

**SAHARA ENERGY LTD.  
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
DECEMBER 22, 2009**

**MANAGEMENT INFORMATION CIRCULAR**

**SOLICITATION OF PROXIES**

The information contained in this circular is furnished in connection with the solicitation by management of Sahara Energy Ltd. (the "Corporation") of proxies to be used at the Annual and Special Meeting of the Shareholders of the Corporation (the "Meeting") to be held on Tuesday, the 22<sup>nd</sup> day of December, 2009 at 10:00 o'clock in the forenoon (Calgary time) at the place and for the purposes set forth in the accompanying Notice of Annual and Special Meeting ("Notice of Meeting") and at any adjournment thereof. The information contained in this Management Information Circular is given as at November 2, 2009, unless otherwise stated.

**The solicitation of proxies is made on behalf of the management of the Corporation.** The costs incurred in the preparation and mailing of the form of proxy, Notice of Meeting and this Management Information Circular will be borne by the Corporation. In addition to the use of mails, proxies may be solicited personally or by telephone by directors, officers and employees of the Corporation, who will not be remunerated therefor. The cost of the solicitation will be borne by the Corporation.

**APPOINTMENT AND REVOCATION OF PROXIES**

**A Shareholder has the right to appoint a person or company (who need not be a shareholder) to represent him at the Meeting other than the persons designated in the enclosed proxy form** and may do so either by inserting the name of his chosen nominee in the space provided for that purpose on the form and striking out the other names on the form, or by completing another proper form of proxy. In any case, the form of proxy should be dated and executed by the shareholder or his attorney authorized in writing, or if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

The form of proxy will not be valid for the Meeting or any adjournment thereof unless it is deposited at the office of Olympia Trust Company, 2300, 125 – 9<sup>th</sup> Avenue S.E., Calgary, Alberta T2G 0P6 not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time set for the holding of the Meeting or any adjournment thereof.

In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke it, any time before it is exercised, by instrument in writing executed by the shareholder or by his attorney authorized in writing and deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of such meeting on the day of the Meeting, or any adjournment thereof.

## VOTING OF PROXIES

All of the persons named in the enclosed form of proxy, who are officers and directors of the Corporation, have indicated their willingness to represent as proxy the shareholder who appoints them. Each shareholder may instruct his proxy how to vote his shares by completing the blanks on the proxy form.

**Unless otherwise instructed in the proxy form, the proxy will be voted in favour of the resolution fixing the number of directors to be elected at the Meeting, in respect of the election of directors and the appointment of auditors, and in favour of any other proposed resolution as set forth under “Particulars of Matters to Be Acted Upon.”**

**The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments and variations to matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting.** Management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

## VOTING SHARES

The Corporation's issued and outstanding voting shares consist of 38,036,302 Common Shares. Holders of Common Shares are entitled to one vote at the Meeting for each Common Share held.

The directors have fixed the close of business on November 2, 2009 as the record date for the Meeting. Only shareholders of record as at the close of business on November 2, 2009 are entitled to receive notice of and to attend and vote at the Meeting except that a transferee of shares acquired after that date shall be entitled to vote at the Meeting if such transferee produces properly endorsed certificates for such shares or otherwise establishes ownership of such shares and has demanded not later than 10 days before the Meeting that the name of such transferee be included in the list of shareholders entitled to vote at the Meeting.

## QUORUM

Two or more persons present in person, being a shareholder entitled to vote at the Meeting, or a duly appointed proxyholder or representative of a shareholder so entitled, and together holding or represented by proxy not less than ten (10%) percent of the outstanding Common Shares of the Corporation entitled to vote at the Meeting, constitutes a quorum for the Meeting in respect of the holders of Common Shares.

## ADVICE TO BENEFICIAL SHAREHOLDERS

Holders of Common Shares who do not hold their shares in their own name but instead hold their shares through their brokerage firm or financial institution are commonly known as “beneficial” or “non-registered” shareholders. They are advised to carefully follow the instructions enclosed in their proxy package when completing their voting instruction card. Every intermediary

(brokerage firm) has its own mailing procedure and provides its own return instructions which should be carefully followed.

All references to shareholders in this Management Information Circular and the accompanying form of proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be shown upon request to registered shareholders who produce proof of their identity.

**If you are a beneficial shareholder and wish to vote in person at the Meeting, please contact your broker or agent well in advance of the Meeting to determine how you can do so.**

### PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and executive officers of the Corporation, the following are the only persons or companies who beneficially own, or control or direct, directly or indirectly voting securities carrying 10% or more of the voting rights attached to all outstanding voting securities of the Corporation:

<u>Name of Shareholder</u>	<u>Type of Ownership</u>	<u>Number of Common Shares</u>	<u>Percentage of Common Shares</u>
Peter Boswell	Indirect	3,888,498 <sup>(1)</sup>	10.22%
	Direct	1,774,500	4.67%

(1) These shares are owned by Brolander Holdings Ltd., a company wholly-owned by Peter Boswell.

### EXECUTIVE COMPENSATION

The following disclosure of compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation, or a subsidiary of the Corporation, to each Named Executive Officer and director is made in accordance with the requirements of National Instrument 51-102. Disclosure is required to be made in relation to each Named Executive Officer, being individuals who served as the Corporation's Chief Executive Officer, Chief Financial Officer, and each of its three most highly compensated executive officers who at the end of the most recently completed financial year whose salary and bonus exceeded \$150,000. The Chief Executive Officer and the Chief Financial Officer of the Corporation are the Corporation's only Named Executive Officers.

The board of directors of the Corporation is responsible for approving compensation, including long-term incentives in the form of stock options, to be granted to the Chief Executive Officer, the Chief Financial Officer and the directors. The board of directors determines compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and officers while taking into account the financial and other resources of the Corporation.

## SUMMARY COMPENSATION TABLE

The following table sets forth the compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation, or a subsidiary of the Corporation, to each Named Executive Officer for the financial year ended December 31, 2008.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) <sup>(i)</sup>	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Peter Boswell Chief Executive Officer	2008	\$99,900	Nil	Nil	Nil	Nil	N/A	Nil	\$99,900
Dufton Lewis Chief Financial Officer	2008	\$96,000	Nil	Nil	Nil	Nil	N/A	Nil	\$96,000

(i) Perquisites, including property or other personal benefits in the aggregate are not worth \$50,000 or more nor 10% or more of the Named Executive Officer's total salary for the financial year.

## INCENTIVE PLAN AWARDS

### Outstanding share-based awards and option-based awards

The following table sets forth all awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, for each Named Executive Officer and director 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 <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Peter Boswell Chief Executive Officer	900,000	\$0.40	Nov. 29/10	No Value	N/A	N/A
Dufton Lewis Chief Financial Officer	150,000	\$0.90	May 30/12	No Value	N/A	N/A
Quentin Enns Director	170,000 80,000 100,000 100,000	\$1.00 \$1.25 \$1.00 \$1.30	Jan. 20/11 Feb. 28/11 May 30/11 Jan. 5/12	No Value	N/A	N/A

- (1) Calculated by multiplying the number of Common Shares purchasable on exercise of the options by the difference between the market price of the Common Shares at December 31, 2008 and the exercise price of the options. The closing price of the Corporation's Common Shares on the TSX Venture Exchange on December 31, 2008, was \$0.01.

### **Incentive plan awards – value vested or earned during the year**

The following table sets forth the incentive plan awards, value vested or earned during the most recently completed financial year for each Named Executive Officer and director of the Corporation.

<b>Name</b>	<b>Option-based awards – Value vested during the year</b> <b>(\$)<sup>(i)</sup></b>	<b>Share-based awards – Value vested during the year</b> <b>(\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year</b> <b>(\$)</b>
Peter Boswell Chief Executive Officer	Nil	N/A	N/A
Dufton Lewis Chief Financial Officer	No Value	N/A	N/A
Quentin Enns	No Value	N/A	N/A

- (i) Represents the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. Calculated by multiplying the number of Common Shares purchasable on exercise of the options on the vesting date by the difference between the market price of the Common Shares on the vesting date and the exercise price of the options. The Options vested on January 5, 2008 and May 30, 2008. On the afore-mentioned vesting dates, the market price was \$0.13 and \$0.05, respectively.
- (ii) Represents the aggregate dollar value realized upon vesting the share-based awards. Compute the dollar value realized by multiplying the number of shares or units by the market value of the underlying shares on the vesting date.

### **Narrative Description of Option-based and Share-based plans**

The Corporation maintains a stock option plan (the "Stock Option Plan") for directors, officers, employees and consultants of the Corporation and its subsidiaries and affiliates, if any; and for employees of a person or company which provides management services (excluding investor relations services) to the Corporation or its subsidiaries, if any. Under the Stock Option Plan, the Corporation can grant options to purchase up to 2,423,200 Common Shares. The criteria used to determine eligibility for granting of options, the number of Common Shares covered by each option and the term of each option is at the discretion of the board of directors and as permitted by the TSX Venture Exchange (the "Exchange"); and the exercise price is determined by the board of directors based on the market price of the Common Shares on the date of the grant. The exercise price may not be less than the discounted exercise price prescribed by the policies of the Exchange. The term of an option shall exceed the maximum term permitted by the Exchange. All options are non-transferable. Vesting provisions are determined by the board of directors at the time of grant. The maximum number of Common Shares reserved for issuance to any one

individual in any 12-month period cannot exceed five (5%) percent of the issued and outstanding Common Shares, unless disinterested shareholder approval is obtained and applicable Exchange requirements are met.

## **TERMINATION AND CHANGE OF CONTROL BENEFITS**

There is no contract, agreement, plan or arrangement between the Corporation and any Named Executive Officer of the Corporation that provides for payments to a Named Executive Officer at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in the Named Executive Officer's responsibilities.

## **DIRECTOR COMPENSATION**

### **Director compensation table**

The following table sets forth all amounts of compensation provided to the directors of the Corporation for the most recently completed financial year.

<b>Name</b>	<b>Fees earned</b>	<b>Share-based awards</b>	<b>Option-based awards</b>	<b>Non-equity incentive plan compensation</b>	<b>Pension value</b>	<b>All other compensation</b>	<b>Total</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
Quentin Enns	Nil	Nil	Nil	Nil	N/A	N/A	Nil

### **Outstanding share-based awards and option-based awards**

See the table under "Incentive Plan Awards".

### **Incentive plan awards – value vested or earned during the year**

See the table under "Incentive Plan Awards".

### **Equity Compensation Plan Information**

The following table sets forth information with respect to securities to be issued upon the exercise of outstanding options, warrants and rights granted pursuant to equity compensation plans of the Corporation 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	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	1,710,000	\$0.70	713,200
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	1,710,000		713,200

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Corporation or its subsidiaries, or any proposed nominee for election as a Director of the Corporation, nor any associate of any such director, executive officer or proposed nominee, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation or its subsidiaries nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation or any of its subsidiaries, except as follows:

The following amounts were advanced by way of loans to the Corporation by the following lenders, which loans bear interest at the rate of 10% per annum. The loans are evidenced by promissory notes dated January 1, 2008. Pursuant to amending agreements dated June 30, 2009, with each of the lenders, the due dates of the promissory notes were amended to July 31, 2009. On June 30, 2009, the lenders were granted general security agreements to secure repayment of the loans. The lenders and the principal amounts advanced by such lenders are as follows: Peter Boswell of 165 Signature Close S. W., Calgary, Alberta, the President, Chief Executive Officer and a director of the Corporation: \$50,000; Brolander Holdings Ltd. of P.O. Box 22019, Bankers Hall, 315 – 8<sup>th</sup> Avenue S. W., Calgary, Alberta, a corporation wholly-owned by Peter Boswell: \$100,000; Brenda Boswell of 165 Signature Close S. W., Calgary, Alberta, the spouse of Peter Boswell: \$25,000; Lane Boswell of 165 Signature Close S. W., Calgary, Alberta, the son of Peter Boswell: \$25,000; and Quentin Enns of 236 Scenic Glen Bay N. W., Calgary, Alberta, a director of the Corporation: \$120,000.

### MANAGEMENT CONTRACTS

The Corporation has not entered into an agreement or arrangement under which management functions of the Corporation or any of its subsidiaries are to any substantial degree to be performed by a person or company other than by the directors or senior officers of the Corporation or its subsidiaries.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management of the Corporation is not aware of any material interests, direct or indirect, of any “informed person” (as defined in National Instrument 51-102) of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director of the Corporation in any transaction since the commencement of the last completed financial year of the Corporation, or in any proposed transaction, which has materially affected or will materially affect the Corporation or any of its subsidiaries.

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

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer since the beginning of the Corporation’s last financial year, of any proposed nominee for election as a director, or of any associate or affiliate of such director, executive officer or proposed nominee in any matter to be acted upon, other than the approval of the Stock Option Plan.

## CORPORATE GOVERNANCE

National Policy 58-201 – *Corporate Governance Guidelines* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, sets out a series of guidelines for effective corporate governance. The Corporation has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Corporation’s practices comply with the guidelines; however, the board of directors of the Corporation (the “Board”) considers that some of the guidelines are not suitable for the Corporation at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

### **Board of Directors**

The Board consists of three directors, one of whom is independent based upon the tests for independence set forth in National Instrument 52-110. David Forrest is independent. Peter Boswell is not independent as he is the President and Chief Executive Officer of the Corporation; and Quentin Enns is not independent as he is the former Vice-President, Exploration of the Corporation.

The independent director is also on the Audit Committee and is able to meet with the Corporation’s auditors without management or the non-independent member of the Audit Committee being in attendance.

### **Directorship**

The following directors of the Corporation are directors of other reporting issuers or the equivalent:



<b>Director</b>	<b>Other Reporting Issuer</b>
Peter Boswell	Mirage Energy Ltd. (TSXV)
Quentin Enns	Mirage Energy Ltd. (TSXV)
David Forrest	Western Plains Petroleum Ltd. (TSXV)

### **Orientation and Continuing Education**

The Board has not developed an official orientation or training program for new Board members. As required, new directors will have the opportunity to become familiar with the Corporation by meeting with the other directors and with officers and employees. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board. Board members are encouraged to communicate with management and auditors and technical consultants if required. They are expected to keep themselves current with industry trends and developments and changes in legislation with management's assistance. Board members have full access to the Corporation's records.

### **Ethical Business Conduct**

The Board has adopted a Code of Business Conduct (the "Code") for directors and officers of the Corporation. Directors and officers are required to sign acknowledgements that they have read and understand the Code. A copy of the Code is available through the System for Electronic Document Analysis and Retrieval ("SEDAR") through the Internet at [www.sedar.com](http://www.sedar.com).

### **Nomination of Directors**

The Board has not appointed a nominating committee because the Board fulfills these functions. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors.

### **Compensation of Directors and the CEO**

The Board is responsible for approving compensation, including long-term incentives in the form of stock options, to be granted to the Chief Executive Officer, the Chief Financial Officer and the directors. The Board determines compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and officers while taking into account the financial and other resources of the Corporation.

### **Board Committees**

In addition to the Audit Committee, the Corporation has a Reserves Committee. Peter Boswell, Quentin Enns and David Forrest are on the Reserves Committee. The Reserves Committee is responsible for (i) reviewing estimates of reserves prepared by management and evaluated by independent petroleum engineers; and (ii) assuring the independence of the independent petroleum engineers.

## **Assessments**

Based upon the Corporation's size, its current state of development and the number of individuals on the Board, the Board considers a formal process for assessing regularly the effectiveness and contribution of the Board, as a whole, its committees or individual directors to be unnecessary at this time. The Board plans to continue evaluating its own effectiveness on an ad hoc basis.

## **AUDIT COMMITTEE**

### **Audit Committee Mandate**

The Audit Committee is a committee of the Board established for the purpose of overseeing the accounting and financial reporting process of the Corporation and annual external audits of the consolidated financial statements. The Audit Committee has set out its responsibilities and composition requirements in fulfilling its oversight in relation to the Corporation's internal accounting standards and practices, financial information, accounting systems and procedures, which procedures are set out in the Corporation's Audit Committee Mandate, a copy of which is attached hereto as Schedule "A".

### **Composition of Audit Committee**

The Audit Committee is composed of three directors, Peter Boswell, Quentin Enns and David Forrest. All of the members of the Audit Committee are "financially literate" within the meaning of National Instrument 52-110. David Forrest is "independent" within the meaning of National Instrument 52-110. The Corporation is a "venture issuer" as defined in National Instrument 52-110 and as such is relying on the exemption from the requirement that all members of the audit committee be independent.

## **COMPENSATION OF AUDITORS**

### **Audit Fees**

The aggregate fees billed by MacKay LLP, Chartered Accountants, the Corporation's auditors, in each of the last two fiscal years for audit fees, was \$72,000 for the fiscal year ended December 31, 2008 and \$63,000 for the fiscal year ended December 31, 2007.

### **Audit Related Fees**

The aggregate fees billed in the last two fiscal years for assurance and related services by MacKay LLP, Chartered Accountants, the Corporation's auditors, that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported under "Audit Fees" above was \$nil for the fiscal year ended December 31, 2008 and \$nil for the fiscal year ended December 31, 2007.

**Tax Fees**

The aggregate fees billed in the last two fiscal years for professional services rendered by MacKay LLP, Chartered Accountants, the Corporation's auditors, for tax compliance, tax advice and tax planning was \$3,000 for the fiscal year ended December 31, 2008 and \$nil for the fiscal year ended December 31, 2007.

**All Other Fees**

The aggregate fees billed in the last two fiscal years for products and services provided by MacKay LLP, Chartered Accountants, the Corporation's auditors, other than the services reported in "Audit Fees", "Audit Related Fees", and "Tax Fees", referred to above, to the Corporation was \$nil for the fiscal year ended December 31, 2008 and \$nil for the fiscal year ended December 31, 2007.

**PARTICULARS OF MATTERS TO BE ACTED UPON**

To the knowledge of the Corporation's directors, the only matters to be placed before the Meeting are those matters set forth in the accompanying Notice of Meeting, more particularly described as follows:

**Financial Statements**

At the Meeting, shareholders will receive and consider the audited financial statements of the Corporation for the financial year ended December 31, 2008, along with the auditors' report thereon. No vote by the shareholders with respect thereto is required or proposed to be taken.

National Instrument 51-102, Continuous Disclosure Obligations, (the "Instrument") provides that the Corporation is not required to send annual or interim financial statements to its registered shareholders, unless they request copies of same. However, the *Business Corporations Act* (Alberta) requires that annual financial statements be sent to each shareholder, unless waived in writing by the shareholder. The Instrument provides that shareholders will not receive interim financial statements and the management discussion and analysis for the interim financial statements unless requested.

With respect to beneficial shareholders the Instrument provides that the Corporation is only required to send annual or interim financial statements to its beneficial shareholders if they request copies of same. The Instrument provides that shareholders will not receive annual and interim financial statements and the management discussion and analysis for the annual and interim financial statements unless requested.

Shareholders are encouraged to review and, if action is desired, send the enclosed return card to the Corporation at 420 – 510 – 5<sup>th</sup> St. S. W., Calgary, Alberta, T2P 3S2.

### **Fix Number of Directors to be Elected**

The affairs of the Corporation are managed by a board of directors who are elected annually to hold office until the next annual meeting or until the director's successor is elected or appointed.

The Articles of the Corporation provide that the board of directors shall consist of a minimum of three and a maximum of fifteen directors. The board of directors currently consists of three members.

The shareholders of the Corporation will be asked to consider and, if thought appropriate, to approve and adopt a resolution fixing the number of directors to be elected at the Meeting at three. In order to be effective, the resolution requires the approval of a majority of votes cast by shareholders who vote in respect of the resolution

### **Election of Directors**

Hereinafter set forth are the names of the persons for whom it is intended that votes will be cast for their election as directors pursuant to the proxy solicited hereby unless the shareholder directs that his shares be withheld from voting in the election of directors. Management has been informed that each of the proposed nominees listed below is willing to serve as a director, if elected.

In the following tables and notes thereto is stated the name of each person proposed by management for election as a director, the person's address, the person's positions and offices with the Corporation, if any, the person's principal occupation or employment, the person's period or periods of service as a director of the Corporation and the approximate number of Common Shares of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by the person as of the date hereof:

<b>Name, Residence and Office</b>	<b>Director Since</b>	<b>Principal Occupation</b>	<b>Number of Common Shares as at the date hereof</b>
Peter Boswell <sup>(1)</sup> <sup>(2)</sup> Alberta, Canada President and Chief Executive Officer	October, 2005	President and Chief Executive Officer of the Corporation since October, 2005; and President and principal of Brolandar Holdings Ltd., a private oil and gas company; Vice-President and director of Wave Energy Ltd., a private oil and gas company from January, 2004 until August, 2005.	1,774,500 3,888,498 <sup>(3)</sup>

Name, Residence and Office	Director Since	Principal Occupation	Number of Common Shares as at the date hereof
Quentin Enns <sup>(1)(2)</sup> Alberta, Canada Vice-President, Exploration	November, 2006	Senior Geologist with Bellatrix Exploration since October, 2009; Geologist with Iteration Energy from May, 2008 to September, 2009; Vice-President, Exploration of the Corporation from March, 2006 to April 30, 2008; and prior thereto, with Canadian Natural Resources Limited from 2000 to March, 2006.	2,013,907
David Forrest <sup>(1)(2)</sup> Alberta, Canada	November 2, 2009	President and Chief Executive Officer of Western Plains Petroleum Ltd. since August 1, 2008; and President and founder of Brahma Resources Ltd., a private oil & gas company, since November, 2005.	Nil

- (1) Member of the Audit Committee  
(2) Member of the Reserves Committee  
(3) These shares are owned by Brolander Holdings Ltd. which is wholly-owned by Peter Boswell.

The directors will hold office until the close of the next annual general meeting of shareholders, unless such office is earlier vacated by the death or resignation of the director or by removal or disqualification in accordance with the *Business Corporations Act* (Alberta).

The information as to principal occupation and shares beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective nominee.

To the knowledge of management of the Corporation, no proposed director is, or within the ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Corporation) that: (i) while that person was acting in that capacity was the subject of a cease trade order or an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under Canadian securities legislation (any such order referred to as an "Order"), for a period of more than 30 consecutive days; or (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer, except that:

1. Each of Peter Boswell and Quentin Enns have each been subject to a management cease trade order issued by the Alberta Securities Commission for failure to file audited financial statements for the year ended December 31, 2007 for the Corporation, which management cease trade order remains in effect.
2. The Corporation is subject to cease trade orders issued in May, 2009 by the Alberta, British Columbia and Ontario Securities Commissions for failure to file audited

financial statements and management discussion and analysis for the year ended December 31, 2008, which cease trade orders remain in effect.

To the knowledge of management of the Corporation, no proposed director is or has been during the ten years prior to the date hereof, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of management of the Corporation, no proposed director has, during the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditor, or had a receiver, receiver manager or trustee appointed to hold assets of the proposed director.

To the knowledge of the management of the Corporation, no proposed director has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### **Appointment and Remuneration of Auditors**

It is intended to vote the proxy solicited hereby (unless the shareholder directs therein that his shares be withheld from voting in the appointment of auditors) to appoint the firm of MacKay LLP, Chartered Accountants, 1700 – 717 – 7<sup>th</sup> Avenue S. W., Calgary, Alberta, as auditors of the Corporation to hold office until the next annual meeting of shareholders and to authorize the directors to fix their remuneration. MacKay LLP, Chartered Accountants were appointed as auditors for the Corporation on March 15, 2006.

#### **Approval of Stock Option Plan**

Pursuant to the Exchange Policies, the Corporation's Stock Option Plan must receive shareholder approval annually.

Set forth below is the resolution to be submitted to the shareholders in relation to approving the Stock Option Plan. The resolution must be passed by a majority of the votes cast by holders of Common Shares who vote in respect of the resolution. The resolution is as follows:

**“BE IT RESOLVED that the Stock Option Plan of the Corporation, pursuant to which the Board of Directors of the Corporation may allocate non-transferable options to purchase Common Shares of the Corporation to directors, officers,**

**consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services (excluding investor relations services) to the Corporation and its subsidiaries, be and the same is hereby ratified and approved.”**

### **Consolidation**

In order to attract equity financing to meet the Corporation’s working capital requirements and in order to fund future acquisitions, the directors of the Corporation consider it advisable to consolidate the Corporation’s issued Common Shares.

At the Meeting, the shareholders will be asked to consider and approve, with or without variation, a special resolution (the “Share Consolidation Special Resolution”), authorizing the Corporation to file articles of amendment to provide for the consolidation of the issued and outstanding Common Shares of the Corporation on the basis of one (1) post-consolidation Common Share for up to a maximum of every four (4) pre-consolidation Common Shares or such lesser number of pre-consolidation Common Shares as may be approved by the Board, in its sole discretion, and accepted by the Exchange (the “Consolidation”). No fractional Common Shares of the Corporation will be issued if, as a result of the Consolidation, a registered shareholder would otherwise be entitled to a fractional share. Instead, the Corporation will round any fractional shares resulting from the Consolidation in the following manner: a registered shareholder holding 0.50 or more fractional shares will be rounded up to the nearest whole share, and a registered shareholder holding 0.49 or less fractional shares will be rounded down to the nearest whole share.

If the Share Consolidation Special Resolution referred to below is passed, the directors will have the authority to revoke it before it is acted upon.

The Consolidation will affect all shareholders uniformly and will not affect any shareholder’s percentage interest in the Corporation, except to the extent that the Consolidation would otherwise result in a shareholder owning a fractional share. In addition, the Consolidation will not affect any shareholder’s proportionate voting rights, subject to the treatment of fractional shares described above.

Under the *Business Corporations Act* (Alberta), the proposal to proceed with a consolidation of share capital must be approved by special resolution which requires that the resolution be passed by not less than two-third (2/3) of the votes cast by shareholders represented in person or by proxy at the Meeting.

The implementation of the Share Consolidation Special Resolution is conditional upon the Corporation obtaining the necessary regulatory consents.

If the Share Consolidation Special Resolution is passed by the requisite number of shareholders at the Meeting and receives the necessary regulatory approvals, and if the

directors do not revoke the Share Consolidation Special Resolution before it is acted upon, then upon the filing of the articles of amendment to implement the Consolidation, the Common Shares will be consolidated into new Common Shares as described in this Management Information Circular. In accordance with the rules of the Exchange, replacement shares will be issued.

As soon as practicable after the Consolidation has been effected, the Corporation will send a letter of transmittal to holders of Common Shares for use in delivering their pre-consolidation share certificates to the Corporation's transfer agent, Olympia Trust Company. Tendered certificates will be exchanged for new certificates representing the appropriate number of Common Shares to which a Shareholder is entitled following the Consolidation.

The following is the special resolution to be submitted to the shareholders in relation to the Consolidation:

**“BE IT RESOLVED AS A SPECIAL RESOLUTION that:**

- 1. the Corporation is hereby authorized and directed to amend its articles as follows:**
  - (a) the articles of the Corporation are amended to provide that the issued and outstanding common shares (the “Common Shares”) of the Corporation be consolidated on the basis of one new (1) Common Share for up to a maximum of every four (4) old Common Shares then issued and outstanding, or such lesser number of old Common Shares as may be approved by the board of directors of the Corporation and accepted by the TSX Venture Exchange;**
  - (b) if the consolidation would otherwise result in the issuance of a fractional share, no fractional share will be issued but rather the number of shares registered in the name of the shareholder shall be rounded up to the nearest whole share for registered shareholders holding 0.50 or more fractional shares and shall be rounded down to the nearest whole share for any registered shareholder holding 0.49 or less fractional shares without any payment or other compensation being made to any shareholder in respect thereof;**
- 2. any officer or director of the Corporation is authorized and directed on behalf of the Corporation to file articles of amendment pursuant to the *Business Corporations Act* ( Alberta) and to execute all documents and to take any action which, in the opinion of that person, is necessary or desirable to give effect to this special resolution;**



3. **notwithstanding the foregoing, the directors are hereby authorized in their sole direction to revoke this special resolution before it is acted upon without further approval of the shareholders of the Corporation; and**
4. **any officer or director of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute, or cause to be executed, whether under the corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such certificates, instruments, agreements, notices and other documents, and to do or cause to be done all such other acts and things as such director or officer determines to be necessary or desirable in connection with the foregoing, such determination to be conclusively evidenced by the execution and deliver of such document, agreement or instrument or the doing of any such act or thing. ”**

### **Change of Name**

It is proposed that the name of the Corporation be changed to Sands Energy Ltd., or such other name as the board of directors may determine in its sole discretion, and as may be acceptable by the Registrar under the *Business Corporations Act* (Alberta) and the Exchange (the “Change of Name”); and accordingly, the shareholders of the Corporation are being asked at the Meeting for approval of a special resolution for the Change of Name. The following is the special resolution to be submitted to the shareholders in relation to the Change of Name, which special resolution must be passed by a majority of not less than two-thirds of the votes cast by the shareholders who vote in respect of the resolution:

**“BE IT RESOLVED as a special resolution that:**

1. **the Articles of the Corporation be amended pursuant to Section 173(1)(a) of the *Business Corporations Act* (Alberta) to change the name of the Corporation to Sands Energy Ltd., or such other name as the directors of the Corporation may determine in their sole discretion and the Registrar of Corporations for the Province of Alberta and the TSX Venture Exchange may approve; and**
2. **any director or officer of the Corporation be and is hereby authorized, on behalf of and in the name of the Corporation, to take all necessary steps and proceedings, and to execute and deliver and file any and all declarations, agreements, documents and other instruments and to do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to the provisions of this special resolution, including the execution and filing of Articles of Amendment; provided that the directors may, in their sole discretion, revoke**

**this special resolution before it is acted upon without further approval of the shareholders of the Corporation.”**

### **Sale of Oil and Gas Properties**

The Corporation proposes to sell its 100% interest in its Lloydminster properties; its 50% interest in the Rush Lake property; its 100% interest in three LSD's at Bodo, Alberta; and its 40% interest in two wells at Bodo, Alberta. The purchase price is \$2,000,000 of which \$100,000 has been paid as a non-refundable deposit. The effective date of the sale is to be November 1, 2009 and the closing date of the sale is to be December 15, 2009. The transaction is subject to the purchaser and the Corporation entering into a mutually acceptable purchase and sale agreement, which will contain provision for:

- no interest shall accrue against the purchase price;
- satisfactory review of the lease operations statements and reserve reports applicable to the Assets;
- the Corporation to make all reasonable efforts to obtain partner's permission to sell any joint seismic in the Asset area. In the event the Corporation is successful, and the purchaser is able to acquire partners permission regarding joint seismic, then the Corporation will waive its share of any fees associated with the acquisition of the seismic;
- an environmental assessment and field inspection satisfactory to the purchaser; and
- a review of title, satisfactory to the purchaser.

The proposed sale will result in a disposition of approximately 75% (in value) of the Corporation's assets and, accordingly, pursuant to the policies of the Exchange, the sale requires the approval of the shareholders.

The purchaser is not a Non-Arm's Length Party as defined in the Exchange policies.

The Corporation intends to apply the proceeds of the sale to working capital and to pay down debt.

Set forth below is the resolution to be submitted to the shareholders in relation to approving the proposed sale. The resolution must be passed by a majority of the votes cast by holders of Common Shares who vote in respect of the resolution. The resolution is as follows:

**“BE IT RESOLVED that the Corporation be authorized to sell the Assets, as defined in the Management Information Circular distributed to the Corporation's shareholders for the Annual and Special Meeting of Shareholders of the Corporation held on December 22, 2009, at and for a purchase price of \$2,000,000, subject to adjustments as may be contained in the purchase and sale agreement, hereinafter referred to, which sale shall be on such terms**

**and conditions as shall be contained in a purchase and sale agreement to be entered into by the Corporation and shall be approved by the board of directors of the Corporation.”**

#### OTHER MATTERS

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If other matters come before the Meeting it is the intention of the individuals named in the form of proxy to vote the same in accordance with their best judgment in such matters.

#### ADDITIONAL INFORMATION

Additional information relating to the Corporation is available through the System for Electronic Document Analysis and Retrieval (“SEDAR”) through the Internet at [www.sedar.com](http://www.sedar.com).

To obtain copies of the Corporation’s financial statements and management discussion and analysis, shareholders are required to send the return card referred to under “Particulars of Matters to Be Acted Upon” – “Financial Statements”.

Financial information relating to the Corporation is provided in the Corporation’s comparative financial statements and management discussion and analysis for its most recently completed financial year. See “Particulars of Matters to Be Acted Upon” – “Financial Statements”.