



Suite 220 – 1075 West Georgia Street
Vancouver, British Columbia
Canada V6E 3C9

INFORMATION CIRCULAR
as at February 18, 2010 (unless otherwise noted)

INTRODUCTION

This Information Circular accompanies the Notice of Annual & Special Meeting (the “Notice”) and is furnished to the shareholders (the “Shareholders”) holding common shares (the “Common Shares”) in the capital of LNG Energy Ltd. (the “Company” or “LNG”) in connection with the solicitation of proxies by the management of the Company to be voted at the Annual & Special Meeting (the “Meeting”) of the Shareholders to be held at 10:00 am on Thursday, March 25, 2010 in the Erickson Boardroom, 1075 West Georgia Street, Vancouver, BC, or at any adjournment thereof.

Date and Currency

Unless otherwise stated, the information contained in this Information Circular is as of February 18, 2010. Unless otherwise stated, all amounts herein are in Canadian dollars.

PROXIES AND VOTING RIGHTS

Management Solicitation

The solicitation of proxies by the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, regular officers and employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

Appointment of Proxy

Registered Shareholders are entitled to vote at the Meeting. A Shareholder is entitled to one vote for each Common Share that such Shareholder holds on February 18, 2010 (the “Record Date”) on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the “Designated Persons”) in the enclosed form of proxy are directors and/or officers of the Company.

A SHAREHOLDER HAS THE RIGHT TO DESIGNATE A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER), OTHER THAN THE DESIGNATED PERSONS, TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING.

SUCH RIGHT MAY BE EXERCISED BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE’S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER’S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.

In order to be voted, the completed form of proxy must be received by the Company’s registrar and transfer agent, Computershare Investor Services Inc. at their offices located at 9th Floor, 100 University Avenue, Toronto, ON, Canada, M5J 2Y1, by mail or fax, or **vote your shares online via: www.investorvote.com**, at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof.

A proxy may not be valid unless it is dated and signed by the Shareholder who is giving it or by that Shareholder’s attorney duly authorized in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney for the corporation. If a form of proxy is executed by an attorney for an individual Shareholder or joint Shareholders, or by an officer or attorney for a corporate Shareholder, the instrument so empowering the officer or attorney, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy. If not dated, the proxy will be deemed to have been dated the date it is mailed to Shareholders.

Voting of Common Shares and Proxies and Exercise of Discretion by Designated Persons

A Shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the Shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the Common Shares represented will be voted or withheld from the vote on that matter accordingly. **The Common Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for, and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.**

IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY AND FOR THE NOMINEES PUT FORWARD BY THE COMPANY’S BOARD OF DIRECTORS.

The enclosed form of proxy confers discretionary authority upon the Designated Persons with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Common Shares on any matter, the Common Shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

Revocation of Proxies

A Shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing: (a) executed by that Shareholder or by that Shareholder's attorney authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer of, or attorney for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a Shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders that wish to change their voting instructions must, in sufficient time in advance of the Meeting, contact Computershare Investor Services Inc. ("Computershare") or their intermediary to arrange to change their voting instructions.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set out in this section is of significant importance to those of our Shareholders who 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 Company 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 Company. Such Common Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). **Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person well in advance of the Meeting.**

There are two kinds of Non-Registered Shareholders – those who object to their name being made known to the Company (called OBOs for "Objecting Beneficial Owners") and those who do not object to the Company knowing who they are (called NOBOs for "Non-Objecting Beneficial Owners").

The Company takes advantage of certain provisions of National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), which permit the Company to directly deliver proxy-related materials to NOBOs who have not waived the right to receive them. As a result, NOBOs can expect to receive a scannable voting instruction form (a "VIF"), together with the meeting materials from our transfer agent, Computershare. These VIFs are to be completed and returned to Computershare in accordance with the instructions. Computershare is required to follow the voting instructions properly received from NOBOs. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive.

In accordance with the requirements of NI 54-101, the Company has distributed copies of the meeting materials to the Intermediaries for onward distribution to OBOs. Intermediaries are required to forward the meeting materials to OBOs unless, in the case of certain proxy-related materials, the OBO has waived the right to receive them. Very often, Intermediaries will use service companies to forward the meeting materials to OBOs. With those meeting materials, Intermediaries or their service companies should provide OBOs with a "request for voting instruction form" which, when properly completed and signed by such OBO and returned to the Intermediary or its service company, will constitute voting instructions which the Intermediary must follow. The purpose of this procedure is to permit OBOs to direct the voting of the common shares that they beneficially own.

These proxy related materials are being sent to both Registered Shareholders and Non-Registered Shareholders. If you are a Non-Registered Shareholder, and the Company has sent these proxy related materials directly to you, your name and address and information about your holdings of common shares have been obtained in accordance with applicable securities requirements from the Intermediary on your behalf.

By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

All references to Shareholders in this Information Circular are to Registered Shareholders, unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value. As of the Record Date, determined by the Company's board of directors (the "Board") to be the close of business on February 18, 2010, a total of 144,320,965 Common Shares were issued and outstanding, each such share carrying the right to one (1) vote at the Meeting.

Only registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and senior officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying 10% or more of the voting rights attached to the outstanding Common Shares of the Company.

BUSINESS OF THE MEETING

RECEIPT OF FINANCIAL STATEMENTS

The financial statements of the Company for the financial year ended September 30, 2009 and accompanying auditor's report will be presented at the Meeting.

APPOINTMENT OF AUDITOR

The shareholders will be asked to vote for the appointment of KPMG LLP, Chartered Accountants, as the auditor of the Company to hold office until the next annual meeting of Shareholders of the Company, and to authorize the Board to fix their remuneration.

KPMG LLP, Chartered Accountants, was first appointed as auditors of the Company on April 23, 2008.

The Board recommends that Shareholders vote in favour of the appointment of KPMG LLP, Chartered Accountants and authorize of the Board to fix their remuneration.

NUMBER OF DIRECTORS

The directors of the Company are elected annually to hold office until the next annual meeting of the Shareholders of the Company or until their successors are elected or appointed.

At the Meeting, Shareholders will be asked to pass an ordinary resolution to fix the number of directors at four. Unless otherwise instructed, proxies given pursuant to this solicitation by the Company's Board will be voted in favour of fixing the number of Directors at four.

ELECTION OF DIRECTORS

The Company's Board proposes to nominate the persons named in the table below for election as directors of the Company. Each director elected will hold office until the next annual general meeting of the Company or until his or her successor is duly elected or appointed, unless the office is earlier vacated in accordance with the Articles of the Company or the *Business Corporations Act* (British Columbia) or he or she becomes disqualified to act as a director.

The following table sets out the names of management's nominees for election as directors, the place in which each is ordinarily resident, all offices of the Company now held by each of them, their principal occupations, the period of time during which each has been a director of the Company, and the number of common shares of the Company beneficially owned by each of them, directly or indirectly, or over which control or direction is exercised, as of the date of this information circular.

Name, Place of Residence and Offices Held with the Company⁽¹⁾	Principal Occupation, Business or Employment⁽¹⁾	Period as a Director of the Company	Number of Shares Owned⁽¹⁾
Paul Larkin ⁽²⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾ British Columbia, Canada <i>Director</i>	Former Chief Executive Officer & President of the Company from August 10, 2006 to November 27, 2007; President of New Dawn Holdings Ltd., a private administrative and financial services company since 1983; director and/or officer of a number of other public companies.	June 10, 2003 to present	2,195,000 ⁽³⁾
Richard G. Green ⁽²⁾⁽⁶⁾ Texas, USA <i>Director</i>	Certified Petroleum Geologist; President, CEO and director of Saxon Oil Company Ltd., from 2006 to 2009; Senior Vice-President of LaRoche Petroleum Consultants, Ltd., a private Texas oil and gas consulting corporation, from 1996 to 2006; and Vice-President Geology for Netherland, Sewell & Associates, Inc., from 1993 to 1996.	August 10, 2006 to present	130,000
Robert Cross ⁽⁴⁾⁽⁵⁾ British Columbia, Canada <i>Director</i>	Founder and Non-Executive Chairman of Bankers Petroleum Ltd. and until October 2007 was Non-Executive Chairman of Northern Orion Resources Inc.; between 1996 and 1998, he was Chairman and CEO of Yorkton Securities Inc.	November 26, 2007 to present	3,675,000 ⁽⁷⁾
David Cohen ⁽²⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾ British Columbia, Canada <i>Director</i>	Chairman of Eastern Platinum Ltd.; Chairman and Chief Executive Officer of Gold Wheaton Gold Corp.; past President and CEO of Northern Orion Resources Inc.; director and/or officer of a number of other public companies in the oil and gas and mining sectors.	November 26, 2007 to present	2,250,000

Notes:

⁽¹⁾ Information as to the place of residence, principal occupation and shares beneficially owned, directly or indirectly, or controlled or directed, has been furnished by the respective directors.

⁽²⁾ Member of the Company's Audit Committee.

- ⁽³⁾ 50,000 shares are held through the Larkin Family Trust and 3,000 are held by New Dawn Holdings Ltd., a company controlled by Mr. Larkin.
- ⁽⁴⁾ Member of the Company's Executive Committee.
- ⁽⁵⁾ Member of the Company's Compensation, Nominating and Corporate Governance Committee.
- ⁽⁶⁾ Member of the Company's Reserves Committee.
- ⁽⁷⁾ 1,425,000 shares are held by Palo Duro Trading Co., a company controlled by Mr. Cross.

Management does not contemplate that any of its nominees will be unable to serve as a director. If any vacancies occur in the above list of nominees before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the Common Shares represented by proxy for the election of any other persons as directors.

Corporate Cease Trade Orders or Bankruptcies

Except as disclosed in this Information Circular, during the ten years preceding the date of this Information Circular, no proposed director of the Company has, to the knowledge of the Company, been:

- (a) a director, chief executive officer or chief financial officer of any issuer that:
 - (i) was the subject of a cease trade or similar order or an order that denied such issuer access to any exemption under securities legislation that was in effect for a period of more than thirty consecutive days (an "Order") while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to such an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer in the company that is the subject of the Order and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) a director or executive officer of any issuer 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 the assets of that company.

Penalties and Sanctions

No proposed director of the Company has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court, or regulatory body that would likely be considered important to a reasonable securityholder in deciding to vote for a proposed director.

Individual Bankruptcies

During the ten years preceding the date of this Information Circular, no proposed director of the Company has, to the knowledge of the Company, 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 that individual.

Audit Committee

National Instrument 52-110 of the Canadian Securities Administrators ("NI 52-110") requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor. The full text of the charter of the Company's Audit Committee is attached hereto as Schedule "A".

Composition of the Audit Committee

The Audit Committee consists of three directors. NI 52-110 requires each of the members of the Audit Committee to be independent and financially literate. Since the Company is a “venture issuer” it is exempt from these requirements. In addition, the Company’s governing corporate policy requires the Company to have an Audit Committee composed of a minimum of three directors, a majority of whom are not officers or employees of the Company.

The following table sets out the names of the members of the Audit Committee and whether they are officers or employees, “independent” and “financially literate”.

Name of Member	Officer or Employee	Independent⁽¹⁾	Financially Literate⁽²⁾
Paul Larkin	No	No	Yes
Richard G. Green	No	Yes	Yes
David Cohen	No	Yes	Yes

⁽¹⁾ To be considered “independent”, a member of the Audit Committee must not have any direct or indirect “material relationship” with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment. Further, NI 52-110 considers an individual who is, or has been within the last three years, an employee or executive officer of the issuer, to have a material relationship with the issuer. Paul Larkin was President of the Company from August 10, 2006 to November 29, 2007 and accordingly is not considered independent.

⁽²⁾ To be considered “financially literate”, a member of the Audit Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

The Audit Committee is responsible for review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right at all times, to inspect all the books and financial records of the Company and any subsidiaries and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The audit committee members meet periodically with management and annually with the external auditors.

Relevant Education and Experience

The education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Company to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting, are as follows:

Paul Larkin – Mr. Larkin brings in excess of 34 years of experience in corporate finance and capital markets to the Company. Mr. Larkin is currently President of New Dawn Holdings Ltd., an independent consulting firm providing administration and financial advisory services to a number of private and public companies including acting as Chief

Financial Officer of Kenai Resources Ltd. (TSX.V: KAI). Mr. Larkin is also the Chief Executive Officer and President of Tyner Resources Ltd. (TSX.V: TIP), a director and member of the audit committee of U.S. Geothermal Inc. (TSX.V: GTH) and a director and member of the audit committee of Condor Resources Inc.(TSX.V: CN). From 1972 to 1984, Mr. Larkin held various corporate finance positions in the Canadian banking system. Mr. Larkin has also served as an audit, compensation and executive committee member for a number of public companies.

Richard G. Green – Mr. Green brings in excess of 36 years of experience in the oil and gas industry to the Company. Mr. Green was CEO, President and director of Saxon Oil Company Ltd. (TSX.V: SXN) from 2006 to 2009. Prior to that, he was a Senior Vice-President of LaRoche Petroleum Consultants, Ltd., a private Texas oil and gas consulting corporation. He began his career with Shell Oil Company in 1973 and from 1980 to 1986 worked for several independent oil companies prior to founding his own exploration and production firm from 1986 to 1993. From 1993 to 1996, Mr. Green was Vice-President Geology for Netherland, Sewell & Associates, Inc. Mr. Green has extensive domestic and international experience in geology, petrophysics and engineering and graduated with a B.S. in Geology from Kansas State University. He is a member of numerous professional societies and is an AAPG Certified Petroleum Geologist and Registered Geoscientist - Kansas and Texas. He is an honorary life member of the Dallas Geological Society, is a past-president of the Division of Professional Affairs of AAPG, and received the Distinguished Service Award from AAPG in 2005.

David Cohen – Mr. Cohen is currently the Chairman and CEO of Gold Wheaton Corp. He is also the Chairman of Eastern Platinum Ltd. and was the former President and CEO of Northern Orion Resources Inc. He has over twenty years of international experience, including operating and management positions with DeBeers, Anglo American and Fluor engineers. He is a Professional Chemical Engineer and holds an MBA.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the Company's Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 (*De Minimis Non-audit Services*) provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 (*Exemptions*) permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110 in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter of the Company. Refer to the Company's Audit Committee Charter, which is attached hereto as Schedule "A".

External Auditor Service Fees (By Category)

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Company’s external auditor in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees⁽¹⁾	Tax Fees⁽²⁾	All Other Fees⁽³⁾
2009	\$93,240	\$7,000	\$5,430	Nil
2008	\$38,000	Nil	\$18,100	Nil

Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

RE-APPROVAL OF STOCK OPTION PLAN

The Company’s Stock Option Plan (the “Stock Option Plan”) was most recently approved by the Shareholders at the meeting of Shareholders held on February 24, 2009. Please see “Report on Executive Compensation – Securities Authorized for Issuance under Equity Compensation Plans” for a full description of the Stock Option Plan. As the Stock Option Plan limits the number of options which may be granted to 10% of the number of Common Shares of the Company which are issued and outstanding at the relevant time, the TSX Venture Exchange (the “Exchange”) requires that the Shareholders of the Company re-approve the Stock Option Plan each year and accordingly, the Shareholders of the Company will be asked to pass the following resolution:

“BE IT RESOLVED THAT:

1. subject to regulatory approval, the Stock Option Plan, in the form presented to this Meeting, is approved and is hereby directed to be attached to the Minutes of this Meeting as a Schedule thereto;
2. the Company is authorized to grant stock options pursuant and subject to the terms and conditions of the Stock Option Plan entitling all of the option holders in aggregate to purchase up to such number of common shares of the Company as is equal to 10% of the number of common shares of the Company issued and outstanding on the applicable grant date;
3. any committee created pursuant to the Stock Option Plan is authorized to make such amendments to the Stock Option Plan from time to time as the Board may, in its discretion, consider to be appropriate, provided that such amendments will be subject to the approval of all applicable regulatory authorities and in certain cases, in accordance with the terms of the Stock Option Plan, the shareholders; and
4. the approval of the Stock Option Plan by the Board of directors is hereby ratified and any one director of the Company is hereby authorized to execute any other documents as the director deems necessary to give effect to the transactions contemplated in the Stock Option Plan.”

Management of the Company recommends that shareholders vote in favour of the foregoing resolution, and the persons named in the enclosed form of proxy intend to vote for the approval of the foregoing resolution at the Meeting unless otherwise directed by the shareholders appointing them.

STATEMENT OF EXECUTIVE COMPENSATION

The Compensation Committee is responsible for, among other things, the periodic review of the Company’s short-term and long-term policies for attracting, retaining, developing and motivating executive officers of the Company. The Committee meets periodically to review compensation policies relating to the Company and its subsidiaries and to approve specific compensation awards and benefits.

The Compensation Committee monitors levels of executive remuneration to ensure overall compensation reflects the Company's objectives and philosophies and meets the Company's desired relative compensation position. The key components comprising executive officer compensation are base salary and annual bonus (short-term incentives) and participation in an incentive stock option plan (long-term incentive).

Executive officers' compensation is designed in a manner to recognize and reward executive officers based upon individual and corporate performance and to be consistent with the executive officers' respective contributions to the overall benefit of the Company.

In establishing compensation objectives for executive officers, the Compensation Committee seeks to:

1. motivate executives to achieve corporate performance objectives and reward them when such objectives are met;
2. recruit and subsequently retain highly qualified executive officers by offering overall compensation which is competitive with that offered for comparable positions in similar companies; and
3. align the interest of executive officers with the long-term interests of shareholders through participation in the Company's Stock Option Plan.

Currently, the Company's executive compensation package consists of the following principal components: base salary, annual incentive cash bonus and long-term incentive in the form of stock options. These components are normal for companies that are comparable to ours in the industry. Executive compensation is based on competitive industry data. At the end of each year, the Compensation Committee also reviews actual performance against corporate objectives.

The Board determines the number of stock options to be awarded. Stock options are generally awarded to executive officers at the commencement of employment and periodically thereafter. Stock options are granted to reward individuals for current performance, expected future performance and value to the Company. The size of awards made subsequent to the commencement of employment takes into account stock options already held by the individual.

CEO compensation is determined by the Board on the recommendation of the Compensation Committee. The Committee's policy is that the salary of the CEO should be in line with competitive salaries for positions of similar responsibility at oil and gas companies that are, like the Company, publicly held. In assessing compensation paid to the CEO, the Committee also reviews available industry data relating to such companies. The CEO participates in discussions or reviews relating to executive compensation for NEOs but does not participate in the discussions and reviews relating to his own compensation.

Summary Compensation Table

The following table provides a summary of compensation paid, directly or indirectly, to the following persons (collectively, the "Named Executive Officers" or "NEOs"):

- (a) the Chief Executive Officer ("CEO"),
- (b) the Chief Financial Officer ("CFO"),
- (c) each of the Company's three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers or acting in a similar capacity and whose total compensation, individually, was in excess of \$150,000 as at the end of the most recently completed financial year; and
- (d) each individual for whom disclosure would have been provided under (c) but for the fact that the individual was neither serving as an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year.

As at September 30, 2009, the end of the most recently completed financial year of the Company, the Company had two Named Executive Officers, being David Afseth, President; and Danny Lee, Chief Financial Officer.

Name and Principal Position	Year	Salary (\$) ⁽³⁾	Share-based awards (\$)	Option-based awards (\$) ⁽⁴⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
David Afseth ⁽³⁾ President	2009/09/30	\$352,033	Nil	\$48,750	Nil	Nil	Nil	Nil	\$400,783
Danny Lee ⁽⁴⁾ ⁽⁵⁾ CFO	2009/09/30	\$136,068	Nil	\$22,500	Nil	Nil	Nil	Nil	\$158,568

Notes:

- (1) "SAR" or "stock appreciation right" means a right, granted by the Company or any of its subsidiaries as compensation for employment services or office to receive cash or an issue or transfer of securities based wholly or in part on changes in the trading price of publicly traded securities of the Company.
- (2) "LTIP" or "long term incentive plan" means any plan providing compensation intended to motivate performance over a period greater than one financial year, but does not include option or stock appreciation right plans or plans for compensation through shares or units that are subject to restrictions on resale.
- (3) Mr. Afseth was appointed Vice President, Operations on December 15, 2007 and President of the Company on March 28, 2008.
- (4) Mr. Lee was appointed as Chief Financial Officer of the Company on April 28, 2008.
- (5) Effective November 1, 2007, the Company entered into a Shareholders' Corporate Management and Cost Sharing Agreement with Sterling West Management Ltd. ("SWM"), a private company held jointly by the Company and other public companies, to provide management, administrative and other services on a full cost recovery basis to the various public entities currently sharing office space with the Company (See "Management Contracts" for further information). The Company reimbursed SWM for all salary expenses reported in the table relating to Danny Lee.

Securities Authorized for Issuance under Equity Compensation Plans and Incentive Plan Awards

The Company obtained the approval of its Shareholders to the Company's Stock Option Plan (the "Stock Option Plan") at its meeting of Shareholders held on March 12, 2009. As the Stock Option Plan limits the number of options which may be granted to 10% of the number of common shares of the Company which are issued and outstanding at the relevant time, the Exchange requires that the Shareholders of the Company re-approve the Stock Option Plan each year and management of the Company will be seeking such approval at the Meeting.

As of the date hereof, there are outstanding Options to purchase up to 14,055,000 Common Shares or 9.7% of the issued and outstanding Common Shares, and a total of 377,097 Options remain available for future grants under the Stock Option Plan. Options which have expired, were cancelled or otherwise terminated without being exercised are available for subsequent grants under the Stock Option Plan.

The Stock Option Plan is expected to benefit shareholders by enabling the Company to attract and retain high calibre personnel by offering to them an opportunity to share in any increase in value of the common shares of the Company resulting from their efforts. The purpose of the Stock Option Plan is to provide incentive to the Company's employees, officers, directors, and consultants responsible for the continued success of the Company. The following is a summary of the Stock Option Plan.

The Stock Option Plan will be administered by the Board. The effective date (the "Effective Date") of the Stock Option Plan is July 5, 2006. The Stock Option Plan provides that options may be granted to any employee, officer, director or consultant of the Company or a subsidiary of the Company. The options issued pursuant to the Stock Option Plan will be exercisable at a price not less than the closing price of the Company's Shares traded through the facilities of the Exchange on the day preceding the Award Date.

Options under the Stock Option Plan will be granted for a term not to exceed five years from the date of their grant, provided that if the Company is then a “Tier 1” company listed on the Exchange, the term of the option will be not more than 10 years. Options granted under the Stock Option Plan will be subject to such vesting schedule as the Board may determine. In the event that an option is to be terminated prior to expiry of its term due to certain corporate events, all options then outstanding shall become immediately exercisable for 10 days after notice thereof, notwithstanding the original vesting schedule.

Options will also be non-assignable and non-transferable, provided that they will be exercisable by an optionee’s legal heirs, personal representatives or guardians for up to 12 months following the death or termination of an optionee due to disability, or up to 12 months following the death of an employee if the employee dies within 6 months of termination due to disability. All such options will continue to vest in accordance with their original vesting schedule.

The maximum number of common shares to be reserved for issuance under the Stock Option Plan, including options currently outstanding, will not exceed 10% of the number of common shares of the Company issued and outstanding on the applicable date of grant. If a material alteration in the capital structure of the Company occurs as a result of a recapitalization, stock split, reverse stock split, stock dividend, or otherwise, the Board shall make adjustments to the Stock Option Plan and to the options then outstanding under it as the Board determines to be appropriate and equitable under the circumstances, unless the Board determines that it is not practical or feasible to do so, in which event the options granted under the Stock Option Plan will terminate as set forth above.

A full copy of the Stock Option Plan will be available at the Meeting. Shareholders may obtain a copy of the Stock Option Plan in advance of the Meeting upon request to the Company, Suite 220 – 1075 West Georgia Street, Vancouver, BC, V6E 3C9, to the attention of Danny Lee. The Company’s fax number is (604) 639-4670.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth details of all the Company’s equity compensation plans as at September 30, 2009.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	13,995,000	\$0.45	414,596
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	13,995,000	\$0.45	414,596

Outstanding share-based awards and option-based awards for NEOs are set out in the following table:

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 (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
David Afseth	750,000 750,000 500,000	\$0.56 \$0.275 \$0.19	Feb 1, 2013 May 1, 2013 May 14, 2014	\$123,750	Nil	Nil
Danny Lee	400,000 150,000	\$0.275 \$0.19	May 1, 2013 May 14, 2014	\$35,500	200,000	\$13,000

The exercise price of incentive stock options is determined by the Board, but shall not be less than the closing trading price of the common shares of the Company on the Exchange on the last trading day immediately before the grant date, or such other price as may be agreed to by the Company and approved by the Exchange.

Termination and Change of Control Benefits

On December 15, 2007, the Company entered into an Employment Agreement with David Afseth as Vice President of Operations. Mr. Afseth became the President of the Company on March 28, 2008. Under the terms of the Employment Agreement, Mr. Afseth is paid an annual base salary of \$300,000USD, plus annual bonus, benefits and options. In the event Mr. Afseth's Employment Contract is terminated without cause, or there is a change of control of the Company, the Agreement provides for a payment equal to one-half of Mr. Afseth's annual base salary less statutory deductions. Mr. Afseth is subject to non-competition and non-solicitation obligations under his Employment Agreement.

On May 1, 2008, the Company entered into an Employment Agreement with Danny Lee as Chief Financial Officer. Under the terms of the Employment Agreement, Mr. Lee is paid an annual base salary of \$160,000, plus annual bonus, benefits and options. In the event Mr. Lee's Employment Contract is terminated without cause, or there is a change of control of the Company, the Agreement provides for a payment equal to one-half of Mr. Lee's annual base salary less statutory deductions. Mr. Lee is subject to standard confidentiality obligations under his Employment Agreement.

On January 14, 2010, the Company entered into a Consulting Agreement with OGTEE Consultants, LLC ("OGTEE"). OGTEE provides the consultant services of Richard Scherer, who was appointed VP of Explorations of LNG. The Agreement provided for the payment of a daily fee of up to US\$20,000 per month. In addition, the Company granted 300,000 options exercisable immediately at an exercise price of \$0.30.

Except as otherwise disclosed herein, there are no compensatory plans, contracts or arrangements in place with the Named Executive Officers resulting from the resignation, retirement or any other termination of employment of the Named Executive Officers with the Company or from a change in control of the Company, or a change in the Named Executive Officers' responsibilities following a change in control, where in respect of the Named Executive Officers the value of such compensation exceeds \$100,000.

Director Compensation

The Company compensates its independent directors with cash compensation for acting as directors of the Company. Each independent director receives \$1,500 per fiscal quarter for acting as a Director of the Company and also receives \$500 per fiscal quarter for acting as a committee member.

Director compensation for the year ended September 30, 2009:

Name ⁽²⁾	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Paul Larkin	\$8,000	Nil	\$22,500	Nil	Nil	Nil	\$30,500
Richard Green	\$8,000	Nil	\$22,500	Nil	Nil	Nil	\$30,500
Robert Cross	\$8,000	Nil	\$22,500	Nil	Nil	Nil	\$30,500
David Cohen	\$8,000	Nil	\$22,500	Nil	Nil	Nil	\$30,500

Outstanding share-based awards and option-based awards are disclosed in the following table:

Name ⁽¹⁾	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 (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (#)
Paul Larkin	75,000	\$0.20	December 16, 2009	\$81,000	Nil	Nil
	200,000	\$0.10	November 27, 2011			
	150,000	\$0.19	May 14, 2014			
Richard Green	500,000	\$0.10	November 27, 2011	\$142,500	Nil	Nil
	150,000	\$0.19	May 14, 2014			
Robert Cross	3,000,000	\$0.58	November 27, 2012	\$22,500	Nil	Nil
	150,000	\$0.19	May 14, 2014			
David Cohen	3,000,000	\$0.58	November 27, 2012	\$22,500	Nil	Nil
	150,000	\$0.19	May 14, 2014			

OTHER COMPENSATION MATTERS

Proportion of Common Shares Held by Directors and Executive Officers

Collectively, as of the date hereof, the directors and executive officers of the Company, as a group, own 7,375,000 common shares representing approximately 5.1% (4.7% on a fully diluted basis) of the issued and outstanding common shares.

Indebtedness of Directors and Executive Officers

No current or former director, executive officer or employee, proposed nominee for election to the Board, or associate of such persons is, or has been, indebted to the Company since the beginning of the most recently completed financial year of the Company and no indebtedness remains outstanding as at the date of this Information Circular.

None of the directors or executive officers of the Company is or, at any time since the beginning of the most recently completed financial year, has been indebted to the Company. None of the directors' or executive officers' indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year, has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, Common Shares or who exercises control or direction of Common Shares, or a combination of both carrying more than ten percent of the voting rights attached to the Common Shares outstanding (an “Insider”); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of Common Shares where such person or company will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of Common Shares.

MANAGEMENT CONTRACTS

The Company is party to a shareholders’ cost-sharing agreement with certain other public and private companies (the “Other Companies”) pursuant to which the Company and the Other Companies are equal shareholders in Sterling West Management Ltd. (“SWM”) and, through SWM, share office space, furnishings, equipment and communications facilities (on a cost recovery basis) and the employment, on a part-time basis, of various administrative, office and management personnel in Vancouver, British Columbia. Costs of the shared office facilities and the shared part-time employees are recovered from the Company in proportion to the time spent by the shared part-time employees on matters pertaining to the Company. During the year ended September 30, 2009, the Company’s share of these costs was \$361,012.

Except for the foregoing, management functions of the Company are generally performed by directors and senior officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which contribute to effective and efficient decision making and are in the interest of its shareholders.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”) the Company is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

Board of Directors

The Board is currently composed of four directors: Paul Larkin, Richard Green, Robert Cross and David Cohen. All the proposed nominees are current directors of the Company.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director’s ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. Three of the proposed nominees of the Company are considered by the Board to be “independent” within the meaning of NI 58-101. The director of the Company who is not considered to be independent is Paul Larkin, due to the fact that he served as an officer of the Company within the past three years.

The independent directors exercise their responsibilities for independent oversight of management and meet independently of management whenever deemed necessary.

Mandate of the Board

The mandate of the Board is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the board oversees the management of the Company's affairs directly and through its committees. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company's overall business strategies and its annual business plan, reviewing and approving the annual corporate budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company's proposed actions accord with shareholder objectives; reviewing succession planning; assessing management's performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders' equity interests through the optimum utilization of the Company's capital resources.

Directorships

The following directors of the Company also serve as directors of other reporting issuers:

Director	Other Reporting Issuer(s)
Paul Larkin	Tyner Resources Ltd. (TSX.V-TIP) Kenai Resources Ltd. (TSX.V-KAI) U.S. Geothermal Inc. (TSX.V-GTH) Condor Resources Inc. (TSX.V-CN)
Robert Cross	B2 Gold Corp. (TSX.V-BTO) Avanti Mining Inc. (TSX V-AVMI) Athabasca Resources Inc. (TSX – API) BNK Petroleum Inc. (TSX – BKX) Bankers Petroleum Ltd. (TSX.V-BNK) Cap-Link Ventures Ltd. (TSX.V – CAV)
David Cohen	Enterprise Energy Resources Ltd. (TSX.V-EER) Newport Exploration Ltd. (TSX.V-NWX) Eastern Platinum Ltd. (TSX-ELR) Gold Wheaton Gold Corp. (TSX.V-GLW)

Denotes:

TSX Toronto Stock Exchange
TSX.V TSX Venture Exchange

Orientation and Continuing Education

Each new director is given an outline of the nature of the Company's business, its corporate strategy, and current issues within the Company. New directors are also required to meet with management of the Company to discuss and better understand the Company's business and are given the opportunity to meet with counsel to the Company to discuss their legal obligations as directors of the Company.

In addition, management of the Company takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Company as a whole. The Company continually reviews the latest securities rules and policies and is on the mailing list of the Exchange to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of the Company's directors either by way of director or committee meetings or by direct communications from management to the directors.

Ethical Business Conduct

The Board has adopted a written Code of Ethical Conduct (the “Code”) for its directors, officers and employees. As one measure to ensure compliance with the Code, the Board has also established a Whistleblower Policy which details complaint procedure for financial concerns. The full text of these standards is available free of charge to any person upon request to the Company by mail to Suite 220 – 1075 West Georgia Street, Vancouver, BC, V6E 3C9 (Telephone: 778-373-0103). The Code is also available on SEDAR (www.sedar.com).

In addition, as some of the directors of the Company also serve as directors and officers of other companies engaged in similar business activities, the Board must comply with the conflict of interest provisions of the British Columbia *Business Corporations Act*, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke any such conflict.

Nomination and Assessment of Directors

The Board has a Compensation, Nominating and Corporate Governance Committee. The Committee’s responsibilities include recommending candidates for nomination, appointment, and re-election to the Board and its committees. The Committee is responsible for developing qualification criteria for Board membership (considering the goals for Board composition and size and individual qualifications) and evaluating potential candidates. New nominees should have a track record in general business management, special expertise in an area of strategic interest to the Company, and the ability to devote the time required. In the event of a vacancy occurring on the Board, the Committee’s role is to recommend a qualified person for appointment to the Board.

In addition, the Committee must recommend to the Board whether each director should be nominated for re-election annually. This role includes a consideration of the performance in office of all individual directors. In addition, the Committee reviews the Board’s past proceedings and recommends any changes to current Board practices as a result of such review.

Compensation

The Compensation, Nominating and Corporate Governance Committee is also responsible for annually reviewing, in consultation with the President, the adequacy and form of the Company’s compensation programs for each of the Company’s executive officers, including the Company’s President, and making recommendations to the Board regarding such compensation. The Committee’s process includes considering the relationship between executive officer compensation and corporate performance and returns to shareholders, and determining the qualitative and quantitative measures of corporate performance to be used in the determination of executive officer compensation. The Committee will review market data of appropriate peer group companies to assess the Company’s competitive position with respect to the principal components of the Company’s executive officer compensation.

Other Board Committees

In addition to the Audit Committee and Compensation, Nominating and Corporate Governance Committee, the Board has an Executive Committee and a Reserves Committee in place. The Executive Committee is empowered to exercise the authority of the Board in appropriate circumstances. The Reserves Committee assists the Board in its oversight of the reliability and integrity of the reporting and evaluations in respect of the Company’s oil and gas activities.

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

Other than as set forth in this information circular, no director or executive officer of the Company at any time since the beginning of the Company’s most recently completed financial year, no proposed nominee for election as a director of the Company and no associate or affiliate of any of such persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting,

except for any interest arising from the ownership of shares of the Company where the shareholder will receive no extra or special benefit or advantage not shared on a pro-rata basis by all holders of shares in the capital of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Financial information is provided in the Company's comparative financial statements and Management Discussion and Analysis for its most recently completed financial year. To request copies of the Company's financial statements and Management Discussion and Analysis, please contact Danny Lee, the Chief Financial Officer of the Company, at Suite 220 – 1075 West Georgia Street, Vancouver, BC, V6E 3C9; telephone (778) 373-0103; facsimile (604) 639-4670; email dlee@lngenergyltd.com.

OTHER MATTERS

Other than the above, management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. However, in respect of amendments or variations to matters identified in the Notice of Meeting or other matters that may properly come before the Meeting or an adjournment or postponement thereof, the accompanying proxy form confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

SCHEDULE “A”

AUDIT COMMITTEE CHARTER

Mandate

The primary function of the audit committee (the “Committee”) is to assist the board of directors (the “Board”) in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting, and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company’s financial reporting and internal control systems and review the Company’s financial statements;
- review and appraise the performance of the Company’s external auditors; and
- provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board.

Composition

The Committee shall be comprised of three directors as determined by the Board, the majority of whom shall be free from any relationship that, in the opinion of the Board, would reasonably interfere with the exercise of his or her independent judgment as a member of the Committee. At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee’s Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements. The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders’ meeting.

Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (b) Review and update this Charter annually.
- (c) Review the Company’s financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.
- (d) Confirm that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from the Company’s financial statements.

External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Company, consistent with the Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board, take appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee. Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.

- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.