



**Annual and Special Meeting
of Shareholders to be held on
Thursday, June 11, 2009**

**NOTICE OF MEETING
and
INFORMATION CIRCULAR**

May 14, 2009



SECOND WAVE PETROLEUM INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the "Meeting") of the holders ("Shareholders") of common shares ("Common Shares") of Second Wave Petroleum Inc. (the "Corporation") will be held in the Royal Room at the Metropolitan Conference Centre located at 333 – 4th Avenue S.W., Calgary, Alberta on Thursday, June 11, 2009 at 10:00 a.m. (Calgary time). The purpose of the Meeting is to:

1. receive the audited annual comparative financial statements of the Corporation for the years ended December 31, 2008 and 2007, together with the auditor's report thereon;
2. elect directors of the Corporation for the ensuing year;
3. appoint an auditor of the Corporation for the ensuing year at a remuneration determined by the board of directors of the Corporation;
4. consider and, if so determined, approve and confirm the stock option plan of the Corporation;
5. consider and, if so determined, ratify and confirm a prior grant of incentive stock options; and
6. transact such other business as may properly be brought before the Meeting.

Shareholders are referred to the accompanying Information Circular dated May 14, 2009 for more detailed information with respect to the matters to be considered at the Meeting.

A Shareholder may attend the Meeting in person or may be represented at the Meeting by proxy. Shareholders who are unable to attend the Meeting in person are requested to date, sign and return the enclosed proxy form, or another acceptable instrument of proxy, in accordance with the instructions set forth in the accompanying Information Circular. **In order to be valid and acted upon at the Meeting, a valid and duly executed proxy must be deposited with Olympia Trust Company, Suite 2300, 125 – 9th Avenue S.E., Calgary, Alberta T2G 0P6, fax (403) 265-1455 (Attention: Proxy Department), at least 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof, or delivered to the chair of the Meeting on the day of the Meeting prior to its commencement. A person appointed as proxyholder need not be a Shareholder.**

Only persons registered as holders of Common Shares on the records of the Corporation as of the close of business on May 7, 2009 are entitled to receive notice of and to vote at the Meeting or any adjournment thereof, except that a Shareholder (including a person who did not hold any Common Shares on May 7, 2009) may vote Common Shares transferred to it after such date if it produces properly endorsed share certificates evidencing the transfer or otherwise establishes that it owns the transferred Common Shares, and demands, not later than 10 days before the Meeting, that the transferee's name be included before the Meeting in the list of Shareholders eligible to vote.

DATED as of the 14th day of May, 2009.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Colin B. Witwer"

Colin B. Witwer
President and Chief Executive Officer



INFORMATION CIRCULAR

**For the Annual and Special Meeting of Shareholders
to be held at 10:00 a.m. (Calgary time) on Thursday, June 11, 2009**

GENERAL PROXY INFORMATION

This Information Circular is furnished to holders ("Shareholders") of common shares ("Common Shares") of Second Wave Petroleum Inc. (the "Corporation") by management of the Corporation, in connection with the solicitation by management of proxies to be used at the Annual and Special Meeting of Shareholders (the "Meeting") to be held at 10:00 a.m. (Calgary time) on Thursday, June 11, 2009 in the Royal Room at the Metropolitan Conference Centre located at 333 – 4th Avenue S.W., Calgary, Alberta, and at any adjournments thereof, for the purposes set forth in the accompanying Notice of Annual and Special Meeting of Shareholders (the "Notice of Meeting").

Information contained in this Information Circular is given as of May 14, 2009 unless otherwise specifically stated.

Solicitation of Proxies by Management

The enclosed proxy is solicited by and on behalf of management of the Corporation and the persons named in the form of proxy are executive officers of the Corporation.

A Shareholder entitled to vote at the Meeting who wishes to appoint some other person (who need not be a Shareholder) to represent it at the Meeting may do so either by inserting such other person's name in the blank space provided in the enclosed proxy form or by submitting another acceptable instrument of proxy.

In order to be acted upon at the Meeting, a valid and duly executed proxy, either in the form provided by the Corporation or another acceptable instrument of proxy, must be deposited with Olympia Trust Company, Suite 2300, 125 – 9th Avenue S.E., Calgary, Alberta T2G 0P6, fax (403) 265-1455 (Attention: Proxy Department), at least 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof, or delivered to the chair of the Meeting on the day of the Meeting prior to its commencement. Accordingly, unless the Meeting is postponed or adjourned then the deadline for deliveries proxies (otherwise than to the chair of the Meeting on the day thereof) will be 10:00 a.m. (Calgary time) on Tuesday, June 9, 2009.

Solicitation of proxies will be primarily by mail, but some proxies may be solicited personally or by telephone, facsimile transmission or electronic communication by directors, officers and employees of the Corporation at no additional compensation. The cost of solicitation will be borne by the Corporation.

Revocability of Proxies

A Shareholder wishing to have their Common Shares voted at the Meeting by proxy must deposit a valid and duly executed proxy, either in the form provided by the Corporation or another acceptable instrument of proxy, in accordance with the instructions set forth in this Information Circular.

A Shareholder that has given a proxy may revoke it: (a) by depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a corporation, in its corporate name by a director, officer or attorney thereof duly authorized in writing, (i) at the registered office of the Corporation located at Suite 4500, 855 – 2nd Street S.W., Calgary, Alberta T2P 4K7 (Attention: Corporate

Services), 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 (ii) with the chair of the Meeting on the day of the Meeting or any adjournment thereof; or (b) in any other manner permitted by law, including by attending the Meeting in person and registering as a Shareholder personally present.

Execution of Proxies

An instrument appointing a proxyholder must be in writing and must be executed by the Shareholder or their attorney duly authorized in writing or, if the Shareholder is a corporation, in its corporate name by a director, officer or attorney thereof duly authorized in writing. A proxy signed by a person acting as attorney, executor, administrator, trustee or in some other representative capacity should indicate their capacity following their signature and be accompanied by evidence of their qualification and authority to act.

Advice to Beneficial Shareholders

This section applies to beneficial holders of Common Shares only. The information set forth in this section is of significant importance to many of the Corporation's shareholders as many shareholders do not hold their Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to herein 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 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 or other intermediary, then, in almost all cases, those shares will not be registered in the shareholder's name on the Corporation's record. Such 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 nominee for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms and financial institutions). Common Shares held by brokers or their agents or nominees can only be voted upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its 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 or that the Common Shares are duly registered in their name.

Applicable Canadian regulatory policy requires intermediaries (such as a broker, financial institution, custodian or other nominee holding securities on behalf of another) to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary 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. Often, the voting instruction form supplied to a Beneficial Shareholder by its intermediary (or the agent of the intermediary) is identical to the form of proxy provided by the Corporation to registered shareholders. However, its purpose is limited to instructing the registered shareholder (the intermediary or its agent) how to vote on behalf of the Beneficial Shareholder. In Canada, the majority of intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge"). In most cases, Broadridge mails a scannable voting instruction form in lieu of the instrument of proxy provided by the Corporation, and asks Beneficial Shareholders to return the voting instruction form to Broadridge. Alternatively, Beneficial Shareholders can either call their toll-free telephone number at 1-800-474-7493 to vote their Common Shares, or access Broadridge's dedicated voting web site at www.proxyvotecanada.com to deliver their voting instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote their Common Shares directly at the Meeting – the voting instruction form must be returned to Broadridge or, alternatively, instructions must be received by Broadridge well in advance of the Meeting in order to have such 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 their intermediary (or an agent of the intermediary), 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 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 voting instruction or other form provided to them and return the same to their intermediary (or the agent of the intermediary) in accordance with the instructions provided by such intermediary (or agent), well in advance of the Meeting.

Beneficial Shareholders should contact their broker or other intermediary through which they hold their Common Shares if they have any questions regarding the voting of such Common Shares.

Exercise of Discretion by Proxyholders

On any vote that may be called for at the Meeting or any adjournment thereof, the persons named in the enclosed proxy form will vote or withhold from voting the Common Shares in respect of which they are appointed proxyholder in accordance with the instructions of the Shareholder appointing them. **In the absence of any such direction, the Common Shares to which the proxy relates will be voted FOR each of the matters referred to in the Notice of Meeting and in this Information Circular.**

The enclosed proxy form (in the absence of any amendment thereto) confers discretionary authority on the persons named therein to vote Common Shares and otherwise act in the proxyholder's discretion with respect to any amendments or variations to matters identified in the Notice of Meeting and with respect to any other matters that may properly come before the Meeting or any adjournment thereof.

As at the date hereof, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. If any such amendment, variation or other matter properly comes before the Meeting, the Common Shares represented by proxies in favour of management will be voted in accordance with the proxyholder's best judgment.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series. As at the date hereof, there are 36,932,340 Common Shares issued and outstanding, each carrying the right to one vote on any matter properly coming before the Meeting or any adjournment thereof. The Common Shares are the only outstanding class of voting securities of Corporation. No preferred shares are outstanding.

To the knowledge of the directors and executive officers of the Corporation, as at the date hereof, the only person or company that beneficially owns, directly or indirectly, or controls or directs, more than 10% of the issued and outstanding Common Shares is as follows:

Name of Holder	Number of Common Shares	Percentage of Issued and Outstanding Common Shares
Brookfield Bridge Lending Fund Inc.	24,647,120	66.7%

DATE FOR DETERMINING NOTICE AND VOTING ENTITLEMENTS

In accordance with the provisions of the *Business Corporations Act* (Alberta), the directors of the Corporation have fixed May 7, 2009 as the record date for the determination of Shareholders entitled to receive notice of and vote at the Meeting or any adjournment thereof. Accordingly, except as provided below, only persons registered as holders of Common Shares on the records of the Corporation as of the close of business on May 7, 2009 are entitled to receive notice of and to vote at the Meeting or any adjournment thereof.

The Corporation will prepare a list of the Shareholders recorded as holders of Common Shares on its register of shareholders as of the close of business on May 7, 2009, each of whom shall be entitled, at the Meeting or any adjournment thereof, to vote the Common Shares shown opposite their name on the list, except to the extent that: (a) such a Shareholder has transferred the ownership of any of their Common Shares subsequent to that date; and (b) the transferee produces properly endorsed share certificates or otherwise establishes that the transferee owns the transferred Common Shares and demands, not later than 10 days before the Meeting, that the transferee's name be included in the list before the Meeting, in which case the transferee will be entitled to vote such Common Shares at the Meeting or any adjournment thereof.

MATTERS TO BE ACTED UPON AT THE MEETING

1. Financial Statements

The audited annual comparative financial statements of the Corporation for the financial years ended December 31, 2008 and 2007, together with the auditor's report thereon, have been disseminated in accordance with applicable regulatory requirements and filed with applicable securities regulatory authorities in Canada, and will be placed before the Shareholders at the Meeting. No formal action will be taken at the Meeting to approve the financial statements, which have been approved by the board of directors of the Corporation (the "Board of Directors") in accordance with applicable legal requirements. If any Shareholder has questions regarding the financial statements they may be brought forward at the Meeting.

2. Election of Directors

The current directors of the Corporation are Messrs. Jim Reid, Brian A. Baker, Donald E. Foulkes, R. Alan Steele, Neil Bokenfohr, Robert F. Goods and Colin B. Witwer, each of whom is proposed to be nominated for re-election as a director of the Corporation at the Meeting.

Colin B. Witwer currently serves as President and Chief Executive Officer of the Corporation and will continue in such capacity following the Meeting and, if approved, his re-election as a director of the Corporation.

Each person elected as a director of the Corporation will hold office until the close of the next annual meeting of the Shareholders or until his successor is duly elected or appointed, or his office is earlier vacated, in accordance with the *Business Corporations Act* (Alberta) and the articles and by-laws of the Corporation.

At the Meeting, management of the Corporation proposes to nominate for election as a director of the Corporation each of Messrs. Jim Reid, Brian A. Baker, Donald E. Foulkes, R. Alan Steele, Neil Bokenfohr, Robert F. Goods and Colin B. Witwer and to submit to the Meeting an ordinary resolution to elect each such nominee as a director of the Corporation for the ensuing year, to hold office until the close of the next annual meeting of shareholders.

To be passed, an ordinary resolution must be approved by a simple majority of the votes cast by Shareholders in respect of that resolution, in person or by proxy, at the Meeting.

Unless otherwise directed by the Shareholders appointing them as proxyholder, the persons named in the enclosed proxy form intend to vote all Common Shares in respect of which they are appointed proxyholder FOR the election of each such nominee as a director of the Corporation for the ensuing year, to hold office until the close of the next annual meeting of shareholders of the Corporation.

The following table sets forth the name and jurisdiction of residence of each proposed director nominee, the date since which each has served as a director of the Corporation, their principal occupation, business or employment, and the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by each of them as at May 14, 2009.

Name and Jurisdiction of Residence	Principal Occupation	Director Since	Common Shares Beneficially Owned or Controlled/Directed as at May 14, 2009
Jim Reid ⁽³⁾⁽⁴⁾ <i>Alberta, Canada</i>	Managing Partner, Energy of Brookfield Asset Management Inc.	August 2007 (Chairman)	Nil
Brian A. Baker ⁽⁴⁾ <i>Alberta, Canada</i>	Vice President, Energy of Brookfield Asset Management Inc.	August 2007	Nil
Donald E. Foulkes ⁽¹⁾⁽²⁾⁽³⁾ <i>Alberta, Canada</i>	President and Chief Executive Officer of AltaCanada Energy Corp. (oil and gas company)	January 2007	61,666

Name and Jurisdiction of Residence	Principal Occupation	Director Since	Common Shares Beneficially Owned or Controlled/Directed as at May 14, 2009
R. Alan Steele ⁽¹⁾⁽²⁾ <i>Alberta, Canada</i>	Vice President, Finance and Chief Financial Officer of Twin Butte Energy Ltd. (oil and gas company)	June 2008	41,666
Neil Bokenfohr ⁽¹⁾⁽²⁾ <i>Alberta, Canada</i>	Vice President, Exploitation of Advantage Energy Income Fund (oil and gas trust)	June 2008	27,777
Robert F. Goods <i>Alberta, Canada</i>	Corporate Director / Independent Businessman	May 2006	225,300
Colin B. Witwer <i>Alberta, Canada</i>	President and Chief Executive Officer of the Corporation	July 2008	232,500

Notes:

- (1) Member of the Audit Committee of the Board of Directors, consisting of Messrs. Steele (Chair), Bokenfohr and Foulkes. See "Audit Committee Information".
- (2) Member of the Reserves Committee of the Board of Directors, consisting of Messrs. Bokenfohr (Chair), Steele and Foulkes.
- (3) Member of the Compensation and Governance Committee of the Board of Directors, consisting of Messrs. Foulkes (Chair) and Reid.
- (4) Messrs. Reid and Baker are representatives of Brookfield Asset Management Inc. Brookfield Asset Management Inc. is an affiliate of Brookfield Bridge Lending Fund Inc., which beneficially owns, or controls or directs, directly or indirectly, 24,647,120 Common Shares representing approximately 66.7% of the total number of Common Shares issued and outstanding as at the date of this Information Circular. See "Voting Securities and Principal Holders Thereof".

3. Appointment of Auditor

The Corporation has requested that the accounting firm of Deloitte & Touche LLP, Chartered Accountants, serve as independent auditor of the Corporation. KPMG LLP, Chartered Accountants, have previously served as independent auditor of the Corporation. In order to facilitate the transition of the auditor role to Deloitte & Touche LLP, KPMG LLP has, at the Corporation's request, resigned as auditor and the directors have appointed Deloitte & Touche LLP to fill the resulting vacancy.

Deloitte & Touche LLP currently serves as the auditors of many public companies and is a participating audit firm within the meaning of applicable securities legislation regarding auditor oversight.

Attached as Schedule "A" hereto is a Notice of Change of Auditor as required under applicable securities legislation, which sets forth certain information regarding the circumstances of the proposed change, together with copies of letters from each of KPMG LLP and Deloitte & Touche LLP confirming their respective agreement with the information set forth therein.

At the Meeting, Shareholders will be asked to consider and, if so determined, approve an ordinary resolution ratifying and confirming the appointment of Deloitte & Touche LLP, Chartered Accountants, as the auditor of the Corporation effective for the financial year of the Corporation commencing January 1, 2009, and further appointing Deloitte & Touche LLP to serve as the auditor of the Corporation from and after the Meeting, to hold office until the close of the next annual meeting of shareholders of the Corporation, all at a remuneration determined by the Board of Directors.

To be passed, an ordinary resolution must be approved by a simple majority of the votes cast in respect of that resolution, in person or by proxy, at the Meeting.

Unless otherwise directed by the Shareholders appointing them as proxyholder, the persons named in the enclosed proxy form intend to vote all Common Shares in respect of which they are appointed

proxyholder FOR ratification and confirmation of the appointment of Deloitte & Touche LLP, Chartered Accountants, as the auditor of the Corporation effective for the financial year of the Corporation commencing January 1, 2009, and further appointing Deloitte & Touche LLP, Chartered Accountants, to serve as the auditor of the Corporation from and after the Meeting, to hold office until the close of the next annual meeting of shareholders of the Corporation, all at a remuneration determined by the Board of Directors.

4. Approval of Stock Option Plan

Effective May 1, 2008 the Corporation adopted a stock option plan (the "Option Plan") pursuant to which the Board of Directors may from time to time grant options to purchase Common Shares ("Options") to directors, officers, employees and consultants of the Corporation and its subsidiaries.

For a summary description of the Option Plan see "Executive Compensation – Stock Option Plan".

The maximum number of Common Shares reserved for issuance under and in accordance with the Option Plan is equal to 10% of the number of outstanding Common Shares from time to time. As at the date hereof there are 36,932,340 Common Shares issued and outstanding. Accordingly, Options to acquire up to a maximum of 3,693,234 Common Shares may be issued and outstanding under the Option Plan at this time. See "Securities Authorized for Issuance under Equity Compensation Plans" below.

As a so-called "rolling plan" which limits the aggregate number of Common Shares issuable thereunder to a maximum percentage of the total number of Common Shares outstanding from time to time (rather than a fixed number of shares), the Option Plan is, under the applicable policies of the TSX Venture Exchange, required to be approved annually by the Shareholders.

Accordingly, the Shareholders will be asked at the Meeting to consider and, if so determined, approve the following ordinary resolution:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION of the holders of common shares of Second Wave Petroleum Inc. (the "Corporation") that the Stock Option Plan of the Corporation dated May 1, 2008, as described in the Information Circular of the Corporation dated May 14, 2009, is hereby approved and confirmed."

To be passed, the foregoing resolution must be approved by a simple majority of the votes cast in respect of that resolution, in person or by proxy, at the Meeting. Any decision of the Shareholders at the Meeting with respect to the proposed approval and confirmation Option Plan will not affect outstanding Options.

Unless otherwise directed by the Shareholders appointing them as proxyholder, the persons named in the enclosed proxy form intend to vote all Common Shares in respect of which they are appointed proxyholder FOR the ordinary resolution to approve and confirm the Option Plan.

5. Ratification of Prior Grant of Incentive Stock Options

At the Meeting, Shareholders will be asked to consider and, if so determined, ratify and confirm a grant to Randy Bergmann, Vice President, Land of the Corporation, of Options to purchase up to 200,000 Common Shares at an exercise price of \$2.80 per share, which Options were granted on July 31, 2008 (subject to Shareholder approval) to honour commitments made to Mr. Bergmann by the Corporation in connection with the determination of his compensation package at the time of his joining the Corporation in June 2008. The exercise price of \$2.80 per share equals the closing price of the Common Shares on the TSX Venture Exchange on the date of grant. The new Options were granted concurrently with the cancellation of Options to purchase an equal number of Common Shares at an exercise price of \$3.90 per share previously granted to Mr. Bergmann, and were accepted by the TSX Venture Exchange subject to receipt of Shareholder approval.

Accordingly, the Shareholders will be asked at the Meeting to consider and, if so determined, approve the following ordinary resolution:

"BE IT RESOLVED AS AN ORDINARY RESOLUTION of the holders of common shares of Second Wave Petroleum Inc. (the "Corporation") that the grant of options to purchase an aggregate of 200,000 common shares of the Corporation at an exercise price of \$2.80 per share, as more particularly described in the Information Circular of the Corporation dated May 14, 2009, is hereby ratified and confirmed."

To be passed, the foregoing resolution must be approved by a simple majority of the votes cast in respect of that resolution, in person or by proxy, at the Meeting, excluding any votes cast by or on behalf of applicable interested Shareholders in accordance with the requirements of the TSX Venture Exchange.

Unless otherwise directed by the Shareholders appointing them as proxyholder, the persons named in the enclosed proxy form intend to vote all Common Shares in respect of which they are appointed proxyholder FOR the ordinary resolution to ratify and confirm the foregoing grant of Options to Mr. Bergmann.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview

The Compensation and Governance Committee of the Board of Directors is responsible for setting compensation paid to directors and executive officers, and establishing and reviewing incentive plans for the directors, officers and employees. Members of the Compensation and Governance Committee during the financial year ended December 31, 2008 were Donald E. Foulkes (Chair) and Jim Reid, of whom Mr. Foulkes is considered by the Board of Directors to be independent within the meaning of National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

The Corporation consults with independent compensation consultants as necessary who advise generally on director and executive compensation practices to ensure that the Corporation is competitive in the current market practice.

The Compensation and Governance Committee intends consider and may seek advice on whether the Corporation's current incentive stock option scheme remains appropriate in the current economic climate to motivate and retain personnel with readily transferable skills. In common with many other companies, both in the oil and gas industry and generally, the Corporation's current stock option plan was established during a period of dramatic economic growth, during which period the vast majority of outstanding awards were made, and therefore may need to be adjusted, amended, supplemented or even cancelled and replaced by a different incentive scheme, to increase the likelihood of rewarding personnel for exceptional performance in the current uncertain economic climate. For a summary description of the Option Plan see "Executive Compensation – Stock Option Plan".

Compensation Philosophy and Objectives

The Corporation's compensation program is designed to encourage behavior and performance among its key employees, including its executive officers, that the Compensation and Governance Committee believes is in the best interest of the Corporation and its Shareholders.

The objectives of the Corporation's compensation program are to: (i) link compensation to the Corporation's strategic business, financial and operational objectives; (ii) be competitive within the Canadian oil and gas industry and the local market in which the Corporation operates; and (iii) enable the Corporation to attract, motivate, and retain management and staff personnel as the Compensation and Governance Committee considers necessary.

The incentive portion of the Corporation's compensation program currently rewards positive annual performance that meets or exceeds agreed strategic objectives. The compensation program is also structured so as to (i) provide each executive officer and key employee of the Corporation with a competitive income; (ii) create meaningful incentive for this group of employees to remain at the Corporation and not be unreasonably susceptible to recruiting efforts by competitors, and (iii) align the interests of this group of employees with those of the

Shareholders. The Compensation and Governance Committee also intends that individual performance by executive officers and key employees be rewarded.

Elements of the Compensation Program

Overall remuneration of each executive officer is determined having regard to individual measures such as the officer's current responsibilities, individual performance and years of experience, as well as broader corporate financial and operational performance. Consideration is also given to the Corporation's current stage of development, competition within the industry for experienced, proven management personnel, available industry compensation surveys, including from the Professional Association of Engineers, Geologists and Geophysicists of Alberta (APEGGA) and other industry organizations, and compensation data disclosed by peers in the junior oil and gas sector. Ultimately, the Corporation's compensation practices are designed, revised and adjusted with performance enhancement as the primary objective.

The Corporation's compensation program currently consists of three primary components: (i) annual base salary; (ii) annual discretionary incentive bonus; and (iii) periodic grants of long-term incentives in the form of Options awarded pursuant to the Option Plan.

The Corporation does not have any defined benefit or defined contribution pension plans or any other plans that provide for the payment of pension plan benefits.

The officers of the Corporation also participate in other benefit plans (life, disability, health and dental insurance) that are available to the majority of employees of the Corporation, which are comparable to those offered by industry peers.

The amount of base salary, annual incentive bonus, and Options awarded to the executive officers for 2008 are set forth below under "Summary Compensation Table". In view of the current economic climate no annual incentive bonus awards for executives in respect of 2008 have been made, and base pay levels for 2009 have been held flat.

Salary and Option grant amounts for the Corporation's executive officers (other than the President and Chief Executive Officer) and non-officer personnel are recommended by the President and Chief Executive Officer, reviewed by the Compensation and Governance Committee and approved by the Board of Directors. Compensation of the President and Chief Executive Officer is recommended by the Compensation and Governance Committee and approved by the Board of Directors.

The Compensation and Governance Committee believes that the criteria behind the Corporation's compensation decisions are appropriate and effective to make overall compensation levels competitive to attract and retain quality employees but not excessive or out-of-step with market realities.

Reasons for each Element

Base salary levels aim to establish base-line cash compensation for executive officers that is competitive in the oil and gas industry and the local market in which the Corporation operates, and will enable the Corporation to attract, motivate and retain capable executives. The Corporation chooses to pay annual incentive bonuses because it believes that the satisfaction of the goals of its annual incentive plan, which determines both the entitlement to receive as well as the amount of any bonus awards, furthers the interests of Shareholders.

The purpose of the Corporation's long-term incentive plan is to align executive officers' compensation with their contribution to the success of the Corporation in creating Shareholder value, tie their long-term economic interest directly to those of the Corporation and its Shareholders, and encourage retention.

Determination of the Amount for each Element

The Corporation from time to time consults independent compensation consultants who advise generally on director and executive compensation packages to ensure that the Corporation remains competitive in the industry.

Base Salary

The President and Chief Executive Officer (with the assistance and advice of the Compensation and Governance Committee) reviews and recommends salary and Option grant amounts for the Corporation's executive officers and employees (other than with respect to the President and Chief Executive Officer), which recommendations are reviewed by the Compensation and Governance Committee and subsequently approved by the Board of Directors. Compensation of the Chief Executive Officer is reviewed by the Compensation and Governance Committee and subsequently approved by the Board of Directors.

Annual Incentive Bonus

The annual incentive bonus is intended to provide executives with additional compensation when identified corporate and personnel performance objectives are met or exceeded. By placing emphasis on variable compensation, the Corporation aims to tie a portion of the total executive compensation package to improvements in the Corporation's operational and financial performance and realization of the Corporation's strategic objectives.

The Board of Directors has adopted a discretionary bonus plan to reward senior management and employees for their hard work and dedication to the Corporation and their contributions to the achievement of superior results and performance by the Corporation. The current bonus plan has two separate components. The first component is based on individual achievement and influenced by, among other things, the employee's commitment to the Corporation, teamwork, significant individual effort and achievement. The second component is based on corporate achievement and influenced by factors such as increase in reserves, increase in production, reduction in operating costs, environmental stewardship and safety record, reduction in capital costs, and share price. It is the Compensation and Governance Committee's intention to review this plan on an ongoing basis as the Corporation evolves to ensure that it meets organizational needs and that further performance criteria be established over time.

Long Term Incentive Awards

The Option Plan was adopted effective May 1, 2008 and approved by Shareholders at the annual and special meeting of Shareholders held on June 25, 2008. The purpose of the Option Plan is to assist the Corporation in attracting, retaining and motivating the directors, officers, employees and consultants of the Corporation and its subsidiaries and to align their personal interests with those of the Shareholders by providing them with the opportunity, through Options, to acquire Common Shares. For a summary description of the Option Plan, see "– Stock Option Plan" below. Options are awarded to all staff on the recommendation of the President and Chief Executive Officer after review by the Compensation and Governance Committee and approval by the Board of Directors. Previous grants will be taken into account when considering new Option grants.

During the year ended December 31, 2008, Options to purchase an aggregate of 1,752,500 Common Shares were granted to directors, officers, employees and consultants at an average exercise price of \$2.76 per share, and 10,000 previously granted Options were exercised. The weighted average exercise price of all Options held at December 31, 2008 by the current directors and officers of the Corporation (as a group) was \$2.61 per share. See "– Stock Option Plan" below.

Other Benefits

During 2008, the Compensation and Governance Committee did not make any changes to the other perquisites that the executive officers receive. Those benefits include participation in plans available to all employees of the Corporation such as life, disability, and health and dental insurance.

Summary Compensation Table

The following table sets forth information concerning the total compensation paid during the financial year ended December 31, 2008 to each of the President and Chief Executive Officer and the Chief Financial Officer of as well as the three next most highly compensated members of management of the Corporation at December 31, 2008 whose total compensation was, individually, more than \$150,000 for the financial year then ended (collectively, the "Named Executive Officers").

Name and Principal Position	Year ⁽⁶⁾	Salary (\$)	Option-Based Awards ⁽⁷⁾ (\$)	All Other Compensation (\$)	Total Compensation (\$)
Colin B. Witwer ⁽¹⁾ <i>President and Chief Executive Officer</i>	2008	144,000	313,499	Nil	457,499
Robert F. Goods ⁽²⁾ <i>Chief Executive Officer [former officer]</i>	2008	72,000	75,000	36,000	183,000
Randy L. Denecky <i>Vice President, Finance and Chief Financial Officer</i>	2008	144,000	208,501	Nil	352,501
Douglas Hibbs ⁽³⁾ <i>Vice President, Exploration</i>	2008	119,000	409,000	Nil	528,000
Vincent Cuschieri ⁽⁴⁾ <i>Vice President, Exploration [former officer]</i>	2008	144,000	208,501	Nil	352,501
Randy Bergmann ⁽⁵⁾ <i>Vice President, Land</i>	2008	75,456	482,223	Nil	557,679

Notes:

- (1) Mr. Witwer has served as President of the Corporation since January 1, 2008 and was appointed Chief Executive Officer effective July 1, 2008.
- (2) Mr. Goods resigned as Chief Executive Officer of the Corporation effective June 30, 2008.
- (3) Mr. Hibbs served as Manager of Geology of the Corporation from February 19, 2008 through December 31, 2008 and was appointed Vice President, Exploration of the Corporation effective January 31, 2009.
- (4) Mr. Cuschieri resigned as Vice President, Exploration of the Corporation effective January 1, 2009.
- (5) Mr. Bergmann commenced employment as Vice President, Land of the Corporation on June 23, 2008.
- (6) Effective December 31, 2008, new executive compensation disclosure requirements came into effect under applicable securities legislation in Canada, which requires additional information to be included in the Summary Compensation Table in respect of compensation to Named Executive Officers for the financial year ended December 31, 2008. As provided under these new rules, information with respect to financial years prior to 2008 in the table has not been restated.
- (7) The dollar amounts set forth in this column are based on the "grant date fair value" of the award in the year in question, which has in turn been calculated using the Black-Scholes option pricing model pursuant to which accounting fair value is determined for financial reporting purposes in accordance with Section 3870 of the CICA Handbook. The calculation is based on a risk free interest rate of between 3.37% and 3.5%, an expected life of five years and an expected volatility of 75%.

Incentive Plan Awards

Option-Based Awards

The following table sets forth information regarding all option-based awards outstanding as at December 31, 2008 for each Named Executive Officer.

OUTSTANDING OPTION-BASED AWARDS

(all monetary amounts in Canadian dollars)

Named Executive Officer	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Dates	Value of Unexercised in-the-money Options ⁽¹⁾
Colin B. Witwer <i>President and Chief Executive Officer</i>	160,000 90,000 85,000	\$2.00 \$2.40 \$3.33	December 19, 2012 January 12, 2013 July 14, 2013	Nil

Named Executive Officer	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Dates	Value of Unexercised in-the-money Options ⁽¹⁾
Robert F. Goods <i>Chief Executive Officer</i> <i>[former officer]</i>	40,000 100,000 100,000 50,000	\$10.00 \$2.00 \$2.00 \$2.40	July 6, 2011 January 14, 2012 December 19, 2012 January 12, 2013	Nil
Randy L. Denecky <i>Vice President, Finance and Chief Financial Officer</i>	160,000 90,000 35,000	\$2.00 \$2.40 \$3.33	December 19, 2012 January 12, 2013 July 14, 2013	Nil
Douglas Hibbs <i>Vice President, Exploration</i>	190,000 50,000	\$2.60 \$3.33	February 25, 2013 July 14, 2013	Nil
Vincent Cuschieri ⁽²⁾ <i>Vice President, Exploration</i> <i>[former officer]</i>	160,000 90,000 35,000	\$2.00 \$2.40 \$3.33	December 19, 2012 January 12, 2013 July 14, 2013	Nil
Randy Bergmann <i>Vice President, Land</i>	200,000	\$2.80	June 2, 2013	Nil
Totals / Averages	1,635,000	\$2.61	2011 - 2013	Nil

Notes:

- (1) The value of unexercised in-the-money Options is based on a share price of \$0.50, which was the closing price of the Common Shares on the TSX Venture Exchange on December 31, 2008. As at December 31, 2008 there were no in-the-money Options as the exercise price of all outstanding Options was greater than \$0.50 per share.
- (2) Mr. Cuschieri resigned as Vice President, Exploration of the Corporation effective January 1, 2009. All Options previously held by Mr. Cuschieri terminated on March 31, 2009.

With respect to option-based awards that vested during the year ended December 31, 2008, for each Named Executive Officer, the following table sets forth the Canadian dollar value that would have been realized if Options had been exercised on the vesting date, based on the difference between the market price of the Common Shares at exercise and the exercise price of the Options on the vesting date.

INCENTIVE PLAN AWARDS – VALUE VESTED DURING THE YEAR
(all amounts in Canadian dollars)

Named Executive Officer	Option-Based Awards – Value Vested During the Year ⁽¹⁾ (\$)
Colin B. Witwer <i>President and Chief Executive Officer</i>	Nil
Robert F. Goods <i>Chief Executive Officer [former officer]</i>	20,000
Randy L. Denecky <i>Vice President, Finance and Chief Financial Officer</i>	Nil
Douglas Hibbs <i>Vice President, Exploration</i>	Nil
Vincent Cuschieri <i>Vice President, Exploration [former officer]</i>	Nil
Randy Bergmann <i>Vice President, Land</i>	Nil
Total	20,000

Note:

- (1) The value vested during the year is the aggregate dollar value that would have been realized if all Options that vested during the year ended December 31, 2008 had been exercised on the vesting date, based on the difference between the market price of the Common Shares and the exercise price of the Options on the vesting date.

Share-Based Awards

The Corporation has not granted any share-based awards to any Named Executive Officers.

Non-Equity Long-Term Incentive Plans

The Corporation does not have any non-equity long-term incentive plans.

Termination and Change of Control Benefits

The Corporation has entered into an employment agreement with each of Colin B. Witwer (President and Chief Executive Officer), Randy L. Denecky (Vice President, Finance and Chief Financial Officer), Douglas Hibbs (Vice President, Exploration) and Randy Bergmann (Vice President, Land).

Each employment agreement provides that the Corporation may at any time and for any reason, otherwise than in specified circumstances of wrongful behaviour on the part of the officer or the officer's disability or death, terminate the employment agreement on payment to the officer, in lieu of notice, of a sum equal to the officer's monthly salary and benefit plan contributions for 12 months if the average trading price of the Common Shares for the five days preceding termination is greater than \$1.80 per share, or 6 months if the average trading price of the Common Shares for the five days preceding termination is between \$1.20 and \$1.80 per share. Any such termination shall not affect the officer's vesting, exercise or other rights under any option plan of the Corporation. The agreements also provide that any of the following events shall constitute constructive termination by the Corporation of the officer, which shall (subject to certain notice requirements) entitle him to the same termination payments: (i) any material reduction or adverse change in the authority or powers of the officer in the role for which he is employed; (ii) any reduction in the salary and benefits to which the officer may be entitled from time to time; or (iii) a change of control resulting from any of the following:

- (a) the acquisition by any person or corporation, or any persons or corporations acting jointly or in concert (as determined by the *Securities Act* (Alberta)), whether directly or indirectly, of voting securities of the Corporation which, together with all other voting securities of the Corporation held by such persons or corporations, constitutes, in the aggregate, more than 50% of all outstanding voting securities of the Corporation;
- (b) an amalgamation, arrangement or other form of business combination of the Corporation with another corporation which results in the holders of voting securities of that other corporation holding, in the aggregate, more than 50% of all outstanding voting securities of the Corporation resulting from the business combination; or
- (c) the sale, lease or exchange of all or substantially all of the property of the Corporation, other than in the ordinary course of business of the Corporation or to a subsidiary, to another person or corporation.

As described under "– Stock Option Plan" below, all unvested Options will vest and become exercisable in the event of: (i) the acquisition by any person, or any group of persons acting jointly or in concert within the meaning of Alberta securities laws, whether directly or indirectly, of voting securities of the Corporation which, together with all other voting securities of the Corporation held by such person or group of persons, constitutes, in the aggregate, more than 50% of the Common Shares; (ii) an amalgamation, arrangement or other form of business combination of the Corporation with another corporation which results in the holders of voting securities of that other corporation holding, in the aggregate, more than 40% of all outstanding voting securities of the Corporation resulting from any such business combination; or (iii) the sale, lease or exchange of all or substantially all of the property of the Corporation to another person or corporation, other than in the ordinary course of business of the Corporation or to a subsidiary.

Based on the trading price of the Common Shares on the TSX Venture Exchange at the relevant times, had a termination or change of control event occurred on December 31, 2008 no payments would have been made pursuant to any of the employment agreement provisions described above and none of the Named Executive Officers would have realized any "in the money" benefit pursuant to their Option entitlements.

Stock Option Plan

Effective May 1, 2008 the Corporation adopted a stock option plan pursuant to which the Board of Directors may from time to time grant options to purchase Common Shares directors, officers, employees and consultants of the Corporation and its subsidiaries. The purpose of Option Plan is to assist the Corporation in attracting, retaining and motivating such persons and align their personal interests with those of the Shareholders by providing them with the opportunity, through Options, to acquire Common Shares.

The Option Plan is administered by the Board of Directors (or such committee thereof to which the Board of Directors may delegate its authority under the Option Plan), which shall have the authority and discretion to determine the persons to whom Options will be granted; the number, exercise price, expiry date and vesting provisions thereof; and any conditions or restrictions on exercise.

Options granted under the Option Plan are non-transferable (otherwise than by will or other testamentary instrument or the laws of succession) and must expire not later than the fifth anniversary of the date of grant. The time or times at which Options shall vest and become exercisable shall be fixed by the Board of Directors at the time of grant.

In no event shall Options be granted entitling any single person to purchase more than 5% of the outstanding Common Shares in any 12 month period. In accordance with the policies of the TSX Venture Exchange: (i) the aggregate number of Common Shares reserved for issuance on the exercise of Options, within any 12 month period, granted to any one consultant of the Corporation or any employee conducting "investor relations activities" cannot exceed 2% of the outstanding Common Shares; and (ii) the maximum number of Common Shares reserves for issuance pursuant to Options granted to insiders of the Corporation at any time cannot exceed 10% of the outstanding Common Shares; and (iii) the maximum number of Common Shares issuable on exercise of Options granted to insiders of the Corporation in a 12 month period cannot exceed 10% of the outstanding Common Shares.

In the event of a share dividend, share split, issuance of shares or instruments convertible into Common Shares (other than pursuant to the Option Plan) for less than market value, share consolidation, share reclassification, exchange of shares, recapitalization, amalgamation, merger, consolidation, corporate arrangement, reorganization, liquidation or the like of or by the Corporation, the Board of Directors may make such adjustment, if any, of the number of optioned Common Shares, or of the exercise price, or both, as it shall deem appropriate to give proper effect to such event, including to prevent, to the extent possible, substantial dilution or enlargement of rights granted to participants under the Option Plan. In any such event, the maximum number of shares available under the Option Plan may be appropriately adjusted by the Board of Directors. If because of a proposed merger, amalgamation or other corporate arrangement or reorganization, the exchange or replacement of shares in the Corporation by those in another company is imminent, the Board of Directors may, in a fair and equitable manner, determine the manner in which all unexercised option rights granted under the Plan shall be treated including, for example, requiring the acceleration of the time for the exercise of such rights by the participants and of the time for the fulfillment of any conditions or restrictions on such exercise.

All unvested Options will vest and become exercisable in the event of: (i) the acquisition by any person, or any group of persons acting jointly or in concert within the meaning of the *Securities Act* (Alberta), whether directly or indirectly, of voting securities of the Corporation which, together with all other voting securities of the Corporation held by such person or group of persons, constitutes, in the aggregate, more than 50% of the Common Shares; (ii) an amalgamation, arrangement or other form of business combination of the Corporation with another corporation which results in the holders of voting securities of that other corporation holding, in the aggregate, more than 40% of all outstanding voting securities of the Corporation resulting from any such business combination; or (iii) the sale, lease or exchange of all or substantially all of the property of the Corporation to another person or corporation, other than in the ordinary course of business of the Corporation or to a subsidiary.

If a holder of Options ceases to be a director, officer, employee or consultant of the Corporation or a subsidiary thereof, any unvested Options shall terminate immediately and any vested Options shall terminate (subject to the outside expiry date determined at the time of grant) 90 days thereafter; provided, however, that: (i) if

at the time that the holder ceases to be a director, officer, employee or consultant of the Corporation (or a subsidiary) he or she is engaged in "investor relations activities", vested Options shall expire 30 days thereafter; (ii) if the holder dies, the holder's executors or personal representatives shall have 180 days within which to exercise vested Options; and (iii) if the holder is terminated or dismissed for cause, then all Options (vested and unvested) shall immediately terminate.

All Options granted under the Plan are evidenced by an agreement between the Corporation and the holder setting forth the more specific terms and conditions on which the Options evidenced thereby are granted.

Compensation of Directors

The Corporation does not currently compensate directors of the Corporation for service in their capacity as directors, except for reimbursement of reasonable expenses incurred by them while so acting and Option grants.

The following table sets forth information concerning the total compensation provided to the directors of the Corporation during the financial year ended December 31, 2008 (other than Colin B. Witwer and Robert F. Goods, who are Named Executive Officers for the purposes of this Information Circular whose aggregate compensation is set forth in the Summary Compensation Table provided above).

Name of Director	Option-Based Awards ⁽¹⁾ (\$)	Total (\$)
Jim Reid	Nil	Nil
Brian A. Baker	Nil	Nil
Donald E. Foulkes	84,000	84,000
R. Alan Steele	168,001	168,001
Neil Bokenfohr	168,001	168,001

Note:

- (1) The dollar amounts set forth in this column are based on the "grant date fair value" of the award in the year in question, which has in turn been calculated using the Black-Scholes option pricing model pursuant to which accounting fair value is determined for accounting purposes in accordance with Section 3870 of the CICA Handbook. The calculation is based on a risk free interest rate of between 3.37% and 3.5%, an expected life of five years and an expected volatility of 75%.

The Corporation has not made any share-based awards or granted any non-equity long-term incentive plan compensation to any directors, and does not have any defined benefit or defined contribution pension plans or any other plans that provide for the payment of pension plan benefits.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION ARRANGEMENTS

The Option Plan, which was approved by the Shareholders at the annual and special meeting held on June 25, 2008, is the only equity compensation arrangement of the Corporation. The following table provides information regarding the total number of Common Shares authorized for issuance pursuant to the Option Plan as at December 31, 2008:

Category	Number of Common Shares to be issued upon Exercise of Outstanding Options	Weighted-Average Exercise Price of Outstanding Options	Number of Common Shares Remaining Available for Future Issuance under the Option Plan
Option Plan	2,507,500	\$2.64	587,872 ⁽¹⁾

Note:

- (1) The maximum number of Common Shares reserved for issue under and in accordance with the Option Plan is equal to 10% of the number of outstanding Common Shares from time to time.

As at May 14, 2009, Options to purchase up to 3,287,000 Common Shares are outstanding under the Option Plan with a weighted average exercise price of \$1.72 per share and a maximum of 406,234 additional

Common Shares therefore remain available for future issuance under the Option Plan based on the total number of Common Shares currently outstanding (being 36,932,340 Common Shares as at May 14, 2009).

CORPORATE GOVERNANCE

Composition of the Board of Directors

The Corporation's Board of Directors is currently comprised of seven (7) directors: Jim Reid, Brian A. Baker, Donald E. Foulkes, R. Alan Steele, Neil Bokenfohr, Robert F. Goods and Colin B. Witwer.

Messrs. Steele, Bokenfohr and Foulkes are considered by the Board of Directors to be independent within the meaning of National Instrument 58-101 *Disclosure of Corporate Governance Practices*. Mr. Witwer is not independent as he currently serves as President and Chief Executive Officer of the Corporation. Messrs. Reid and Baker are not considered to be independent as they are officers of an affiliate of Brookfield Bridge Lending Fund Inc., the principal shareholder of the Corporation. See "Voting Securities and Principal Holders Thereof". Mr. Goods is deemed not to be independent as he was an executive officer of the Corporation within the past three years.

Other Directorships

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

<u>Director</u>	<u>Other Reporting Issuers</u>
Jim Reid	Central Alberta Well Services Corp. Insignia Energy Ltd.
Brian A. Baker	Insignia Energy Ltd.
Donald E. Foulkes	AltaCanada Energy Corp. Quadrise Canada Corp.

Orientation and Continuing Education

The Corporation does not have a formal orientation and continuing education program. However, the Corporation ensures that new board members are properly trained and oriented, as part of the Board of Directors' overall stewardship responsibility. The role of the directors is to oversee the conduct of the Corporation's business and to direct and supervise management in the day-to-day conduct of the business. The directors discharge the following responsibilities as part of their overall stewardship responsibility:

- (a) adoption of a strategic planning process;
- (b) identification of the principal risks of the Corporation's business and the employment of appropriate systems to manage the risks;
- (c) succession planning, including appointing, training and monitoring senior management;
- (d) oversight of the Corporation's public communications policies and their implementation, including disclosure of material information, investor relations and shareholder communications; and
- (e) monitoring and assessment of the scope, implementation and integrity of the Corporation's internal information, audit and control systems.

Ethical Business Conduct

The directors encourage and promote a culture of ethical business conduct through communication and supervision as part of their overall stewardship responsibility. In addition, the Corporation has a Whistleblower Policy which addresses the Corporation's continuing commitment to integrity and ethical behaviour. The

Whistleblower Policy establishes procedures that allow employees of the Corporation to confidentially and anonymously submit their concerns to the Chair of the Audit Committee of the Board of Directors regarding questionable ethical, moral, accounting, internal accounting controls, or auditing matters, without fear of retaliation. A copy of the Whistleblower Policy is available to review at the head office of the Corporation during business hours.

Nomination of Directors

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

Board Committees

The Board of Directors has formally appointed three (3) committees: (i) the Audit Committee, (ii) the Reserves Committee, and (iii) the Compensation and Governance Committee. The Board of Directors does not have any other committees in place at this time. The Board of Directors had adopted a mandate for each committee and reviews such mandates annually. The Board of Directors reviews the recommendations of each of its committees, and decides on whether and how to implement such recommendations. The Reserves Committee is responsible for, among other things, consulting with the Corporation's senior personnel responsible for oil and gas reserves and other information regarding the Corporation's oil and gas activities, and reviewing and reporting to the Board of Directors on: (i) the Corporation's procedures relating to the disclosure of such information; (ii) the appointment of, or any changes to, the independent consultants engaged to report on the Corporation's oil and gas reserves pursuant to the requirements of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101"); (iii) the Corporation's procedures for providing information to the consultants; and (iv) the annual filings required to be made under NI 51-101.

Compensation and Governance Committee

The Corporation currently has a Compensation and Governance Committee which is responsible for setting compensation paid to directors and executive officers, establishing and reviewing incentive plans for the directors, officers and employees and providing guidance to the Corporation on corporate governance matters. The Compensation and Governance Committee is comprised of Donald E. Foulkes (Chairman) and Jim Reid, of whom Mr. Foulkes is considered by the Board of Directors to be independent within the meaning of National Instrument 58-101 *Disclosure of Corporate Governance Practices*. The process of determining compensation for directors and officers includes reviewing and approving appropriate practices for determining and establishing compensation for the directors of the Corporation to ensure it reflects the responsibilities and risks of being a director of a public company. The Compensation and Governance Committee's mandate includes developing appropriate compensation policies for the senior management and directors of the Corporation, including the Corporation's incentive stock option plan, and evaluating senior management. These responsibilities include reporting and making recommendations to the Board of Directors for its consideration and approval. The Compensation and Governance Committee meets at least annually to fulfill its mandate.

Assessment of Directors, the Board of Directors and Board Committees

The Directors conduct an annual evaluation of the performance and effectiveness of each Board member and of the Board and each of its committees as a whole. These evaluations are overseen by the Chairman of the Board of Directors.

AUDIT COMMITTEE INFORMATION

Information regarding the Audit Committee of the Board of Directors is set forth in the annual information form of the Corporation dated May 14, 2009 for the year ended December 31, 2008 (the "AIF") under the heading "Audit Committee Information" and in Schedule "D" thereto (Audit Committee Mandate and Terms of Reference), which information is incorporated by reference herein. A copy of the AIF is available electronically on SEDAR at www.sedar.com or to any securityholder of the Corporation, without charge, on request to the Corporation.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, to the knowledge of the directors and executive officers of the Corporation, none of the directors or executive officers of the Corporation, nor any person or company that beneficially owns, directly or indirectly, or controls or directs, more than 10% of the Common Shares, nor any of their respective associates or affiliates, has or has had any material interest, direct or indirect, in any transaction since January 1, 2008, or in any proposed transaction, which has materially affected or would materially affect the Corporation.

On February 17, 2009, the Corporation completed an equity financing for aggregate gross proceeds of approximately \$3,980,000. A total of 6,015,131 Common Shares were issued and sold by the Corporation on a "flow through" basis under the *Income Tax Act* (Canada), with 5,757,575 Common Shares purchased by Brookfield Bridge Lending Fund Inc. at a price of \$0.66 per share for gross proceeds of \$3,800,000 and 257,556 Common Shares purchased by certain members of management at an issue price of \$0.70 per share for gross proceeds of approximately \$180,000. Brookfield Bridge Lending Fund Inc. is the principal shareholder of the Corporation. See "Voting Securities and Principal Holders Thereof". The shares sold to Brookfield Bridge Lending Fund Inc. were issued on a basis requiring that the Corporation incur \$3,800,000 in eligible Canadian Development Expenses before February 28, 2011, with expended amounts to be renounced in the year of expenditure. With respect to the remainder, the Corporation is required to incur approximately \$180,000 in eligible Canadian Exploration Expenses before December 31, 2010 and to renounce such amount to subscribers for the 2009 tax year

ADDITIONAL INFORMATION

Additional information relating to the Corporation, including copies of its annual information form, audited annual financial statements and management's discussion and analysis for the year ended December 31, 2008, is available electronically on SEDAR at www.sedar.com. Copies of the Corporation's audited financial statements and management's discussion and analysis for the year ended December 31, 2008, which provide financial information concerning the Corporation, may be obtained on request from the Corporation at Suite 1700, 520 - 5th Avenue S.W., Calgary, Alberta T2P 3R7, tel (403) 451-0165, fax (403) 451-0166, email info@secondwavepetroleum.com.

DATED: May 14, 2009

SCHEDULE "A"

SECOND WAVE PETROLEUM INC.
Suite 1700, 520 - 5th Avenue S.W.
Calgary, Alberta T2P 3R7

NOTICE OF CHANGE OF AUDITOR

TO: Alberta Securities Commission
British Columbia Securities Commission
Saskatchewan Financial Services Commission, Securities Division
The Manitoba Securities Commission
Ontario Securities Commission

AND TO: KPMG LLP, Chartered Accountants

AND TO: Deloitte & Touche LLP, Chartered Accountants

Second Wave Petroleum Inc. (the "Corporation") hereby gives notice of the following in accordance with the requirements of Part 4 of National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102"):

1. The Corporation has requested that the accounting firm of Deloitte & Touche LLP, Chartered Accountants, serve as independent auditor of the Corporation. KPMG LLP, Chartered Accountants, have previously served as independent auditor of the Corporation. In order to facilitate the transition of the auditor role to Deloitte & Touche LLP, KPMG LLP has, at the Corporation's request, resigned as auditor and the directors have appointed Deloitte & Touche LLP to fill the resulting vacancy, effective May 14, 2009. The Corporation intends to propose Deloitte & Touche LLP for appointment as auditor of the Corporation at the annual and special meeting of holders of common shares of the Corporation scheduled to be held on June 11, 2009.
2. The resignation of KPMG LLP, Chartered Accountants and the appointment of Deloitte & Touche LLP, Chartered Accountants, has been considered and approved by the audit committee of the board of directors of the Corporation and by the board of directors.
3. No auditor's report of KPMG LLP on any of the Corporation's financial statements relating to any period since January 1, 2007 contained any reservation.
4. In the opinion of the Corporation, as at the date hereof, there have been no "reportable events" as that term is defined in NI 51-102.

DATED at Calgary, Alberta the 14th day of May, 2009.

SECOND WAVE PETROLEUM INC.

By: (signed) "Randy L. Denecky"

Randy L. Denecky
Vice President, Finance and Chief Financial Officer



KPMG LLP
Chartered Accountants
2700-205 5 Avenue SW
Calgary AB T2P 4B9

Telephone (403) 691-8000
Telefax (403) 691-8008
Internet www.kpmg.ca

To: Alberta Securities Commission
British Columbia Securities Commission
Saskatchewan Financial Services Commission Securities Division
The Manitoba Securities Commission
Ontario Securities Commission

Dear Sirs:

Re: Notice of Change of Auditors of Second Wave Petroleum Inc.

We have read the Notice of Second Wave Petroleum Inc. dated May 14, 2009 and are in agreement with the statements contained in such Notice.

Yours very truly,

KPMG LLP

Chartered Accountants
Calgary, Canada
May 14, 2009



Deloitte & Touche LLP
3000 Scotia Centre
700 Second Street S.W.
Calgary AB T2P 0S7
Canada

Tel: 403-267-1700
Fax: 403-264-2871
www.deloitte.ca

May 14, 2009

To: Alberta Securities Commission
British Columbia Securities Commission
Saskatchewan Financial Services Commission Securities Division
The Manitoba Securities Commission
Ontario Securities Commission

Attention: Continuous Disclosure

To whom it may concern:

**RE: Second Wave Petroleum Inc. (the "Corporation")
Change of Auditors
Notice Pursuant to Part 4.11 of National Instrument 51-102**

As required by Part 4.11 of National Instrument 51-102, we have reviewed the information contained in the Corporation's Notice of Change of Auditor dated May 14, 2009 (the "Notice"), and hereby confirm our agreement with the information contained in the Notice. The confirmation is based on our knowledge of the information as at the date of this letter.

We understand that the Notice of Change of Auditor, along with this letter and a similar letter from KPMG LLP, Chartered Accountants, will be filed with the securities regulatory authorities and provided to the Corporation's registered shareholders with the meeting materials relating to the Corporation's next meeting of shareholders.

Yours truly,

Chartered Accountants

cc: KPMG LLP, Chartered Accountants
Second Wave Petroleum Inc.