Plan.

OTHER MATTERS

While there is no other matter other than the matters 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.**

STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this section, "executive officer" means the chair and any vice-chair of the Board of Directors; the president; any vice-president in charge of a principal business unit, division or function; or any other individual that performed a policy-making function in respect of the Corporation.

A "Named Executive Officer" ("NEO") means, collectively:

- (a) the Chief Executive Officer of the Corporation, or any individual that acted in a similar capacity during the financial year ended December 31, 2008 (the "CEO");
- (b) the Chief Financial Officer of the Corporation, or any individual that acted in a similar capacity during the financial year ended December 31, 2008 (the "CFO");
- (c) each of the Corporation's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at December 31, 2008.

Summary Compensation Table

The Corporation has two Named Executive Officers. The following table sets forth a summary of all compensation for services paid during the most recently completed financial year for Nazrul Islam, President and Chief Executive Officer, and Robin Chan, Chief Financial Officer. No other executive officer received total compensation of more than \$150,000 during the most recently completed financial year.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long term incentive plans			
Nazrul Islam, President and Chief Executive Officer	2008	100,000	0	0	0	0	0	2,876 ⁽¹⁾	102,876
	2007	100,000	0	0	0	0	0	3,126 ⁽¹⁾	103,126
	2006	100,000	0	283,600	0	0	0	2,876 ⁽¹⁾	286,476
Robin Chan, Chief Financial Officer	2008	0	0	0	0	0	0	1,000 ⁽²⁾	1,000
	2007	0	0	0	0	0	0	1,250 ⁽²⁾	1,250
	2006	0	0	69,837	0	0	0	1,000 ⁽²⁾	70,837

Notes:

- (1) Of this amount, \$1,876 relates to premiums paid by the Corporation for the applicable period with respect to a life insurance policy for the benefit of the Named Executive Officer pursuant to the Named Executive Officer's employment agreement. (See "Executive Compensation – Termination of Employment, Change in Responsibilities and Employment Contracts".) The balance relates to aggregate annual directors' fees.
- (2) Relates to aggregate annual directors' fees.

Incentive Plan Awards

Outstanding Share-Based Awards and Option Based-Awards

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the financial year ended December 31, 2008 to the Named Executive Officers of the Corporation.

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⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Nazrul Islam	400,000	0.64	June 30, 2011	0	0	0
Robin Chan	98,500	0.64	June 30, 2011	0	0	0

Notes:

- (1) Value is calculated based on the difference between the exercise price of the options and the closing price of the Corporation's Common Shares on the TSX Venture Exchange on December 18, 2008 at \$0.55, being the last date in 2008 that the Corporation's Common Shares traded.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information relating to the value vested or earned during the Corporation's financial year ended December 31, 2008 in respect of option-based awards, share-based awards and non-equity incentive plan compensation for the Named Executive Officers of the Corporation.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Nazrul Islam	0	0	0
Robin Chan	0	0	0

Termination and Change of Control Benefits and Employment Contracts

The Corporation entered into an employment agreement effective October 6, 1994 (the "Employment Agreement") with its President and Chief Executive Officer, Nazrul Islam, which provides that it may be terminated by the Corporation upon thirty days' notice and upon payment of severance equal to two weeks of salary for the first three years of service and one month of salary for each following year of service.

Pursuant to the Employment Agreement, the performance of and annual salary paid to Mr. Islam are subject to annual review and the Corporation maintains and pays the premiums for a \$100,000 life insurance policy upon the life of Mr. Islam under which Mr. Islam's spouse is the sole beneficiary.

There are no other compensatory plans or arrangements with respect to any Named Executive Officer resulting from the termination, resignation, retirement or change in the responsibilities of any Named Executive Officer's responsibilities following a change in control.

Director Compensation

Director Compensation Table

The following table sets forth information in respect of all amounts of compensation provided to the directors, other than the Named Executive Officers, during the Corporation's financial year ended December 31, 2008.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$) ⁽¹⁾	Total (\$)
David Kiddle	0	0	0	0	n/a	750	750
Vincent Murphy	0	0	0	0	n/a	1,000	1,000
James Phillips	0	0	0	0	n/a	250	250

Notes:

(1) Relates to aggregate annual directors' fees.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the financial year ended December 31, 2008 to the directors of the Corporation, other than the Named Executive Officer.

Option-based Awards					Share-based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Vincent Murphy	50,000	0.64	June 30, 2011	0	0	0

Notes:

(1) Value is calculated based on the difference between the exercise price of the options and the closing price of the Corporation's Common Shares on the TSX Venture Exchange on December 18, 2008 at \$0.55, being the last date in 2008 that the Corporation's Common Shares traded.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information relating to the value vested or earned during the Corporation's financial year ended December 31, 2008 in respect of option-based awards, share-based awards and non-equity incentive plan compensation for directors of the Corporation, other than the Named Executive Officers.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Vincent Murphy	0	0	0
James Phillips	0	0	0

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information related to the Corporation's equity compensation plans under which securities of the Corporation are authorized for issuance as at the financial year ended December 31, 2008.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities in column (a)) (c)
Equity compensation plans approved by securityholders	548,500	0.64	540,277
Equity compensation plans not approved by securityholders	0	0	0
Total:	548,500	0.64	540,277

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

To the knowledge of the Corporation, no individual who is, or at any time during the financial year ended December 31, 2008 was, a director, executive officer or employee of the Corporation, or any of its subsidiaries, a proposed nominee for election as a director or an associate of any such director, executive officer or proposed nominee, is or at any time since the beginning of the financial year ended December 31, 2008 has been indebted to the Corporation, or any of its subsidiaries, and no such indebtedness of any such individual to another entity is, or has at any time since the beginning of such year been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation, or any of its subsidiaries.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as described in this Information Circular, and to the knowledge of the Corporation, no informed person of the Corporation, any proposed director of the Corporation, or any associate or affiliate of the foregoing persons has, or has had, any material interest in any transaction since the commencement of the last financial year or in any proposed transaction that has materially affected, or will materially affect, the Corporation or any of its subsidiaries.

For the purposes of this Information Circular, an "informed person" means a director or executive officer of the Corporation, a director or executive officer of a subsidiary of the Corporation and any person or company that owns, directly or indirectly, Common Shares or who exercises control or direction over Common Shares or a combination of both carrying more than ten percent (10%) of the voting rights attached to all outstanding Common Shares.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as described in this Information Circular, to the knowledge of the Corporation no current or nominee member of the Board of Directors or any executive officer of the Corporation, or any associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

MANAGEMENT CONTRACTS

All the Corporation's management functions are performed by its own directors and executive officers. Consequently, other than the Corporation's employment agreement with its President and Chief Executive Officer (see "Executive Compensation – Termination and Change of Control Benefits and Employment Contracts"), the Corporation has not entered into any other management contracts or other

arrangements with any other person or company, nor does the Corporation presently anticipate entering into any such contracts.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

Under National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, the Corporation is required to include in this Management Information Circular the disclosure required under Form 58-101F2 with respect to the corporate governance guidelines set out under National Policy 58-201 – *Corporate Governance Guidelines*.

1. Board of Directors

The Board of Directors of the Corporation (the “Board”), at present, comprises four directors, all of whom are nominated for re-election at the Meeting. Two of the present directors, Vincent Murphy and James Phillips, are considered to be “independent” in that they are independent and free from any interest, and any business or other relationship, which could reasonably be perceived to materially interfere with the directors’ ability to act in the best interests of the Corporation, other than interest and relationships arising or that may arise from their shareholdings. Nazrul Islam, by reason of his being the Chief Executive Officer of the Corporation, and Robin Chan, by reason of his being the Chief Financial Officer of the Corporation, are not considered to be independent directors. A majority of the Board is not and will not be independent.

2. Directorships

None of the nominees for election as a director is a director of any other reporting issuer.

3. Orientation and Continuing Education

At present, each new director is given an outline of the nature of the Corporation’s business, its corporate strategy and current issues with the Corporation. New directors are also required to meet with management of the Corporation to discuss and better understand the Corporation’s business and will be advised by counsel to the Corporation of their legal obligations as directors of the Corporation.

The introduction and education process will be reviewed on an annual basis by the Board and will be revised as necessary.

4. Ethical Business Conduct

The Board monitors the ethical conduct of the Corporation to ensure that it complies with applicable legal and regulatory requirements. The Board has not adopted a formal written code of ethics. The Board has found that the fiduciary duties placed on individual directors by the Corporation’s governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director’s participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates in the best interests of the Corporation.

5. Nomination of Directors

The Board has not appointed a nominating committee. The Board determines new nominees to the Board although no formal process has been adopted. Individual Board members may make recommendations to the board as a whole, and the board as a whole would nominate any new candidate for appointment or election to the Board.

6. Compensation

Compensation of Board members for acting as directors is determined by the Board. Board members are entitled to, and do, participate in the Corporation's incentive stock option plan. All decisions on compensation in any form are made by the board as a whole, except on compensation of executive officers who are also directors, in which case decisions are made by the independent directors.

7. Other Board Committees

Other than the Audit Committee discussed below, the Corporation has no standing committees at this time.

8. Assessments

The Board has not implemented a process for assessing its effectiveness. As a result of the Corporation's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be unnecessary at this time. The Board plans to continue evaluating its own effectiveness on an ad hoc basis. The Board does not formally assess the performance or contribution of individual Board members or committee members.

AUDIT COMMITTEE INFORMATION

The following information is provided in accordance with Form 52-110F2 under National Instrument 52-110 – *Audit Committees* ("NI 52-110").

Audit Committee Charter

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

Composition of the Audit Committee

The current members of the Corporation's Audit Committee are Nazrul Islam, Vincent Murphy and James Phillips. Nazrul Islam, the President and Chief Executive Officer of the Corporation, is not considered to be "independent" under the meaning of "independence" in NI 52-110; Vincent Murphy and James Phillips are considered to be "independent". All members of the Audit Committee are considered to be "financially literate" as defined in NI 52-110.

Relevant Education and Experience

Nazrul Islam obtained a Master of Science in Geophysics degree from the University of Manitoba in 1972. He has been involved in the financing, administration and operation of managing the Corporation since incorporation and has been directly involved in the preparation of the Corporation's financial

statements, filing of the quarterly and annual financial statements and dealing with the auditor, both as management and as a member of the Audit Committee of the Corporation.

Vincent Murphy obtained a Bachelor of Arts degree from the University of Saskatchewan in 1983 and has been a registered member of the Canadian Association of Petroleum Landmen since 1992. He is a self-employed landman and has owned, operated and managed his own private oil and gas company.

James Phillips obtained a Bachelor of Science in Electronics degree from the University of Calgary in 1973, is a professional engineer and has been a registered member of The Association of Professional Engineers, Geologists and Geophysicists of Alberta since 1975. He is a self-employed petroleum engineering consultant and was a former director of the Corporation from March 2002 to March 2003.

All members of the audit committee have the ability to read, analyze and understand the complexities surrounding the issuance of financial statements.

Audit Committee Oversight

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

Reliance on Certain Exemptions

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

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services; however, as provided for in NI 52-110, the Audit Committee must pre-approve all non-audit services to be provided to the Corporation or its subsidiaries, unless otherwise permitted by NI 52-110.

External Auditor Service Fees (By Category)

The fees for auditor services billed by the Corporation's external auditors in each of the last two financial years are as follows:

Financial Year Ending December 31	Audit Fees	Audit-related Fees	Tax Fees	All Other Fees
2008	\$35,000	\$1,000	\$4,000	\$1,500
2007	\$30,000	\$2,000	\$3,000	\$0

Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110, the exemption for venture issuers, in relation to the requirement that every audit committee member be independent.

ADDITIONAL INFORMATION

Financial information about the Corporation is provided in the Corporation's financial statements for its most recently completed financial year. Shareholders of the Corporation may contact the Corporation at Suite 2240, 444 – 5th Avenue S.W., Calgary, Alberta T2P 2T8 to request copies of the Corporation's financial statements. Additional information relating to the Corporation is available on SEDAR at www.sedar.com.

DIRECTORS' APPROVAL

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

signed

Nazrul Islam

President and Chief Executive Officer

Calgary, Alberta
May 4, 2009

SCHEDULE "A"**2009 STOCK OPTION PLAN****ALPETRO RESOURCES LTD.****1. The Plan**

A stock option plan (the "Plan"), pursuant to which options to purchase common shares, or such other shares as may be substituted therefor, (the "Shares"), in the capital of Alpetro Resources Ltd. (the "Corporation"), may be granted to the directors, officers and employees of the Corporation and to consultants retained by the Corporation, is hereby established on the terms and conditions set forth herein.

2. Purpose

The purpose of this Plan is to advance the interests of the Corporation by encouraging the directors, officers and employees of the Corporation and consultants retained by the Corporation to acquire Shares, thereby: (i) increasing the proprietary interests of such persons in the Corporation; (ii) aligning the interests of such persons with the interests of the Corporation's shareholders generally; (iii) encouraging such persons to remain associated with the Corporation; (iv) furnishing such persons with an additional incentive in their efforts on behalf of the Corporation and attracting new employees, officers, directors and consultants.

3. Administration

- (a) This Plan shall be administered by the board of directors of the Corporation (the "Board").
- (b) Subject to the terms and conditions set forth herein, the Board is authorized to provide for the granting, exercise and method of exercise of Options (as defined in paragraph 3(d) hereof), all on such terms (which may vary between Options granted from time to time) as it shall determine. In addition, the Board shall have the authority to: (i) construe and interpret this Plan and all option agreements entered into hereunder; (ii) prescribe, amend and rescind rules and regulations relating to this Plan; and (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding on all Participants (as hereinafter defined) and on their legal, personal representatives and beneficiaries.
- (c) Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board or to the President or any other officer of the Corporation. Whenever used herein, the term "Board" shall be deemed to include any committee or officer to which the Board has, fully or partially, delegated responsibility and/or authority relating to the Plan or the administration and operation of the Plan pursuant to this Section 3.
- (d) Options to purchase the Shares granted hereunder ("Options") shall be evidenced by (i) an agreement, signed on behalf of the Corporation and by the person to whom an Option is granted, which agreement shall be in such form as the Board shall approve, or (ii) a written notice or other instrument, signed by the Corporation, setting forth the material attributes of the Options.

4. Shares Subject to the Plan

- (a) Subject to Section 15, the securities that may be acquired by Participants (as hereinafter defined) upon the exercise of Options shall consist of authorized but unissued Shares. Whenever used herein, the term “Shares” shall be deemed to include any other securities that may be acquired by a Participant upon the exercise of an Option the terms of which have been modified in accordance with Section 15.
- (b) The aggregate number of Shares reserved for issuance under the Plan shall not exceed 10% of the number of all of the then outstanding Shares unless the Corporation receives the permission of the stock exchange or exchanges on which the Shares are then listed to exceed such threshold.
- (c) If any option granted under this Plan shall expire or terminate for any reason without having been exercised in full, any unpurchased Shares to which such Option relates shall be available for the purposes of the granting of Options under this Plan.

5. Maintenance of Sufficient Capital

The Corporation shall at all times during the term of the Plan ensure that the number of Shares it is authorized to issue shall be sufficient to satisfy the Corporation’s obligations under all outstanding Options granted pursuant to this Plan.

6. Eligibility and Participation

- (a) The Board may, in its discretion, select any of the following persons to participate in the Plan:
 - (i) directors of the Corporation;
 - (ii) officers of the Corporation;
 - (iii) employees of the Corporation; and
 - (iv) consultants retained by the Corporation, provided such consultants have performed and/or continue to perform services for the Corporation on an ongoing basis or are expected to provide a service of value to the Corporation;

(any such person having been selected for participation in the Plan by the Board is herein referred to as a “Participant”).

The Corporation represents that directors, officers, employees and consultants granted Options under this Plan are *bona fide* directors, officers, employees or consultants of the Corporation.

- (b) The Board may from time to time, in its discretion, grant an option to any Participant, upon such terms, conditions and limitations as the Board may determine, including the terms, conditions and limitations set forth herein, provided that Options granted to any Participant shall be approved by the shareholders of the Corporation if the rules of any stock exchange on which the Shares are listed require such approval.

7. Exercise Price

The Board shall, at the time an Option is granted under the Plan, fix the exercise price at which Shares may be acquired upon the exercise of any such Option provided that such exercise price shall not be less than that from time to time permitted under the rules of any stock exchange or exchanges on which the Shares are then listed. Disinterested shareholder approval will be obtained for any reductions in the exercise price if the Participant is an insider of the Corporation at the time of the proposed amendment.

8. Number of Optioned Shares

The number of Shares that may be acquired under an Option granted to a Participant shall be determined by the Board as at the time the Option is granted, provided that: (i) the aggregate number of Shares reserved for issuance to any one Participant under this Plan or any other plan of the Corporation, shall not exceed 5% of the total number of issued and outstanding Shares (calculated on a non-diluted basis) in any 12 month period; (ii) Options granted to a Participant who is a consultant shall not exceed 2% of the issued and outstanding Shares (calculated on a non-diluted basis) in any 12 month period; and (iii) Options granted to a Participant who is an employee engaged in investor relation activities shall not exceed 2% of the issued and outstanding Shares (calculated on a non-diluted basis) in any 12 month period, unless the Corporation receives the permission of the stock exchange or exchanges on which the Shares are listed to exceed such thresholds.

9. Term

The period during which an Option may be exercised (the "Option Period") shall be determined by the Board at the time the Option is granted, subject to any vesting limitations which may be imposed by the Board in its sole unfettered discretion at the time such Option is granted under Sections 11, 12 and 16, provided that:

- (a) no Option shall be exercisable for a period exceeding five (5) years from the date the Option is granted unless otherwise specifically provided by the Board, and in any event, no Option shall be exercisable for a period exceeding ten (10) years from the date the Option is granted;
- (b) no Option in respect of which shareholder approval is required under the rules of any stock exchange or exchanges on which the Shares are then listed shall be exercisable until such time as the Option has been approved by the shareholders of the Corporation; and
- (c) the Board may, subject to the receipt of any necessary regulatory approvals, in its sole discretion, accelerate the time at which any Option may be exercised, in whole or in part.

10. Method of Exercise of Option

- (a) Except as set forth in Sections 11 and 12 or as otherwise determined by the Board, no Option may be exercised unless the holder of such Option is, at the time the Option is exercised, a director, officer, employee or consultant of the Corporation.
- (b) Options that are otherwise exercisable in accordance with the terms thereof may be exercised in whole or in part from time to time.
- (c) Any Participant (or his legal, personal representative) wishing to exercise an Option shall deliver to the Corporation, at its principal office in the City of Calgary, Alberta:

- (i) a written notice expressing the intention of such Participant (or his legal, personal representative) to exercise his Option and specifying the number of Shares in respect of which the Option is exercised; and
 - (ii) a cash payment, certified cheque or bank draft, representing the full purchase price of the Shares in respect of which the Option is exercised.
- (d) Upon the exercise of an Option as herein provided, the Corporation shall use reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Shares to deliver, to the relevant Participant (or his legal, personal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Shares in respect of which the Option has been duly exercised.

11. Ceasing to be a Director, Officer, Employee or Consultant

If any Participant is terminated by the Corporation from his position or positions of director, officer, employee or consultant of the Corporation (as the case may be) for any reason other than death or permanent disability, his Option will expire and terminate at 4:00 p.m. (Calgary time) on the earlier of the date of the expiration of the Option Period and 90 days after the date such Participant ceases to hold the position or positions of director, officer, employee or consultant of the Corporation, as the case may be, unless such Participant was engaged in investor relations activities, in which case his Option will expire and terminate at 4:00 p.m. (Calgary time) on the earlier of the date of the expiration of the Option Period and 30 days after the date such Participant ceases to be engaged in investor relations activities. If, on the other hand, any Participant terminates, at his own discretion, his position or positions of director, officer, employee or consultant of the Corporation (as the case may be) for any reason other than death or permanent disability, his Option will expire and terminate at 4:00 p.m. (Calgary time) on the date such Participant ceases to hold the position or positions of director, officer, employee or consultant of the Corporation, as the case may be.

Neither the selection of any person as a Participant nor the granting of an Option to any Participant under this Plan shall (i) confer upon such Participant any right to continue as a director, officer, employee or consultant of the Corporation, as the case may be; or (ii) be construed as a guarantee that the Participant will continue as a director, officer, employee or consultant of the Corporation, as the case may be.

12. Death or Permanent Disability of a Participant

In the event of the death or permanent disability of a Participant, any Option previously granted to him shall be exercisable until the end of the Option Period or until the expiration of 12 months after the date of death or permanent disability of such Participant, whichever is earlier, and then, in the event of death or permanent disability, only:

- (a) by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will, enduring power of attorney, or applicable law; and
- (b) to the extent that he was entitled to exercise the Option as at the date of his death or permanent disability.

13. Rights of Participants

No person entitled to exercise any Option granted under this 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 such Shares have been paid for in full and issued to such person.

14. Proceeds from Exercise of Options

The proceeds from any 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 and direct.

15. Adjustments

- (a) The number of Shares subject to the Plan shall be increased or decreased proportionately in the event of the subdivision or consolidation of the outstanding Shares of the Corporation, and in any such event a corresponding adjustment shall be made to the number of Shares deliverable upon the exercise of any Option granted prior to such event without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Share that may be acquired upon the exercise of the Option. In case the Corporation is reorganized or merged or consolidated or amalgamated with another corporation, appropriate provisions shall be made for the continuance of the Options outstanding under this Plan and to prevent any dilution or enlargement of the same.
- (b) Adjustments under this Section 15 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 Shares shall be issued upon the exercise of an Option following the making of any such adjustment.

16. Change of Control

Notwithstanding the provisions of Section 11 or any vesting restrictions otherwise applicable to the relevant Options, in the event of a sale by the Corporation of all or substantially all of its assets or in the event of a change of control of the Corporation, each Participant shall be entitled to exercise, in whole or in part, the Options granted to such Participant hereunder, either during the term of the Option or within 90 days after the date of the sale or change of control, whichever first occurs.

For the purpose of this Plan, “change of control” of the Corporation means and shall be deemed to have occurred upon:

- (a) the acceptance by the holders of Shares of the Corporation, representing in the aggregate, more than 50% of all issued Shares of the Corporation, of any offer, whether by way of a takeover bid or otherwise, for all or any of the outstanding Shares of the Corporation; or
- (b) the acquisition, by whatever means, by a person (or two or more persons who, in such acquisition, have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Shares acquired), directly or indirectly, of beneficial ownership of such number of Shares or rights to Shares of the Corporation, which together with such person’s then owned Shares and rights to Shares, if any, represent (assuming the full exercise of such rights to voting securities) more than 50% of the combined voting rights of the Corporation’s then outstanding Shares; or

- (c) the entering into of any agreement by the Corporation to merge, consolidate, amalgamate, initiate an arrangement or be absorbed by or into another corporation; or
- (d) the passing of a resolution by the Board or shareholders of the Corporation to substantially liquidate the assets or wind-up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and where the shareholdings remain substantially the same following the re-arrangement); or
- (e) individuals who were members of the Board of the Corporation immediately prior to a meeting of the shareholders of the Corporation involving a contest for or an item of business relating to the election of directors, not constituting a majority of the Board following such election.

17. Transferability

All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of this Plan shall be non-transferable and non-assignable unless specifically provided herein. During the lifetime of a Participant, any Options granted hereunder may only be exercised by the Participant and in the event of the death or permanent disability of a Participant, by the person or persons to whom the Participant's rights under the Option pass by the Participant's will, enduring power of attorney or applicable law.

18. Amendment and Termination of Plan

The Board may, at any time, suspend or terminate the Plan. The Board may also, at any time, amend or revise the terms of this Plan, subject to the receipt of all necessary regulatory approvals, provided that no such amendment or revision shall alter the terms of any Option theretofore granted under this Plan.

19. Necessary Approvals

The obligation of the Corporation to issue and deliver Shares in accordance with this Plan and Options granted hereunder is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If Shares cannot be issued to a Participant upon the exercise of an Option for any reason whatsoever, the obligation of the Corporation to issue such Shares shall terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the relevant Participant as soon as practicable.

20. Stock Exchange Rules

This Plan and any option agreements or other instruments entered into hereunder shall comply with the requirements from time to time of the stock exchange or exchanges on which the Shares are listed.

21. Right to Issue Other Shares

The Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further Shares, varying or amending its share capital or corporate structure or conducting its business in any way whatsoever.

22. Notice

Any notice required to be given by this Plan shall be in writing and shall be given by registered mail, postage prepaid or delivered by courier or by facsimile transmission addressed, if to the Corporation, at its principal address in Calgary, Alberta (Attention: the President); or if to a Participant, to such Participant at his address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing, then to the last known address of such Participant; or if to any other person, to the last known address of such person.

23. Gender

Whenever used herein words importing the masculine gender shall include the feminine and neuter genders and vice versa.

24. Interpretation

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

SCHEDULE “B”**AUDIT COMMITTEE CHARTER****ALPETRO RESOURCES LTD.
(the “Company”)****1. Mandate**

The audit committee will assist the board of directors (the “Board”) in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well and the company’s business, operations and risks.

2. Composition

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Company. The audit committee will consist of a minimum of three directors.

2.1 Independence

A majority of the members of the audit committee must not be officers, employees or control persons of the Company.

2.2 Expertise of Committee Members

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

3. Meetings

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Company’s Chief Financial Officer and external auditors in separate executive sessions.

4. Roles and Responsibilities

The audit committee shall fulfill the following roles and discharge the following responsibilities:

4.1 External Audit

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor’s report, including the resolution of disagreements between management

and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors; and
- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

4.2 Internal Control

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

4.3 Financial Reporting

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

General

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

Annual Financial Statements

- (c) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;

- (d) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (e) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

Interim Financial Statements

- (f) review and approve the interim financial statements prior to their release to the public; and
- (g) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

Release of Financial Information

- (h) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

4.4 *Non-Audit Services*

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee.

Delegation of Authority

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non-Audit Services

- (b) the audit committee may satisfy the requirement for the pre-approval of non-audit services if:
 - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
 - (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

- (c) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
 - (i) the pre-approval policies and procedures are detailed as to the particular service;
 - (ii) the audit committee is informed of each non-audit service; and
 - (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

4.5 Other Responsibilities

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

4.6 Reporting Responsibilities

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

5. Resources and Authority of the Audit Committee

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.