

**SAHARA ENERGY LTD.  
INFORMATION CIRCULAR  
FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON OCTOBER 21, 2015**

**PURPOSE OF SOLICITATION**

This information circular ("Information Circular") is furnished in connection with the solicitation of proxies by the management of Sahara Energy Ltd. (the "Corporation") for use at the Annual General and Special Meeting (the "Meeting") of the holders ("Shareholders") of common shares ("Common Shares") in the capital of the Corporation. The Meeting will be held at the office of Norton Rose Fulbright Canada LLP, at 3700 Devon Tower, 400 Third Avenue S.W., Calgary, Alberta, on October 21, 2015 at 10:00 a.m. (Calgary time), and at any adjournments thereof for the purposes set forth in the Notice of Annual and Special Meeting of Shareholders (the "**Notice of Meeting**") accompanying this Information Circular. Information contained herein is given as of September 11, 2015 unless otherwise specifically stated.

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

**APPOINTMENT AND REVOCATION OF PROXIES**

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

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is signed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, it must be executed by a duly authorized officer or attorney thereof. The proxy, to be acted upon, must be deposited with the registrar and transfer agent of the Corporation, Computershare Trust Company of Canada, at 100 University Avenue, 8<sup>th</sup> Floor, North Tower, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, or by facsimile, at 1-866-249-7775 by no later than 10:00 a.m. (Calgary time) on October 19, 2015, or with the chairman of the Meeting on the day of the Meeting or any adjournment thereof. Registered Shareholders may also vote by phone or on the internet at [www.investorvote.com](http://www.investorvote.com) as detailed on the form of proxy.

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

**ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES**

**The Information set forth in this section is of significant importance to many Shareholders of the Corporation, as a substantial number of Shareholders do not hold shares in their own name.** Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a

shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.

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

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

## VOTING OF PROXIES

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

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

## INFORMATION CONCERNING THE CORPORATION

### Voting Shares and Principal Holders Thereof

The directors of the Corporation have fixed September 9, 2015 as the record date. Shareholders at the close of business on September 9, 2015, are entitled to receive notice of the Meeting and to vote thereat

or at any adjournments thereof on the basis of one vote for each Common Share held, except to the extent that (i) a registered Shareholder has transferred the ownership of any shares, subsequent to September 9, 2015 and (ii) the transferee of those shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the shares and demands, not later than ten days before the Meeting, that his or her name be included on the Shareholder list before the Meeting, in which case, the transferee shall be entitled to vote his or her Common Shares at the Meeting. The transfer books will not be closed.

As of September 11, 2015, 289,684,074 Common Shares were issued and outstanding as fully paid and non-assessable shares.

To the knowledge of the directors and senior officers of the Corporation, no persons, firms or corporations other than the persons set out below, beneficially own directly or indirectly, or exercise control or direction over ten percent (10%) or more of the issued and outstanding Common Shares of the Corporation.

Name	Number of Shares	Percentage of Issued and Outstanding
JK Investment (Hong Kong) Co., Limited	200,000,000	69.04%
China Great United Petroleum Investment Co. Limited	48,967,029	16.90%

#### **Indebtedness of Directors and Senior Officers**

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

#### **Compensation Discussion and Analysis**

The Corporation's compensation program for Named Executive Officers ("**NEOs**") includes a base salary or consulting arrangement and awards of stock options ("**Options**"). The board of directors of the Corporation (the "**Board**") determines the level of compensation to NEOs, reflecting the need to provide incentive and compensation for the time and effort expended by the officers while taking into account the financial and other resources of the Corporation. The process for determining the compensation relies solely on discussion by the Board.

NEOs who are not consultants are provided with extended health care, dental and insurance benefits. In addition, each NEO receives minor perquisites (such as parking) which total less than ten (10%) percent of the total compensation.

#### Stock Option Plan

The Corporation has a stock option plan (the "**Stock Option Plan**") to grant Options to directors, officers, employees and consultants of the Corporation and for employees of a person or company which provides management services (excluding investor relations services) to the Corporation. Under the Stock Option Plan, a maximum of 10% of the issued and outstanding Common Shares may be issued on the exercise of Options. 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 and as permitted by the TSX Venture Exchange (the "**Exchange**"); and the exercise price is determined by the Board 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 not exceed the maximum term permitted by the Exchange. All Options are non-transferable. Vesting provisions are determined by the Board 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.

### Summary Compensation Table

The following table discloses, for each NEO in the most recently completed financial year, total compensation received during the Corporation's three most recently completed financial years.

Name and Principal Position	Year	Salary (\$)	Share-Based awards(\$)	Option-Based awards(\$) <sup>(1)</sup>	Non equity incentive Plan compensation (\$)			All other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans	Pension Value (\$)		
Dejiang (Martin) Feng CEO	2014	\$120,000	Nil	Nil	Nil	Nil	N/A	Nil	\$120,000
	2013	\$120,000	Nil	Nil	Nil	Nil	N/A	Nil	\$120,000
	2012	\$120,000	Nil	\$1,043 <sup>(2)</sup>	Nil	Nil	N/A	Nil	\$121,043
Gary Chang CFO	2014	Nil	Nil	Nil	Nil	Nil	N/A	Nil	Nil
	2013	Nil	Nil	Nil	Nil	Nil	N/A	Nil	Nil
	2012	Nil	Nil	\$730 <sup>(2)</sup>	Nil	Nil	N/A	Nil	\$730

**Notes:**

- (1) This figure does not represent cash paid to the NEO. The calculation of option-based awards includes both vested and unvested Options and is based on the Black-Scholes option valuation model based on parameters at the grant date.
- (2) No Options were granted to the NEOs during 2012. However, Options previously granted to the NEO were repriced on November 5, 2012 to \$0.10 and the figure represents the incremental fair value of those Options due to the repricing.

### Outstanding Share-Based and Option-Based Awards – Named Executive Officers

The following table sets forth information with respect to the outstanding awards granted under the Stock Option Plan issued to the NEOs as at December 31, 2014.

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 (\$)
Dejiang (Martin) Feng	1,000,000	0.10	January 23, 2016	Nil	Nil	N/A
Gary Chang	700,000	0.10	January 23, 2016	Nil	Nil	N/A

**Note:**

- (1) Calculated based on the difference between the market value of the Common Shares at December 31, 2014, which was \$0.025, and the exercise price of the Option.

## Incentive Plan Awards – Value Vested or Earned During the Year – Named Executive Officers

The following table sets forth information in respect of the value of awards granted pursuant to the Stock Option Plan to the NEOs of the Corporation that vested during the period ending December 31, 2014.

Name	Option-Based Awards - Value Vested During Year <sup>(1)</sup> (\$)	Share-Based Awards - Value Vested During Year (\$)	Non-Equity Incentive Plan Compensation- Value Earned During Year (\$)
Dejiang (Martin) Feng	Nil	Nil	Nil
Gary Chang	Nil	Nil	Nil

**Note:**

(1) Calculated based on the difference between the market value of the Common Shares on the application date of vesting and the applicable exercise price of the Option which vested.

### Other Plans

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

### Employment Agreements and Termination and Change of Control Benefits

The Corporation has an employment agreement with Dejiang (Martin) Feng which provides for payment of one year's salary on termination of the agreement by the Corporation.

### Compensation of Directors

The following table summarises compensation for directors who are not NEOs of the Corporation during the fiscal year ended December 31, 2014.

Name	Fees earned (\$)	Share- based awards (\$)	Option- based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Qingshou Gao	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Tao Gao	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Liqun Hao	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Yachao Peng	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Panwen Gao	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Fan (Rose) Gong	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Kingston Kwek	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Gang Fang <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Yuicho Yiu <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

(1) This figure does not represent cash paid to the director. The calculation of option-based awards includes both vested and unvested Options and is based on the Black-Scholes option valuation model based on parameters at the grant date. The Corporation did not grant any option-based awards in 2014.

(2) Mr. Fang ceased to be a director in August, 2014.

(3) Mr. Yiu ceased to be a director in August, 2014.

## Outstanding Share-Based and Option-Based Awards – Directors

The following table sets forth information with respect to the outstanding awards granted under the Stock Option Plan issued to the directors who are not NEOs of the Corporation as at December 31, 2014.

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 (\$)
Qingshou Gao	Nil	N/A	N/A	N/A	Nil	N/A
Tao Gao	Nil	N/A	N/A	N/A	Nil	N/A
Liqun Hao	Nil	N/A	N/A	N/A	Nil	N/A
Yachao Peng	Nil	N/A	N/A	N/A	Nil	N/A
Panwen Gao	Nil	N/A	N/A	N/A	Nil	N/A
Fan (Rose) Gong	Nil	N/A	N/A	N/A	Nil	N/A
Kingston Kwek	700,000	\$0.10	March 12, 2017	Nil	Nil	N/A
Gang Fang <sup>(2)</sup>	Nil	N/A	N/A	N/A	Nil	N/A
Yuicho Yiu <sup>(3)</sup>	Nil	N/A	N/A	N/A	Nil	N/A

### Notes:

- (1) Calculated based on the difference between the market value of the Common Shares at December 31, 2014, which was \$0.025, and the exercise price of the Option.
- (2) Mr. Fang ceased to be a director in August, 2014.
- (3) Mr. Yiu ceased to be a director in August, 2014.

## Incentive Plan Awards – Value Vested or Earned During the Year – Directors

The following table sets forth information in respect of the value of awards granted pursuant to the Stock Option Plan to the directors who are not NEOs of the Corporation that vested during the period ending December 31, 2014.

Name	Option-Based Awards - Value Vested During Year <sup>(1)</sup> (\$)	Share-Based Awards - Value Vested During Year (\$)	Non-Equity Incentive Plan Compensation - Value Earned During Year (\$)
Qingshou Gao	Nil	Nil	Nil
Tao Gao	Nil	Nil	Nil
Liqun Hao	Nil	Nil	Nil
Yachao Peng	Nil	Nil	Nil
Panwen Gao	Nil	Nil	Nil
Fan (Rose) Gong	Nil	Nil	Nil
Kingston Kwek	Nil	Nil	Nil
Gang Fang <sup>(2)</sup>	Nil	Nil	Nil
Yuicho Yiu <sup>(3)</sup>	Nil	Nil	Nil

### Notes:

- (1) Calculated based on the difference between the market value of the Common Shares on the applicable date of vesting and the applicable exercise price of the Options which vested.
- (2) Mr. Fang ceased to be a director in August, 2014.
- (3) Mr. Yiu ceased to be a director in August, 2014.

## Equity Compensation Plan Information as at December 31, 2014

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of Securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by securityholders	2,400,000	\$0.10	26,568,407
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	<b>2,400,000</b>	<b>\$0.10</b>	<b>26,568,407</b>

### Interest of Informed Persons in Material Transactions

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

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

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

## ANNUAL MEETING BUSINESS

### Financial Statements and Auditors' Report

Audited financial statements for the fiscal year ended December 31, 2014 and the report of the auditors thereon have been sent to registered shareholders. The presentation of such audited financial statements to the shareholders at the Meeting will not constitute a request for approval or disapproval.

### Election of Directors

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

The Board currently consists of nine directors. At the Meeting, nine directors are to be elected.

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

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

<b>Name and Municipality of Residence</b>	<b>Office Held</b>	<b>Principal Occupation for the Past Five Years</b>	<b>Director Since</b>	<b>Number of Shares Held</b>
Qingshou Gao Wuhan, China	Director	Chairman of the board of directors since 2002 of Hubei Guochuang Hitech Material Co., Ltd. (" <b>Guochuang</b> "), a company listed on the Shenzhen Stock Exchange.	August 12, 2014	Nil <sup>(1)</sup>
Tao Gao Wuhan, China	Director	Director and General Manager of Guochuang since 2010. Prior thereto, director of a research institute for Guochuang from 2002 to 2005.	August 12, 2014	Nil <sup>(1)</sup>
Liqun Hao Wuhan, China	Director	Director of Guochuang since 2002.	August 12, 2014	Nil <sup>(1)</sup>
Yachao Peng <sup>(2)</sup> Wuhan, China	Director and Chief Executive Officer	Vice General Manager of Guochuang since 2011. Director of Guochuang since 2012. CEO of the Corporation from September 11, 2015. Prior thereto, Department Manager and then Vice-President of the Hubei Branch of the Agricultural Bank of China.	August 12, 2014	Nil <sup>(1)</sup>
Panwen Gao New York, New York	Director	Investment Analyst with a global asset manager based in New York City. Obtained a Master of Science in 2012 from Worcester Polytechnic Institute and a Bachelors of Science from the University of Kent in 2009.	August 12, 2014	Nil
Dejiang (Martin) Feng Calgary, Alberta	Director	CEO of the Corporation from 2011 until September 11, 2015. Prior thereto, positions including geologist, drilling and completions engineers, production manager and field project manager.	August 12, 2014	Nil
Gary Chang Vancouver, British Columbia	Director	President, Canadian Royal Potash Inc. since 2010; Vice-President, Great United Petroleum Holding Co. Ltd. from 2005 to 2009.	September 3, 2010	Nil
Fan (Rose) Gong <sup>(2)</sup> North York, Ontario	Director	Manager, Global Financial Services Industry, of Deloitte in Beijing until August 2012; from 2007 to 2012, Senior Research Analyst, Royal Bank of Canada.	November 5, 2012	Nil
Kingston Kwek <sup>(2, 3, 4)</sup> Singapore, Singapore	Director	Assistant Vice-President, Investments, of Hong Leong Management Services, a subsidiary of Hong Leong Group Singapore, since 2010; Regional Manager of Starwood Hotels and Resorts during 2009; prior thereto, Research Intern for various entities.	February 10, 2012	12,000,000

**Notes:**

- (1) Qingshou Gao, Tao Gao, Liqun Hao and Yachao Peng are directors of Guochuang which indirectly holds, through JK Investments (Hong Kong ) Co., Limited, 200,000,000 Common Shares.
- (2) Member of the Audit Committee.
- (3) Member of the Reserves Committee.
- (4) Member of the Compensation Committee.

### Penalties or Sanctions

None of the proposed directors of the Corporation have, within the ten years prior to the date of the Information Circular, been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading and securities, promotion or management of a publicly traded issuer, or theft or fraud.

### Corporate Cease Trade Orders or Bankruptcies

No proposed director of the Corporation has, within the ten years prior to the date of the Information Circular, been a director or executive officer of any reporting issuer that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the reporting issuer access to any statutory exemption for a period of more than 30 consecutive days or was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that person.

### Personal Bankruptcies

None of the proposed directors of the Corporation have, within the ten years preceding the date of the Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the individual.

### **Appointment of Auditor**

At the Meeting, Shareholders will be asked to pass an ordinary resolution appointing MNP LLP, Chartered Accountants ("**MNP**"), as the auditor of the Corporation, to hold office until the close of the next annual meeting of Shareholders and to authorize the Board to fix the remuneration to be paid thereto.

On September 11, 2015, the Corporation determined that Deloitte LLP, Chartered Accountants ("**Deloitte**"), would not be proposed for reappointment as auditor of the Corporation. Accordingly, Deloitte was asked to resign as auditor. Deloitte has been the auditor of the Corporation since 2011. In replacement of Deloitte and in accordance with the provisions of National Instrument 51-102 ("**NI 51-102**"), the Audit Committee of the Board and the Board approved the appointment of MNP as successor auditor.

In accordance with the requirements of NI 51-102, attached to this Information Circular as Appendix A is a copy of the "reporting package" (as such term is defined in NI 51-102). The reporting package includes: (i) a Notice of Change of Auditor (the "**Notice**") prepared by the Corporation; and (ii) a letter from each of Deloitte and MNP in response to the Notice. The Notice provides that there were no reservations in Deloitte's reports for the two most recently completed fiscal years of the Corporation and that there are no reportable events (as defined in NI 51-102).

The persons named in the enclosed form of proxy intend to vote for the appointment of MNP as auditors of the Corporation.

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

At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass, with or without variation, an ordinary resolution approving the Stock Option Plan as set forth below. For a description of the Stock Option Plan, see "*Compensation Discussion and Analysis*". A copy of the Stock Option Plan is set out in Schedule A to the Corporation's Information Circular for the 2014 shareholders' meeting, filed on SEDAR on June 17, 2014, and is hereby incorporated by reference. The Corporation recommends approving the existing Stock Option Plan.

The only equity compensation plan the Corporation has in place is the Stock Option Plan. The Stock Option Plan is a "rolling plan" because it reserves a certain percentage of the issued and outstanding Common Shares of the Corporation for issuance pursuant to the exercise of Options. As of the date hereof, 2,400,000 Options to purchase Common Shares are outstanding. There are currently 26,568,407 unallocated Options available for issuance. The Stock Option Plan was previously approved by the Shareholders on August 12, 2014. Pursuant to Policy 4.4 of the TSX Venture Exchange Corporate Finance Manual, because the Corporation's Stock Option Plan is a "rolling plan", it must be approved by Shareholders on a yearly basis.

The following is the text of the resolution to be considered at the Meeting, subject to such amendments, variations or additions as may be approved at the Meeting:

"BE IT RESOLVED THAT:

- 1 The Corporation's existing stock option plan is hereby approved; and
- 2 Any one officer or director of the Corporation is hereby authorized to execute and deliver all such documents and to do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this resolution."

In order for the foregoing resolution to pass, it must be approved by a simple majority of the votes cast at the Meeting by Shareholders who vote in person or by proxy at the Meeting. The persons named in the enclosed form of proxy, if named, intend to vote FOR the approval of the Stock Option Plan.

#### **OTHER BUSINESS**

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

#### **CORPORATE GOVERNANCE**

In establishing its corporate governance practices, the Board has been guided by Canadian securities legislation, including National Policy 58-201 *Corporate Governance Guidelines* and other regulatory requirements such as National Instrument 52-110 *Audit Committees*.

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

The Board is comprised of nine individuals, five of whom are independent (Qingshou Gao, Liqun Hao, Panwen Gao, Fan (Rose) Gong and Kingston Kwek). Two of the directors have served as members of management within the last three years (Dejiang (Martin) Feng and Gary Chang) and, accordingly, are not independent within the meaning of that term set out in National Instrument 52-110 *Audit Committees*. Two of the directors are not independent by virtue of their acting as management with the Corporation (Yachao Peng) or with Guochuang, the parent company of the Corporation (Tao Gao and Yachao Peng).

##### **Directorships**

The following table sets out the directors or proposed directors of the Corporation who are currently directors of other reporting issuers or companies that are equivalent to reporting issuers:

<b>Name</b>	<b>Other Reporting Issuers</b>
Gary Chang	Anterra Energy Inc.
Qingshou Gao	Hubei Guochuang Hitech Material Co., Ltd.
Tao Gao	Hubei Guochuang Hitech Material Co., Ltd.

<b>Name</b>	<b>Other Reporting Issuers</b>
Liqun Hao	Hubei Guochuang Hitech Material Co., Ltd.
Yachao Peng	Hubei Guochuang Hitech Material Co., Ltd.

### **Orientation and Continuing Education**

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

### **Ethical Business Conduct**

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

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

The members of the Board share responsibility for proposing new nominees to the Board and for assessing directors on an ongoing basis.

### **Board Committees**

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

#### Audit Committee

The Audit Committee reviews the annual financial statements and related financial reporting of the Corporation and meets with the external independent auditors to review and consider audit procedures and to assess the appropriateness and effectiveness of the Corporation's policies, business practices and internal controls. The members of the Audit Committee have direct access to the external auditors of the Corporation. The Audit Committee also reviews the unaudited quarterly financial statements and management's discussion and analysis of financial results. The charter of the Corporation's Audit Committee is set out in Appendix A to the Corporation's Information Circular for the 2012 shareholders' meeting, filed on SEDAR on October 11, 2012, and is hereby incorporated by reference.

The Audit Committee is comprised of three directors, all of whom are financially literate. The members of the Audit Committee have the following relevant education and experience for performing their responsibilities on the Committee:

Mr. Yachao Peng is Vice General Manager of Guochuang and has held this position since 2011. In 2012, Mr. Peng was also made a Director of Guochuang. Prior to this, he worked as a Department Manager and then Vice-President of the Hubei Branch of the Agricultural Bank of China. Mr. Yachao Peng obtained an MBA from Wuhan University of Technology in 2007, his Bachelor Degree in Finance from Zhongnan University of Economics and Law in 1999 and his Certified Public Accountant designation in 1995.

Fan (Rose) Gong holds a Bachelors degree in Accounting and Finance from Lancaster University (United Kingdom) and a Masters degree in Finance from Cambridge University (United Kingdom). Ms. Gong has nine years' experience in the investment banking and financial services industries.

Kingston Kwek holds a Bachelor of Science degree in business, concentrating in finance, from the Wharton School at the University of Pennsylvania and a Masters of Arts degree from Columbia University. Mr. Kwek has been a private investor in the equity and debt markets for over 10 years turned venture

capitalist, and has worked for a number of government-linked organizations, NGOs, and for-profit corporations. He has experience in investment management, primarily in Asian markets.

As a company listed on the Exchange, the Corporation is exempt from the requirements of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of National Instrument 52-110 *Audit Committees*, but is subject to Part 6 (Venture Issuers).

#### *Fees Charged by External Auditors*

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

	<u>2014</u>	<u>2013</u>
Audit Fees	49,755	38,520
Audit-Related Fees	770	Nil
Tax Fees	Nil	Nil
All Other Fees	Nil	Nil
Total	<u>\$50,525</u>	<u>\$38,520</u>

#### Reserves Committee

The Reserves Committee is currently comprised solely of Mr. Kwek. 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.

#### Compensation Committee

The Compensation Committee is currently comprised solely of Mr. Kwek. No terms of reference have been established for this committee.

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

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is contained in the Corporation's financial statements and Management's Discussion and Analysis for the year ended December 31, 2014. If you wish to request copies of the Corporation's financial statements and Management's Discussion and Analysis, please contact Ming Zhou, Interim Chief Financial Officer, at Suite 610, 700 - 4th Avenue SW, Calgary, Alberta, T2P 3J4, Tel: (403) 232-1359.

**Appendix A**

**Reporting Package for Change of Auditor**

**Sahara Energy Ltd.**

**CHANGE OF AUDITOR NOTICE**

**TO:** Deloitte LLP, Chartered Accountants

**AND TO:** MNP LLP, Chartered Accountants

**NOTICE IS HEREBY GIVEN** that, in accordance with National Instrument 51-102 - *Continuous Disclosure Obligations* (**NI 51-102**), the Board of Directors of Sahara Energy Ltd. (the **Corporation**) has considered and approved the following actions, namely that:

1. Deloitte LLP (the **Former Auditor**), Chartered Accountants, be asked to resign as auditor of the Corporation; and
2. MNP LLP (the **Successor Auditor**), Chartered Accountants, be appointed as auditor of the Corporation effective immediately.

At the next annual meeting of shareholders, holders of qualified securities of the Corporation will be asked to approve, by ordinary resolution, the appointment of the Successor Auditor as the auditor of the Corporation until the close of the next annual meeting of the shareholders of the Corporation, at such remuneration as may be approved by the Board of Directors of the Corporation.

The Former Auditor has not expressed any reservation in its audit reports for the period commencing at the beginning of the Corporation's two most recent financial years and ending at the date of this notice.

To the knowledge of the directors of the Corporation, no "reportable event" as such term is defined in NI-51-102 has occurred in connection with the audits for the period commencing at the beginning of the Corporation's two most recent financial years and ending at the date of this notice.

**DATED** at Calgary, Alberta, effective the 14<sup>th</sup> day of September, 2015.

**SAHARA ENERGY LTD.**

By: (signed) "Ming Zhou"  
Ming Zhou  
Interim Chief Financial Officer



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September 22, 2015

Alberta Securities Commission  
British Columbia Securities Commission  
Ontario Securities Commission

Dear Sirs/Mesdames:

**Subject: Sahara Energy Ltd.**

As required by subparagraph (6)(a)(ii) of section 4.11 of National Instrument 51-102, we have reviewed the change of auditor notice of Sahara Energy Ltd. dated September 14, 2015 (the "Notice") and, based on our knowledge of such information at this time, we do not disagree with the information contained in the Notice.

Yours truly,

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants, Chartered Accountants

September 22, 2015

Alberta Securities Commission  
British Columbia Securities Commission  
Ontario Securities Commission  
TSX Venture Exchange

**Attention: Continuous Disclosure**

Dear Sirs/Mesdames:

**RE: Sahara Energy Ltd. (the "Company")  
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 Company's Notice of Change of Auditor dated September 14, 2015 (the "Notice"), and hereby confirm our agreement with the information contained in the Notice, except that we are not in a position to agree or disagree with the Company's statement that there are no reportable events between the Company and Deloitte. 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 Deloitte, Chartered Accountants, will be filed with the securities regulatory authorities and provided to the Company's registered shareholders with the meeting materials relating the Company's next meeting of shareholders.

Yours truly,



**MNP LLP**

c.c. Sahara Energy Ltd.