



**NOTICE OF ANNUAL MEETING
OF THE SHAREHOLDERS
AND
MANAGEMENT INFORMATION CIRCULAR
OF
ROOSTER ENERGY LTD.**

DATED: November 9, 2016

ROOSTER ENERGY LTD.
16285 Park Ten Place, Suite 120
Houston, TX 77084
Telephone: (832) 772-6313 Fax: (832) 772-6314

**Notice of Annual Meeting of Shareholders
to be held on December 15, 2016**

NOTICE IS HEREBY GIVEN that the Annual Meeting of shareholders of **ROOSTER ENERGY LTD.** (the “Company”) will be held at the offices of the Company located at 16285 Park Ten Place, Suite 120, Houston, Texas 77084 on December 15, 2016, at 10:00 a.m. Houston time (the “Meeting”) for the following purposes:

1. to receive the Company’s audited financial statements for the financial year ended December 31, 2015 and the auditor’s report thereon;
2. to set the number of directors at five (5);
3. to elect five (5) members of the Board of Directors for the ensuing year;
4. to ratify the appointment of auditors for the fiscal year ending December 31, 2016, and to authorize the directors to fix the auditors’ remuneration; and
5. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The Board of Directors has fixed November 9, 2016 as the record date for the determination of shareholders entitled to notice of, and to vote at, the Meeting and at any adjournment thereof.

A Management Information Circular, a form of proxy and certain other documents accompany this Notice. The Management Information Circular contains details of matters to be considered at the Meeting.

A shareholder who is unable to attend the Meeting in person and who wishes to ensure that such shareholder’s shares will be voted at the Meeting, is requested to complete, date and sign the enclosed form of proxy and deliver it by facsimile, by hand, by mail, or by internet in accordance with the instructions set out in the form of proxy and in the Management Information Circular.

DATED at Houston, Texas, this 9th day of November, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

“Robert P. Murphy”

Robert P. Murphy
Director, Chief Executive Officer and President

ROOSTER ENERGY LTD.
16285 Park Ten Place, Suite 120
Houston, TX 77084
Telephone: (832) 772-6313 Fax: (832) 772-6314

MANAGEMENT INFORMATION CIRCULAR

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of Rooster Energy Ltd. for use at the Annual Meeting (the “Meeting”) of its shareholders to be held on December 15, 2016, at the time and place and for the purposes set forth in the accompanying Notice of Meeting. Unless otherwise stated, this Management Information Circular contains information as at November 9, 2016.

In this Management Information Circular, references to “the Company”, “Rooster” and “we” refer to Rooster Energy Ltd. “Shares” means, collectively, the common shares in the capital of the Company (“Common Shares”) and the proportionate voting shares in the capital of the Company (“Proportionate Voting Shares”) and references to the Common Shares on a fully-diluted basis assume the conversion of all Proportionate Voting Shares into Common Shares. Each Proportionate Voting Share is convertible to one thousand (1,000) Common Shares and each Proportionate Voting Share is entitled to one thousand (1,000) votes on any matter entitled to vote by shareholders. As of November 9, 2016, there are 324,099,502 Common Shares on a fully diluted basis entitled to vote. All amounts set forth herein are in U.S. Dollars (\$) unless otherwise specifically stated.

SOLICITATION OF PROXIES

The solicitation of proxies by management will be primarily by mail, but proxies may be solicited by directors, officers and regular employees of the Company personally or by telephone, or through electronic mail. All costs of this solicitation will be borne by the Company. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard. If you are a Non-Registered Shareholder (as defined below), and the Company or its agent has sent these materials direct to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary (as defined below) holding on your behalf.

Rooster is not sending proxy related materials to registered or beneficial Rooster shareholders using the notice and access provisions of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issue* (“NI 54-101”). Rooster is sending proxy-related materials directly to non-objecting beneficial owners (as described in NI 54-101) of Rooster Shares (“NOBOs”) using the procedures set out in NI 54-101. Rooster will pay for intermediaries to deliver to objecting beneficial owners (as described in NI 54-101) of Rooster Shares (“OBOs”) as set out in NI 54-101, this Circular and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*.

APPOINTMENT OF PROXYHOLDERS

The individuals named in the accompanying form of proxy are the Chief Executive Officer and President and the Senior Vice President, General Counsel and Secretary of the Company (collectively, the “Management Designees”). **A shareholder may appoint, as proxyholder or alternate proxyholder, a person or persons other than any of the persons designated in the accompanying form of proxy, and may do so either by inserting the name or names of such**

persons in the blank space provided in the accompanying form of proxy or by completing another suitable form of proxy.

An appointment of a proxyholder or alternate proxyholder will not be valid unless a form of proxy making the appointment, signed by the Company's transfer agent, the shareholder or by an attorney of the shareholder authorized in writing, is deposited with Computershare Trust Company of Canada:

- (a) by phone at 1-866-732-8683 or by facsimile at 1-866-249-7775;
- (b) by mail or by hand delivery at 100 University Avenue, 8th Floor, Toronto, ON, M5J 2Y1; or
- (c) by internet through the website of Computershare Trust Company of Canada at www.investorvote.com, registered shareholders must follow the instructions that appear on the screen and refer to the form of proxy for the holder's account number and the proxy access number;

and in each case must be received by Computershare Trust Company of Canada no later than 5:00 p.m. (Houston time) on December 13, 2016 or at least 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for any adjournment or postponement of the Meeting.

REVOCATION OF PROXIES

A shareholder executing a proxy has the power to revoke it as to any matter on which a vote shall not already have been cast:

- (a) by depositing an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing, or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing:
 - (i) with Computershare Trust Company of Canada, not more than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or an adjournment thereof, at which the form of proxy is to be used;
 - (ii) at the registered office of the Company at Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia, Canada V6C 2X8, any time up to and including the last business day preceding the day of the Meeting, or an adjournment thereof, at which the form of proxy is to be used; or
 - (iii) with the chairman of the Meeting on the day of the Meeting or an adjournment thereof; or
- (b) in any other manner provided by law.

The revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

EXERCISE OF DISCRETION

The nominees named in the accompanying form of proxy will vote or withhold from voting the Shares represented thereby in accordance with the instructions of the shareholder. The form of proxy will confer discretionary authority on the nominees named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of auditors and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the form of proxy, the nominees named in the accompanying form of proxy will vote the Shares represented by the form of proxy at their own discretion.

VOTING BY NON-REGISTERED SHAREHOLDERS

Only registered shareholders of the Company or the persons they appoint as their proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders (“Non-Registered Shareholders”) because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an “Intermediary”) that the Non-Registered Shareholder deals with in respect of the shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers, securities brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Company will have distributed copies of the Notice of Meeting, this Management Information Circular, the form of proxy and other materials, if any (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

In accordance with the requirements of NI 54-101, Rooster has elected to distribute copies of the Meeting Materials directly to the NOBOs and indirectly through intermediaries to the OBOs. The intermediaries/brokers (or their service companies) are responsible for forwarding the Meeting Materials to OBOs.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will be given either:

- (a) a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “voting instruction form”) which the Intermediary must follow. Typically, a voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, a voting instruction form will consist of a regular form of proxy accompanied by a page of instructions which contains a removable label with a bar code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or

- (b) a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the form of proxy. In this case, the Non-Registered Shareholder who wishes to submit a form of proxy should properly complete the form of proxy and deposit it with the Company, c/o Computershare Trust Company of Canada at 100 University Avenue, 8th Floor, Toronto, ON, M5J 2Y1.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert the Non-Registered Shareholder or such other person's name in the blank space provided. In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.

A Non-Registered Shareholder may revoke a proxy or voting instruction form given to an Intermediary by contacting the Intermediary through which the Non-Registered Shareholder's Shares are held and following the instructions of the Intermediary respecting the revocation of proxies. In order to ensure that an Intermediary acts upon a revocation of a proxy or voting instruction form, the written notice should be received by the Intermediary well in advance of the Meeting.

VOTES NECESSARY TO PASS RESOLUTIONS

Pursuant to the Articles of the Company, a quorum for the transaction of business at the Meeting is at least one person who is, or who represents by proxy, one or more shareholders who, in the aggregate, hold at least 5% of the issued Shares entitled to be voted at the Meeting.

Under the *Business Corporations Act* (British Columbia) (the "BCBCA"), the Company's governing corporate law statute, a simple majority of the votes cast by shareholders at the Meeting is required to pass an ordinary resolution and a majority of votes that are specified by the Company's articles, being two thirds of the votes cast at the Meeting, is required to pass a special resolution.

Shareholders will be asked to appoint auditors for the ensuing year. Shareholders may vote in favour of or withhold from voting in favour of the ordinary resolution appointing the auditors of the Company for the ensuing year and authorizing the directors to fix the auditors' remuneration.

Shareholders will be asked to fix the number of directors and elect directors for the ensuing year. As reflected in the enclosed form of proxy and voting instruction form, shareholders may vote for all of the proposed directors of the Company, vote for some and withhold for others, or withhold for all of the proposed directors of the Company.

Shareholders will also be asked to consider and, if thought advisable, pass a resolution approving the amendment of the Company's current stock incentive plan (the "Option Plan"), which plan was approved by the shareholders of the Company and effective on July 16, 2013, to increase the maximum number of Common Shares issuable pursuant to such plan, as more particularly described in this Management Information Circular under "Particulars of Matters to Be Acted Upon." In order for the resolution approving and authorizing the amendment to the Option Plan to be effective, it must

be approved by a majority of all votes cast by the shareholders, present in person or by proxy at the Meeting.

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

Except with respect to the election of directors and the qualification of the Company’s directors and officers to receive options under the Option Plan, the Company is unaware 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 of the Company or is a proposed nominee for election as a director of the Company (or an associate or affiliate of such director, director nominee or executive officer) at any time since the beginning of the Company’s last financial year in any matter to be acted upon at the Meeting other than as explicitly stated in this Management Information Circular.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company has an authorized capital consisting of an unlimited number of Common Shares, an unlimited number of Proportionate Voting Shares and an unlimited number of preferred shares (“Preferred Shares”) in the capital of the Company.

As at November 9, 2016 the Company had outstanding: (i) 263,110,502 fully paid and non-assessable Common Shares, each carrying the right to one (1) vote; (ii) 60,989 fully paid and non-assessable Proportionate Voting Shares, each carrying the right to one thousand (1,000) votes; and (iii) no Preferred Shares.

A holder of record of one or more Shares on the securities register of the Company at the close of business on Wednesday, November 9, 2016 (the “Record Date”), who either attends the Meeting personally or deposits a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have such Shares voted at the Meeting.

To the knowledge of the Company’s directors and executive officers, as at November 9, 2016, no person beneficially owned, directly or indirectly, or exercised control or direction over, Shares carrying more than 10% of the voting rights attached to the Shares, except as follows:

Name and Municipality of Residence	Number of Common Shares Held or Controlled	Percentage of Voting Rights ⁽²⁾
Rooster Resources, LLC, 9 Bayou Dularge Road, Houma, Louisiana, 70363 USA ⁽¹⁾	52,656,000 ⁽²⁾	16.25%
Chester F. Morrison, Jr. 16285 Park Ten Place, Suite 100, Houston, TX 77084 USA ⁽¹⁾	222,057,757 ⁽²⁾⁽³⁾	68.51%

Notes:

- (1) Chester F. Morrison, Jr. is the manager and sole trustee of The CMC Grantor Trust, which is the sole member of Rooster Resources, LLC, and is therefore considered to exercise control or direction over the 52,656 Proportionate Voting Shares beneficially owned by Rooster Resources, LLC.
- (2) Expressed on a fully-diluted basis, assuming the conversion of Proportionate Voting Shares to Common Shares.
- (3) Chester F. Morrison, Jr. owns 51,877,799 Common Shares and 8,333 Proportionate Voting Shares. Mr. Morrison also exercises control and direction over Morrison Equipment Inc., which owns 250,000 Common Shares and Morrison Energy Group, LLC, which owns 161,596,958 Common Shares. Mr. Morrison owns and controls all of the issued and outstanding Proportionate Voting Shares.

BOARD COMMITTEES

On December 31, 2015, the board of directors of the Company (the “Board” or the “Board of Directors”) had an Audit Committee, a Compensation Committee, a Corporate Governance Committee and a Reserves Committee. On November 9, 2016, the Board still has all of the Committees.

Audit Committee

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

The members of the Audit Committee are Steven A. Weyel, Chester F. Morrison, Jr. and J. Munro M. Sutherland. Mr. Weyel and Mr. Sutherland are not officers, employees or control persons of the Company. Messrs. Paul Crilly and Richard S. Buski were previous members of the Audit Committee prior to their resignations as Directors effective August 31, 2015 and January 6, 2015, respectively. Information concerning the Audit Committee in accordance with form 52-110F2 of National Instrument 52-110 “Audit Committees” is set out in Schedule A to this Management Information Circular.

Compensation Committee

The role of the Compensation Committee is primarily to assess the amount and type of work performed and the results achieved by each director and the Chief Executive Officer and executive or senior officers of the Company. It then reviews compensation for the directors, Chief Executive Officer and executive or senior officers and recommends to the Board the amount and nature of compensation the Company should give to each of the Company’s directors, Chief Executive Officer and executive or senior officers.

The members of the Compensation Committee are Messrs. Chester F. Morrison, Jr., J. Munro M. Sutherland and Steven A. Weyel. Mr. Paul Crilly was previously a member of the Compensation Committee prior to his resignation as a Director effective August 31, 2015.

Corporate Governance Committee

The purpose of the Corporate Governance Committee is to advise and make recommendations to the Board with respect to corporate governance principles and directorship practices and to recommend qualified candidates to the Board. Members of the Committee are appointed by the Board of Directors. The members of the Committee serve until their successors are duly elected and qualified, and they may be removed by the Board of Directors in its discretion.

The Corporate Governance Committee consists of Chester F. Morrison, Jr., Robert P. Murphy and Steven A. Weyel. Mr. Paul Crilly was previously a member of the Corporate Governance Committee prior to his resignation as a Director effective August 31, 2015.

Reserves Committee

The mandate of the Reserves Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the annual review of the Company's oil, gas and mineable bitumen reserves, and reviewing the externally disclosed oil, gas and mineable bitumen reserves data of the Company, with regard to discharging the obligations imposed on the Company and the Board of Directors under applicable securities legislation, regulations, and related requirements.

The Reserves Committee consists of Messrs. Steven A. Weyel (Chair), J. Munro M. Sutherland and Robert P. Murphy. Mr. Sutherland replaced Mr. Paul A. Crilly who was a member of the Reserves Committee prior to his resignation as Director effective August 31, 2015.

STATEMENT OF CORPORATE GOVERNANCE

National Instrument 58-101 "*Disclosure of Corporate Governance Practices*" ("NI 58-101") requires the Company to disclose its corporate governance practices with reference to corporate governance practices outlined in National Policy 58-201 "*Corporate Governance Guidelines*" that the Canadian Securities Administrators ("CSA") believe reflect a "best practices" standard to which they encourage Canadian public companies to adhere.

The Board is committed to sound corporate governance practices which are in the interest of the Company's shareholders and also contribute to effective and efficient decision making. Attached as Schedule B to this Management Information Circular is a description of certain corporate governance practices of the Company in accordance with form 58-101F2 of NI 58-101.

STATEMENT OF EXECUTIVE COMPENSATION

In accordance with the requirements of applicable securities legislation in Canada, the following executive compensation disclosure is provided in respect of each person who served as the Company's Chief Executive Officer and Chief Financial Officer during the 2015 fiscal year, and each of the Company's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, who served as an executive officer in the 2015 fiscal year whose annual aggregate compensation for the 2015 fiscal year exceeded CDN\$150,000 (collectively, the "Named Executive Officers" or "NEOs").

Robert P. Murphy, Tod J. Darcey, Kenneth F. Tamplain, Jr., James D. Shockney, Stephen M. Holder and Gary L. Nuschler, Jr., are each "Named Executive Officers" of the Company for the purposes of the following disclosure.¹

Compensation Discussion and Analysis

The Company does not have a compensation program other than paying base salaries, incentive bonuses, and incentive share options to the NEOs. The Company recognizes the need to provide a compensation package that will attract and retain qualified and experienced executives, as well as align the compensation level of each executive to that executive's level of responsibility. The objectives of base salary amounts are to recognize market pay, and acknowledge the competencies

¹ Messrs. Murphy, Darcey, Tamplain and Nuschler are the only individuals currently employed by the Company and its subsidiaries who qualify as NEOs under Form 51-102F6 of National Instrument 51-102. Mr. Shockney passed away in March 2015. Stephen M. Holder was appointed chief financial officer effective April 16, 2015 and he resigned effective August 31, 2015. Gary L. Nuschler, Jr. was appointed chief financial officer effective September 1, 2015.

and skills of individuals. The objectives of incentive bonuses in the form of cash payments are designed to add a variable component of compensation, based on corporate and individual performances for executive officers and employees. The objectives of the share options are to further align the interests of the Company's directors and management with the Company's long-term performance and the long-term interests of the Company's shareholders.

The process for determining executive compensation relies solely on Board discussions with input from and upon the recommendations of the Compensation Committee. The Compensation Committee assists the Board in fulfilling its responsibilities by monitoring the Company's compensation plans and practices and ensuring their congruence with the Company's objectives and goals by assessing and making recommendations regarding compensation, benefits, short and long-term incentive programs and employee retention. The Compensation Committee members, Messrs. Chester F. Morrison, Jr., J. Munro M. Sutherland and Steven A. Weyel, have served as senior executive officers and/or directors of a number of organizations and have direct experience in executive and corporate compensation programs, which provides them with the necessary skills and experience to make decisions and recommendations on the suitability of the Company's compensation policies and practices.

The NEOs and directors are, under the terms of the Company's Corporate Disclosure, Confidentiality and Securities Trading Policy, prohibited from engaging in short term or speculative transactions involving the Company's securities, including short sales or transactions involving derivatives in securities of the Company.

The annual incentive cash bonus plan is performance-based. Each employee has a bonus factor that is a percentage of his or her base salary. Five categories worth a maximum of 20% of the total are used to determine the applicable multiple of the bonus factor. The five categories or parameters are a measure of the annualized growth rate of the reserves, production, cash flows, net income of the Company along with a discretionary factor based on individual performance. The total of the five categories times the bonus factor percentage determines the amount of cash bonus for each employee. The award of a cash bonus is at the discretion of the Board of Directors.

Compensation Element	Description	Compensation Objectives
Annual Base Salary	Cash	To provide fixed compensation necessary to attract and retain key executives.
Incentive Bonuses	Cash	To provide incentives to our employees to achieve performance goals and to reward for achievement of those goals.
Incentive Share Option	Stock	To create a strong incentive for key management members to achieve long-term performance objectives and strategic plans, and to align management's interests with our shareholders' interests.

Summary Compensation Table

The following executive compensation disclosure is provided for the year ended December 31, 2015, in respect of the NEOs in accordance with National Instrument 51-102:

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation		Pension Value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive bonus (\$) ⁽¹⁾	Long-term incentive plans (\$)			
Robert P. Murphy, Director, Chief Executive Officer and President	2015	500,000	-	264,730	250,000	-	-	7,950	1,022,680
Tod J. Darcey, Senior Vice President, Operations	2015	300,000	-	42,169	84,000	-	-	7,950	434,119
Kenneth F. Tamplain Jr., Senior Vice President, General Counsel and Secretary	2015	280,000	-	74,832	84,000	-	-	7,000	445,832
James D. Shockney, Chief Financial Officer (Prior)	2015	50,000	-	0	52,000	-	-	16,667	120,167
Stephen M. Holder, Chief Financial Officer (Prior) ⁽²⁾	2015	86,250	-	28,133	-	-	-	575	114,938
Gary L. Nuschler, Jr., Chief Financial Officer (Current) ⁽²⁾	2015	188,333	-	36,341	36,000	-	-	8,867	269,541

⁽¹⁾ The Annual Incentive Bonus was awarded for year-end 2015, but not paid until 2016.

⁽²⁾ Mr. Shockney passed away in March 2015. Stephen M. Holder was appointed Chief Financial Officer effective April 16, 2016 and he resigned effective August 31, 2015. Gary L. Nuschler, Jr. was appointed Chief Financial Officer effective September 1, 2015.

Annual Base Salary

Base salary for the Chief Executive Officer is determined by the Compensation Committee whose recommendations are reached primarily through a comparison of the remuneration paid by other reporting issuers of the same size, in the same industry and for which there is publically available information on remuneration that the Compensation Committee feels is reasonable.

The base salary for the NEOs, excluding the CEO, are proposed to the Compensation Committee by the CEO for discussion and approval. All recommendations are based on a review of external market data representative of the energy industry within which the Company operates, and includes

companies relative to our business activity with which we compete for executive talent as well as the roles, responsibilities and performance of the officers.

Outstanding share-based awards and option-based awards as at December 31, 2015

Name	Option-based Awards				Share-based Awards		
	Number of Securities Underlying Unexercised Options	Option Exercise Price (CDN\$/Option)	Option Expiration Date	Market Value of Unexercised in-the-Money Options ⁽¹⁾ (CDN\$)	Number of Shares or Units of Shares that have not Vested	Market or Payout Value of Share-based Awards that have not Vested (CDN\$)	Market or Payout Value of Vested Share-based Awards not Paid Out or Distributed (CDN\$)
Robert P. Murphy, Director, Chief Executive Officer and President	1,883,330	0.50	June 5, 2022	\$0.00	627,776	18,833	207,166
	1,883,330	0.82	September 11,2023				
	3,766,660	0.14	May 6, 2025				
Tod J. Darcey, Senior Vice President, Operations	425,892	0.50	June 5, 2022	\$0.00	100,000	3,000	36,777
	300,000	0.82	September 11,2023				
	600,000	0.14	May 6, 2025				
Kenneth F. Tamplain Jr., Senior Vice President, General Counsel and Secretary	425,892	0.50	June 5, 2022	\$0.00	141,964	4,259	53,236
	425,892	0.82	September 11,2023				
	1,064,730	0.14	May 6, 2025				
James D. Shockney, Chief Financial Officer (Prior)	300,531	0.50	June 5, 2022	\$0.00	50,000	1,500	12,016
	150,000	0.82	September 11,2023				
Stephen Holder Chief Financial Officer (Prior)	400,000	\$0.14	May 16, 2015	\$0.00	0	0	12,000
Gary L. Nuschler, Jr., Chief Financial Officer (Current)	258,537	0.82	September 9, 2023	\$0.00	86,179	2,585	20,683
	517,073	0.14	May 6, 2025				

⁽¹⁾ Based on a common share price of CDN\$0.03 per share on December 31, 2015.

Incentive Plan Awards – value vested or earned during 2015

Name	Option-based Awards – Value Vested During the Year⁽¹⁾ (CDN\$)	Share-based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value earned During the Year (\$)
Robert P. Murphy, Director, Chief Executive Officer and President	207,166	-	-
Tod J. Darcey, Senior Vice President, Operations	36,777	-	-
Kenneth F. Tamplain Jr., Senior Vice President, General Counsel and Secretary	53,236	-	-
James D. Shockney, Chief Financial Officer (Prior)	12,016	-	-
Gary L. Nuschler, Jr., Chief Financial Officer (Current)	20,683		

⁽¹⁾ Based on a common share price of CDN\$0.03 per share on December 31, 2015.

Option Based Award

An Option Based Award is in the form of the grant of an incentive share option. The objective of the incentive share option is to further align the interests of the Company’s directors and management with the Company’s long-term performance and the long-term interests of the Company’s shareholders. The plan currently used by the Company is the Option Plan. Under the Option Plan, the maximum aggregate number of Common Shares that may be issued pursuant to the exercise of options cannot exceed 20% of the Common Shares on a fully-diluted basis as of September 23, 2015, being 64,819,900 Common Shares. The Option Plan is administered by the Board or by a committee appointed by the Board. The Board may select employees, directors, consultants and advisors who can participate in the Option Plan, and may determine the sizes, terms and conditions of incentive share option awards under the Option Plan. Previous grants are not taken into consideration when considering new grants under the Option Plan.

Termination and Change of Control Benefit

The Company and its subsidiaries have not entered into any compensatory plan or arrangement in respect of compensation received or that may be received by any of the NEOs, other than Robert P. Murphy, during the Company’s most recently completed or current financial year to compensate such executive officers in the event of the termination of employment (resignation, retirement, change of control) or in the event of a change in control that exceeds the amounts generally payable under statutory or common law rules for notice of termination without cause or compensation in lieu thereof, other than as set out herein.

Robert P. Murphy has entered into an updated employment agreement with the Company that is effective June 1, 2013. The term is for thirty six (36) months following the effective date and

automatically renews on each successive day after the effective date such that the term shall always remain thirty six (36) months subject to termination per the agreement. Minimum annual base salary shall be US\$500,000.00, which may be increased at the discretion of the Board with an annual cash bonus incentive to be determined by the Board but which will not exceed 150% of annual base salary. Mr. Murphy agreed to accept less than his contracted for minimum annual base salary in 2012. Upon termination due to a change of control or for any reason other than cause, Mr. Murphy shall receive an amount equal to 2.99 times his average base salary for the three prior years plus the average cash bonus received during the prior two years. The employment agreement contains other usual and customary terms and conditions generally found in executive employment agreements.

DIRECTOR COMPENSATION

Directors Summary Compensation Table – 2015

Mr. Robert P. Murphy was a Named Executive Officer during 2015 and, therefore, his compensation, including the grant of stock options, was included in previous tables.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards CDN(\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
Paul Crilly ⁽¹⁾	40,500	-	15,000	-	-	-	54,500
J. Munro M. Sutherland	21,000	-	0	-	-	-	21,000
Richard S. Buski	0	-	0	-	-	-	0
Chester F. Morrison Jr.	54,000	-	15,000	-	-	-	69,000
Steven A. Weyel	54,000	-	15,000	-	-	-	69,000
Total	169,500	-	45,000	-	-	-	214,500

⁽¹⁾ J. Munro M. Sutherland was appointed as alternate independent director on September 1, 2015 upon the resignation of and for the purpose of replacing Paul Crilly as director upon his resignation effective August 31, 2015. Mr. Sutherland was elected as a Director at the Annual General and Special Meeting of Shareholders held on October 28, 2015. Mr. Buski resigned as a Director effective January 6, 2015.

⁽²⁾ On May 6, 2015, each director was awarded options to purchase common shares at an exercise price of \$0.82 per share. On December 31, 2015, the closing share price of the Company shares was CDN\$0.03 per share.

There are no arrangements under which directors are compensated by the Company and its subsidiaries for their services in their capacity as directors other than all directors have been granted the same number of share options. Each director (other than Robert P. Murphy who is employed by the Company and therefore not entitled to receive additional compensation for services as a director) is paid an annual retainer of \$50,000 plus \$1,000 per Board meeting that they attend. Richard S. Buski, who resigned as a Director effective January 6, 2015, was paid an additional \$10,000 per year to serve as Chair of the Audit Committee. Mr. Sutherland is now paid an additional \$10,000 per year to Chair the Audit Committee. The amount of compensation paid to directors on an annual basis and for attendance at Board meetings has not changed since 2012.

The directors are reimbursed for expenses actually incurred in connection with their duties as directors.

Outstanding share-based awards and option-based awards as at December 31, 2015

Name	Option-based Awards	
	Number of Securities Underlying Unexercised Options	Option Exercise Price (CDN\$/Option)
Paul Crilly	250,000 Common Shares	\$0.50
	250,000 Common Shares	\$0.82
	500,000 Common Shares	\$0.14
Chester F. Morrison, Jr.	250,000 Common Shares	\$0.50
	250,000 Common Shares	\$0.82
	500,000 Common Shares	\$0.14
Steven A. Weyel	250,000 Common Shares	\$0.50
	250,000 Common Shares	\$0.82
	500,000 Common Shares	\$0.14

Mr. Robert P. Murphy was a Named Executive Officer during 2015 and, therefore, his compensation, including the grant of stock options, was included in previous tables.

EQUITY COMPENSATION PLAN INFORMATION

All of the incentive share options and equity compensation awards the Company granted in 2015 were made under the Option Plan. The Option Plan is the only equity compensation plan the Company has in effect and is intended to further align the interests of the Company's directors and management with the Company's long-term performance and the long-term interests of the Company's shareholders. The Company's shareholders have approved the Option Plan. The following information is as at November 9, 2016:

Plan Category	Number of Securities to be issued upon exercise of outstanding options	Weighted average exercise price of outstanding options, warrants and rights (CDN\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	16,553,836	\$0.37	48,266,064
Equity compensation plans not approved by shareholders	Nil	Nil	Nil
Total	16,553,836	\$0.37	48,266,064

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than routine indebtedness, at no time during the Company's most recently completed financial year was any director, executive officer or senior officer of the Company, any proposed management nominee for election as a director of the Company or any associate or affiliate of any such director, executive or senior officer or proposed nominee indebted to the Company or any of its subsidiaries or to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, other than routine indebtedness.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, except as disclosed herein, no informed person of the Company, no proposed director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the year ended December 31, 2015.

PARTICULARS OF MATTERS TO BE ACTED UPON

Presentation of Financial Statements

At the Meeting, the Company will present to shareholders the consolidated financial statements of the Company for the year ended December 31, 2015 and the auditors' report thereon.

Election of Directors

The size of the Board of Directors of the Company is currently set at four (4). Three (3) of the current Directors have been nominated for membership on the Board. Steven A. Weyel has been a Director since April 2012 and he declined the offer of the Corporate Governance Committee to be considered for nomination as a candidate for re-election as a member of the Board.

The term of office of each of the current directors will end immediately prior the election or appointment of directors at the Meeting. Unless a director's office is earlier vacated in accordance with the provisions of the applicable corporate statute, each director elected will hold office until the next annual general meeting of the Company or, if no director is then elected, until a successor is elected.

The Board of Directors have voted to increase the size of the Board of Directors of the Company to five (5).

The following table provides information on the nominees proposed for election to the Board of Directors. Included in this table is information relating to each nominee's committee memberships (if he is currently a Director), equity ownership, principal occupation, business or employment for the last five years and the period of time during which each has been a director of the Company. This information is as at November 9, 2016.

Management's nominees for election as directors are as follows, and the information regarding each nominee is current as at November 9, 2016: Mr. Sutherland and Mr. Halverson are considered "independent" as required by the TSX Venture Exchange Finance Manual Policy 3.1.

Name, Current Position with the Company and Residence ⁽¹⁾	Period as a Director of the Company	Principal Occupation	Common Shares Beneficially Owned or Controlled ⁽²⁾
Chester F. Morrison, Jr. ⁽⁶⁾⁽⁵⁾⁽⁷⁾ Chairman Houma, Louisiana USA	Since April 30, 2012	Chairman and Chief Executive Officer of Morrison Energy Group, LLC, which is the holding company for a group of diversified oilfield service companies engaged primarily in providing construction, fabrication, pipelay, diving and riser storage and repair services to oil and gas production companies and pipeline companies operating in the U.S. Gulf Coast area and the shallow waters of the Gulf of Mexico	274,713,759 ⁽³⁾⁽⁴⁾
Robert P. Murphy ⁽⁸⁾⁽⁷⁾ Director, Chief Executive Officer and President Dallas, Texas USA	Since April 30, 2012	Chief Executive Officer and President of the Company and all of its subsidiaries	2,665,667
J. Munro M. Sutherland ⁽⁵⁾⁽⁶⁾⁽⁸⁾ Director Edinburgh, United Kingdom	Since September 1, 2015 ⁽⁹⁾	Chartered Accountant. Non-executive chairman of Optimus (Aberdeen) Limited, a private company that provides engineering consultancy and project management to the energy industry	450,000
Gary M. Halverson None Richmond, Texas USA		Retired (2016)- Group President (Drilling & Production Systems) of Cameron International Corp., a NYSE listed company.	0
Leroy F. Guidry, Jr. ⁽¹⁰⁾ None Houma, Louisiana USA		President and Chief Financial Officer of Morrison Energy Group, LLC, and its subsidiaries	5,155,711

Notes:

- (1) The information as to principal occupation, business or employment is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (2) The number of Common Shares beneficially owned by the above nominees for directors, directly or indirectly, is based on information furnished by the nominees themselves. These figures do not include Common Shares issuable upon the exercise of options but do in some cases include Common Shares issuable upon the conversion of Proportionate Voting Shares. See Note (4).
- (3) Mr. Chester F. Morrison Jr. holds 8,333 Proportionate Voting Shares and 51,877,799 Common Shares. Additionally, Mr. Morrison is the manager and sole trustee of The CMC Grantor Trust, which is the sole member of Rooster Resources, LLC and Morrison Energy Group, LLC, and he is therefore considered to exercise control or direction over the 52,656 Proportionate Voting Shares owned by Rooster Resources, LLC, and the 161,596,958 Common Shares owned by Morrison Energy Group, LLC. Mr. Morrison also exercises control and direction over Morrison Equipment, Inc., which owns 250,000 Common Shares.
- (4) Assuming the conversion of Proportionate Voting Shares to Common Shares.
- (5) Indicates members of the Audit Committee.
- (6) Indicates members of the Compensation Committee.
- (7) Indicates members of the Corporate Governance Committee.
- (8) Indicates members of the Reserves Committee.
- (9) J. Munro M. Sutherland was appointed as alternate independent director on September 1, 2015 upon the resignation of and for the purpose of replacing Paul Crilly as director upon his resignation effective August 31,

2015. Mr. Sutherland was elected as an independent director at the Annual General and Special Meeting of Shareholders held on October 28, 2015.

- (10) Mr. Guidry has served as the chief financial officer for several oilfield service companies during the course of his 37 year career in addition to being treasurer of Pride International Inc., a NYSE listed drilling contractor, from 1995 through September 1998. He is a certified public accountant and member of the American Institute of Certified Public Accountants and the Louisiana Society of Certified Public Accountants. Mr. Guidry will not be considered in independent director due to position of control over the 161,596,958 Common Shares owned by Morrison Energy Group, LLC.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of the Company, except as described below, no proposed director of the Company is, as at the date hereof, or has been, within 10 years before the date hereof, a director or executive officer of any corporation that while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (b) was subject to an order that was issued after the director ceased to be a director or officer and which resulted from an event that occurred while that person was acting in the capacity as director or officer.

To the knowledge of the Company, no anticipated director, executive officer or principal securityholder of the Company:

- (a) is, as at the date hereof, or has been within the 10 years before the date hereof, a director or executive officer of any company 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; or
- (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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 director, executive officer or shareholder.

Penalties or Sanctions

To the knowledge of the Company, no anticipated director, executive officer or principal securityholder of the Company has been subject to:

- (a) 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
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Appointment of Auditors

Collins Barrow Calgary LLP (“Collins Barrow”), served as independent auditor for the fiscal year ended December 31, 2015 and the Audit Committee recommended and the Board of Directors of the Company has appointed Collins Barrow as the Company’s independent auditor for the fiscal year ending December 31, 2016. The Company is requesting shareholders to ratify this appointment at a remuneration to be fixed by the Board of Directors. Collins Barrow was first appointed as auditor of the Company in 2012.

At the Meeting, shareholders will be asked to vote on the following resolution, with or without variation:

“BE IT RESOLVED THAT:

The appointment by the Board of Directors of Collins Barrow Calgary LLP as auditor of the Company for the financial year ending December 31, 2016, at such remuneration as shall be fixed by the Board of Directors be and hereby is ratified and confirmed.”

MANAGEMENT CONTRACTS

Management functions of the Company are not performed by any person or persons other than the directors or senior officers of the Company.

ADDITIONAL INFORMATION

The Company will provide to any person or company, upon request, one copy of any of the following documents:

- (a) the comparative financial statements of the Company filed with the applicable securities regulatory authorities for the Company’s most recently completed financial year in respect for which such financial statements have been issued, together with the report of the auditor, related management’s discussion and analysis and any interim financial statements of the Company filed with the applicable securities regulatory authorities subsequent the filing of the annual financial statements; and
- (b) the Management Information Circular of the Company filed with applicable securities regulatory authorities in respect of the most recent annual meeting of shareholders of the Company which involved the election of directors.

Copies of the above documents will be provided upon request to the Company at 16285 Park Ten Place, Suite 120, Houston, TX 77084, telephone (832) 772 6313 or facsimile (832) 772-6314 free of charge to security holders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a security holder of the Company, who requests a copy of any such document. The foregoing documents are also available on Sedar at www.sedar.com.

OTHER MATTERS

The Directors are not aware of any other matters which they anticipate will come before the Meeting as of the date of mailing of this Management Information Circular.

The contents of this Management Information Circular and its distribution to shareholders have been approved by the Board of Directors.

DATED at Houston, Texas as of the 9th day of November, 2016.

BY ORDER OF THE BOARD

“Robert P. Murphy”

Robert P. Murphy
Director, Chief Executive Officer and President

SCHEDULE A

AUDIT COMMITTEE MATTERS

1. MANDATE OF THE AUDIT COMMITTEE

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

2. COMPOSITION OF THE AUDIT COMMITTEE

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

2.1 Independence

A majority of the members of the Committee must not be officers, employees or control persons (as defined in applicable securities legislations) of the Company.

2.2 Appointment of Committee Members

The Committee shall be appointed by the Board at the first meeting of the Board following the annual meeting of shareholders, provided that any member may be removed or replaced at any time by the Board and shall, in any event, cease to be a member of the Committee upon ceasing to be a member of the Board. The Board shall appoint one of the members to be chairman of the Committee.

2.3 Expertise of Committee Members

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

3. MEETINGS OF THE AUDIT COMMITTEE

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

3.1 Minutes

A copy of the draft minutes of each meeting of the Committee shall be transmitted promptly by the secretary to each member for adoption at the next meeting. A copy of any written resolutions

evidencing decisions of the Committee shall be transmitted promptly by the secretary to each member.

4. ROLES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

The Committee shall fulfill the following roles and discharge the following responsibilities.

4.1 External Audit

The Committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the Committee shall:

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

4.2 Internal Control

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

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company;
- (b) ensure that the external auditors discuss with the Committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls;
- (c) evaluate whether management is setting high standards by communicating the importance of internal control and ensuring that all employees possess an understanding of their roles and responsibilities;
- (d) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and
- (e) gain an understanding of whether internal control recommendations made by the external auditors have been implemented by management.

4.3 Financial Reporting

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

General

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions, including recent professional and regulatory pronouncements and understand their impact on the financial statements;
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate;
- (c) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks;
- (d) understand industry best practices and the Company's adoption of them. Annual Financial Statements;
- (e) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (f) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered;
- (g) review management's discussion & analysis respecting the annual reporting period prior to its release to the public;
- (h) review the annual financial statements and assess whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Company reports or trades its shares;
- (i) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (j) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, litigation reserves; and other commitments and contingencies;
- (k) ensure that the external auditors communicate all required matters to the committee.

Interim Financial Statements

- (a) review and approve the interim financial statements prior to their release to the public;
- (b) meet with management and the auditors, either telephonically or in person, to review the interim financial statements;
- (c) be briefed on how management develops and summarizes interim financial information and the extent to which the external auditors review interim financial information;

- (d) review management's discussion & analysis respecting the interim reporting period prior to its release to the public;
- (e) gain insight into the fairness of the interim statements and disclosures by obtaining explanations from management on whether:
 - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
 - (ii) changes in financial ratios and relationships of various balance sheet and operating statement amounts in the interim financial statements are consistent with changes in the company's operations and financing practices;
 - (iii) generally accepted accounting principles have been consistently applied;
 - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
 - (v) there are any significant or unusual events or transactions;
 - (vi) the Company's financial and operating controls are functioning effectively;
 - (vii) the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreements; and
 - (viii) the interim financial statements contain adequate and appropriate disclosures.

Release of Financial Information

4.4 Non -Audit Services

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

Delegation of Authority

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

De-Minimis Non -Audit Services

- (a) The Committee may satisfy the requirement for the pre-approval of non-audit services if:
 - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or

- (ii) the services are brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre -Approval Policies and Procedures

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

4.5 Other Responsibilities

The Committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board;
- (f) review and update this Charter and receive approval of changes to this Charter from the Board;
- (g) regularly update the Board about its activities and make appropriate recommendations;
- (h) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (i) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements;
- (j) review the findings of any examinations by securities regulatory authorities and stock exchanges; and
- (k) review, with the company's counsel, any legal matters that could have a significant impact on the company's financial statements.

5. RESOURCES AND AUTHORITY OF THE AUDIT COMMITTEE

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

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

SCHEDULE B
FORM 58-101F2
CORPORATE GOVERNANCE DISCLOSURE
(Venture Issuers)

1. **Board of Directors** – *Disclose how the Board of Directors facilitates its exercise of independent supervision over management, including: (i) the identity of directors that are independent; and (ii) the identity of directors who are not independent, and the basis for that determination.*

At the date of this Management Information Circular, two (2) members of the Board are “independent” for the purposes of National Instrument 58-101 (“NI 58-101”). The Company has determined that Messrs. Steven A. Weyel and J. Munro M. Sutherland are independent directors and have no material relationship with the Company, other than in their capacity as directors and shareholders of the Company. Mr. Robert P. Murphy will not be considered independent by virtue of his position as Chief Executive Officer and President of the Company. Mr. Morrison, the Chairman of the Board, will not be considered independent by virtue of his being the majority shareholder of the Company by virtue of the combination of the Common Shares and Proportionate Voting Shares that he individually owns and his control of the Shares held by Rooster Resources, LLC, Morrison Equipment, Inc. and Morrison Energy Group, LLC. Mr. Weyel will not be a candidate for election as a member of the Board. If elected, Gary M. Halverson will be considered “independent” for the purposes of NI 58-101. Mr. Leroy F. Guidry, Jr. will not be considered “independent” by virtue of his being the President and Chief Financial Officer of Morrison Energy Group, LLC, and all of its subsidiaries.

The fundamental responsibilities of the Board are to: (i) appoint and oversee a competent executive team to manage the business of the Company, with a view to maximizing shareholder value, (ii) identify and understand the risks associated with the business of the Company and (iii) ensure corporate conduct in an ethical and legal manner via an appropriate system of corporate governance, disclosure processes and internal controls.

2. **Directorships** – *If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.*

At the date of this Management Information Circular, no members of the Board are presently a director of any other issuer that is a reporting issuer in Canada or a foreign jurisdiction.

3. **Orientation and Continuing Education** – *Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the board takes to provide continuing education for directors.*

The Board has adopted a policy that encourages each Director to annually attend at least one seminar or continuing education course designed to strengthen management skills.

4. **Ethical Business Conduct** – *Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.*

The Company is committed to having sound corporate governance principles. To guide us in director independence and other governance matters we have established a Corporate Governance Committee to make recommendations to the Board with respect to corporate governance principles and director practices and to recommend qualified candidates to the Board. In 2014, a Corporate Disclosure Committee existed and had adopted a charter designed to ensure that the Company fulfills its disclosure obligations on a timely basis and to administer and implement the Company's disclosure policy in accordance with applicable rules and regulations. The Corporate Disclosure Committee was dissolved effective January 1, 2015 but the Board as a whole has essentially continued to carry out the mandate of the charter.

5. ***Nomination of Directors*** – *Disclose what steps, if any are taken to identify new candidates for Board nomination, including: (i) who identifies new candidates, and (ii) the process of identifying new candidates.*

The Corporate Governance Committee considers suggestions for potential director nominees to the Board from any source including current members of the Board and management, advisors and stockholders.

6. ***Compensation*** – *Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including; (i) who determines compensation, and (ii) the process of determining compensation.*

The Compensation Committee has the responsibility to review, approve and recommend to the Board annual compensation of the CEO and it also reviews and provides guidance to the CEO on annual compensation, including the competitiveness of each element of the total compensation package for each Named Executive Officer. The Compensation Committee endeavors to provide total compensation for the CEO that is competitive with other energy companies that compete with the Company for executive talent. In determining total compensation for the CEO, the Compensation Committee recognizes that the Company is at a critical stage in its development and that the CEO's total compensation package must provide an incentive to achieve the Company's overall business plan. The Compensation Committee determines the total compensation package of the CEO based on a review of certain Company financial performance metrics and external market data, including information available on compensation paid to executives of comparable public exploration and production companies with a substantial asset based located in the Gulf of Mexico. The Compensation Committee also considered the past history and experience of Mr. Murphy and the fact that the CEO is responsible for developing the Company's overall strategy and implementing the Company's business plan. The amount of compensation paid to the Directors has not changed since April 2012.

The compensation paid to the Directors was determined by unanimous vote of all the Directors. The amount of compensation was determined after review of external market data, including information available on compensation paid to directors of comparable public exploration and production companies operating in the USA. The Directors also considered the financial structure of the Company and its ability to fund the total compensation package of the Directors.

7. ***Other Board Committees*** – *If the Board has standing committees other than the audit, compensation and governance committees, identify the committees and describe their function.*

Reserves Committee

The Reserves Committee is responsible for reviewing the Company's reserves filings.

At November 9, 2016, the Reserves Committee consisted of Messrs. Steven A. Weyel (Chair), Robert P. Murphy and J. Munro M. Sutherland.

8. ***Assessments*** – *Disclose what steps, if any, that the board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.*

Each member of the Board is encouraged to complete an annual Board and Committee Effectiveness Assessment that is intended to measure or gauge Board Responsibility, Board Operations, Board Effectiveness and Individual Assessments. The results are consolidated on a confidential basis by the Secretary and the Corporate Governance Committee makes final recommendations to the Board.