GEAR ENERGY LTD.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO BE HELD MAY 13, 2015

TO THE HOLDERS OF COMMON SHARES

Notice is hereby given that an annual meeting (the "**Meeting**") of the holders of common shares ("**Common Shares**") of Gear Energy Ltd. ("**Gear**" or the "**Corporation**") will be held in the Angus/Northcote Room of the Bow Valley Conference Centre located at 300, 205 – 5th Avenue S.W., Calgary, Alberta on May 13, 2015, at 3:00 p.m. (Calgary time) for the following purposes:

1. to receive the financial statements of the Corporation for the year ended December 31, 2014 and the auditors' report thereon;

2. to fix the number of directors to be elected at the Meeting at six (6) members;

3. to consider and, if thought appropriate, to pass an ordinary resolution electing six (6) directors of the Corporation, all as more particularly described in the accompanying information circular - management proxy statement of the Corporation dated April 1, 2015 (the "**Information Circular**");

4. to consider and, if thought appropriate, to pass an ordinary resolution appointing the auditors of the Corporation and authorizing the directors to fix their remuneration as such; and

5. to transact such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The nature of the business to be transacted at the Meeting and the specific details of the matters proposed to be put to the Meeting are described in further detail in the accompanying Information Circular.

The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting is April 1, 2015 (the "**Record Date**"). Shareholders of Gear whose names have been entered in the register of shareholders at the close of business on that date will be entitled to receive notice of and vote at the Meeting, provided that, to the extent a shareholder transfers the ownership of any of his shares after such date and the transferee of those shares establishes that he owns the shares and requests, not later than 10 days before the Meeting, to be included in the list of shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those shares at the Meeting.

A shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be mailed so as to reach or be deposited with Valiant Trust Company, Suite 310, 606 – 4 Street S.W., Calgary, Alberta, T2P 1T1 Attention: Proxy Department, or by fax to (403) 233-2857, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment thereof.

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy are directors and/or officers of contact. Each shareholder has the right to appoint a proxyholder other than such persons, who need not be a shareholder, to attend and to act for such shareholder and on such shareholder's behalf at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the shareholder's appointee should be legibly printed in the blank space provided.

DATED this 1st day of April, 2015.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) *"Ingram Gillmore"*
Ingram Gillmore
President, Chief Executive Officer and a Director

GEAR ENERGY LTD.

Information Circular – Proxy Statement

for the Annual Meeting of Shareholders
to be held on Wednesday, May 13, 2015

Dated: April 1, 2015

Solicitation of Proxies

This Information Circular – Proxy Statement (this "**Information Circular**") is furnished in connection with the solicitation of proxies by the management of Gear Energy Ltd. ("**Gear**" or the "**Corporation**") for use at the annual meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of the Corporation to be held on Wednesday, May 13, 2015 at 3:00 p.m. (Calgary time) in the Angus/Northcote Room of the Bow Valley Conference Centre located at 300, 205 – 5th Avenue S.W., Calgary, Alberta and at any adjournment thereof, for the purposes set forth in the Notice of Meeting.

Forms of proxy must be addressed to and reach Valiant Trust Company at 310, 606 – 4th Street S.W., Calgary, Alberta T1P 1T1, Attention: Proxy Department, or by fax to (403) 233-2857, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for the holding of the Meeting or any adjournment thereof. The board of directors of the Corporation (the "**Board**") has fixed the record date for the Meeting at the close of business on April 1, 2015 (the "**Record Date**").

Shareholders may also use the internet site at www.valianttrust.com to transmit their voting instructions. Shareholders should have the form of proxy in hand when they access the website and will be prompted to enter their control number, which is located on the form of proxy. If Shareholders vote by internet, their vote must be received not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for the holding of the Meeting. The website may be used to appoint a proxy holder to attend and vote on a Shareholder's behalf at the Meeting and to convey a Shareholder's voting instructions.

Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their Common Shares, included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, except to the extent that any such Shareholder transfers their Common Shares after the Record Date and the transferee of such Common Shares, having produced properly endorsed certificates evidencing such Common Shares or having otherwise established that he or she owns such Common Shares, demands, not later than ten (10) days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

Unless otherwise stated, information provided in this Information Circular is given as at April 1, 2015.

The instrument appointing a proxy shall be in writing and shall be executed by the Shareholder or the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy are directors and officers of the Corporation. Each Shareholder has the right to appoint a proxyholder other than the persons designated above, who need not be a Shareholder, to attend and to act for the Shareholder at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space provided.

Beneficial Holders of Common Shares

The information set forth in this section is provided to beneficial holders of Common Shares of the Corporation who do not hold their Common Shares in their own name ("**Beneficial Shareholders**"). Beneficial Shareholders should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Beneficial Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Beneficial Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominees for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting Common Shares for their clients. The Corporation does not know for whose benefit the shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically provides a scannable voting request form or applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting request forms or proxy forms to Broadridge. Often Beneficial Shareholders are alternatively provided with a toll-free telephone number to vote their shares or website address where shares can be voted. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction request or a proxy with a Broadridge sticker on it cannot use that instruction request or proxy to vote Common Shares directly at the Meeting as the proxy must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed instructions or proxies as directed by Broadridge well in advance of the Meeting.**

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

The Corporation is not using "notice-and-access" to send its proxy-related materials to its Shareholders, and paper copies of such materials will be sent to all Shareholders. The Corporation will not send proxy-related materials directly to non-objecting Beneficial Shareholders and such materials will be delivered to non-objecting Beneficial Shareholders through their intermediary. The Corporation intends to pay for an intermediary to deliver to objecting Beneficial Shareholders the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* of National Instrument 54-101.

Revocability of Proxy

A Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or the Shareholder's attorney authorized in writing deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof prior to the commencement of the Meeting.

Persons Making the Solicitation

The solicitation is made on behalf of the management of the Corporation. The costs incurred in the preparation and mailing of the enclosed form of proxy, Notice of Meeting and this Information Circular will be borne by the Corporation. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or other means of communication and by directors, officers and employees of the Corporation, who will not be specifically remunerated therefore.

Exercise of Discretion by Proxy

The Common Shares represented by proxy in favour of management nominees shall be voted on any ballot at the Meeting and, where the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares shall be voted or withheld from voting on any ballot in accordance with the specification so made.

In the absence of such specification, the Common Shares will be voted in favour of the matters to be acted upon. The persons appointed under the form of proxy furnished by the Corporation are conferred with discretionary authority with respect to amendments or variations of those matters specified in the enclosed form of proxy, the Notice of Meeting and this Information Circular. At the time of printing this Information Circular, management of the Corporation knows of no such amendment, variation or other matter.

MATTERS TO BE ACTED UPON AT THE MEETING

1. **Financial Statements and Auditors' Report**

Pursuant to the *Business Corporations Act* (Alberta) (the "**ABCA**"), the Board will place before the Shareholders at the Meeting the audited financial statements of the Corporation for the year ended December 31, 2014 and the auditors' report thereon, accompanying this Information Circular. Shareholder approval is not required in relation to the audited financial statements.

2. **Fixing Number of Directors**

At the Meeting, Shareholders will be asked to fix the number of directors to be elected at the Meeting at six (6) members. There are currently six (6) directors of the Corporation, being Greg Bay, Raymond Cej, Harry English, Don T. Gray, Ingram Gillmore and Peter Verburg, each of whom is nominated for election at the Meeting, as stated below.

3. **Election of Directors**

At the Meeting, Shareholders will be asked to elect six (6) directors to hold office until the next annual general meeting or until their successors are elected or appointed.

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of an ordinary resolution fixing the number of directors to be elected at the Meeting at six (6) members and in favour of the election as directors of the six (6) nominees hereinafter set forth:

Greg Bay	Raymond Cej	Harry English
Don T. Gray	Ingram Gillmore	Peter Verburg

The directors will be elected on an individual basis. The voting for or against and approval of one director will be mutually exclusive to the voting for or against and approval of any other director. If for any reason any of the proposed nominees does not stand for election or is unable to serve as such, the management designees, if named in the proxy, reserve the right to vote for any other nominee in their sole discretion unless a Shareholder has specified in the proxy that their Common Shares are to be withheld from voting on the election of directors.

The names, provinces and countries of residence of the persons nominated for election as directors, the number of voting securities of the Corporation beneficially owned or directed or controlled, directly or indirectly, the offices held by each in the Corporation, the period served as director and the principal occupation and background of each are set forth below. The information as to Common Shares beneficially owned or directed or controlled, directly or indirectly, is based upon information furnished to the Corporation by the nominees as of April 1, 2015.

Name, Province/State and Country of Residence and Position with the Corporation	**Principal Occupation and Background**	**Director Since**	**Number of Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly**
Greg Bay[(1)(2)(3)] Alberta, Canada Director	Founding partner, President of Cypress Capital Management Ltd., a private investment firm, from 1998 to present.	2013	141,700[(4)]
Raymond Cej[(1)(2)(3)] Alberta, Canada Director	President of Teine Energy Ltd., a private oil and gas company, since July 2010; President of Marble Point Energy Ltd. from January 2010 to July 2010; prior thereto, a senior executive for Shell Canada for 26 years.	2013	10,000
Ingram Gillmore Alberta, Canada President & Chief Executive Officer and a Director	President and Chief Executive Officer of the Corporation since May 2010; prior thereto Vice President, Engineering at ARC Resources Ltd. since January 2007; prior thereto, Manager Engineering since 2005.	2010	561,055
Don T. Gray[(1)(2)(3)] Alberta, Canada Director (Chairman)	Private investor; a director of the Corporation since February 2009 and Chairman of the Corporation since January 2010; a founding partner and President of EIQ Capital Corp., a private capital management company from May 2007 to September 2013; prior thereto, Mr. Gray was the Chief Executive Officer of Peyto Exploration & Development Corp. (formerly Peyto Energy Trust) ("**Peyto**") from August 2006 to January 2007; prior thereto, Mr. Gray was the President and Chief Executive Officer of Peyto from October 1998 to August 2006.	2009	3,046,239[(5)]
Peter Verburg[(1)(3)] Alberta, Canada Director	A founding partner and President of EIQ Capital Corp., a private investment firm, since September 2013; prior thereto, Managing Director of EIQ Capital Corp. since March 2008; prior thereto Vice President, Investment Banking of GMP Securities L.P. since February 2005.	2009	2,447,918[(6)]
Harry English[(1)] Alberta, Canada Director	Corporate director and independent businessman since June 2014. Prior thereto, partner at Deloitte LLP, Calgary since 2002.	2014	10,000

Notes:

(1) Member of the Audit Committee.
(2) Member of the Reserves Committee.
(3) Member of the Compensation and Governance Committee.
(4) Includes 141,700 Common Shares held by Cypress Capital Management Ltd., an investment firm which is indirectly controlled and directed by Mr. Bay.
(5) Includes 1,989,751 Common Shares held by investment funds managed by EIQ Capital Corp., which are indirectly beneficially owned by Mr. Gray, and 1,056,488 Common Shares directly beneficially owned by Mr. Gray. Messrs. Gray and Verburg together equally control EIQ Capital Corp.
(6) Includes 2,431,918 Common Shares held by investment funds managed by EIQ Capital Corp. and 16,000 Common Shares directly beneficially owned by Mr. Verburg. Messrs. Gray and Verburg together equally control EIQ Capital Corp.

Majority Voting for Directors

The Board has adopted a policy stipulating that if the "WITHHOLD" votes in respect of the election of a director nominee at the Meeting represent more than the "FOR" votes, the nominee will submit his resignation promptly after the Meeting, for the Compensation and Governance Committee's consideration.

The Compensation and Governance Committee will consider such resignation and will make a recommendation to the Board after reviewing the matter as to whether to accept it or not, having regard to all matters it deems relevant. The Board will consider the recommendation and the Board's decision to accept or reject the resignation will be disclosed to the public within 90 days of the Meeting. The nominee will not participate in any committee or Board deliberations on the resignation offer. The policy does not apply in circumstances involving contested director elections.

Corporate Cease Trade Orders or Bankruptcies

Other than as disclosed below, no proposed director is as at the date hereof, or has been, within 10 years of the date hereof, a director or chief executive officer or chief financial officer (or any executive officer, for the purpose of subsection (iii)) of any company, including the Corporation, that: (i) while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days (an "**order**"); (ii) after that person ceased to act in that capacity, was the subject of an order that resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer, or (iii) is or has, within 10 years before the date of this Information Circular become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets, while that person was acting in that capacity.

Mr. Cej was, prior to January 26, 2010, a trustee of Impax Energy Services Income Trust (the "**Trust**"). On December 14, 2009, the Trust filed for creditor protection in order to facilitate an orderly sale and wind-up of operations. On January 26, 2010, all of the trustees and directors of the Trust resigned following the sale of substantially all of the assets of the Trust. Upon the resignations of the trustees and directors, trading in the units of the Trust was suspended for failure to maintain a minimum number of directors as required under the rules of the TSX Venture Exchange.

No proposed director has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties or Sanctions

No proposed director has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

4. **Appointment of Auditors**

Unless otherwise directed, it is management's intention to vote the proxies in favour of an ordinary resolution of Shareholders to appoint the firm of Deloitte LLP, Chartered Accountants, of Calgary, Alberta to serve as auditors of the Corporation until the next annual general meeting of the Shareholders and to authorize the directors to fix their remuneration as such. The appointment of the auditors must be approved by a majority of votes cast by the Shareholders. Deloitte LLP have been the Corporation's auditors since March 2, 2010.

INFORMATION CONCERNING THE CORPORATION

Voting Securities and Principal Holders Thereof

As at April 1, 2015, 70,817,032 Common Shares were issued and outstanding, with each Common Share carrying the right to one (1) vote on a ballot at the Meeting. A quorum for the transaction of business at the Meeting will be present if not less than two (2) Shareholders representing not less than 25% of the Common Shares are present in person or by proxy.

The record date as of which Shareholders are entitled to vote at the Meeting has been fixed by the Corporation as April 1, 2015.

To the knowledge of the directors and senior officers of the Corporation, as at the date hereof, no person or company beneficially owned, or controlled or directed, directly or indirectly, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation, other than as set forth below:

Name	Number of Common Shares	Percentage of Class
Burgundy Asset Management Ltd.	12,697,800	17.93%

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Corporation's compensation program is administered by the Compensation and Governance Committee (the "**Compensation and Governance Committee**") of the Board. The Compensation and Governance Committee, amongst its other responsibilities, reviews and recommends annually to the Board the remuneration of the Corporation's executive officers, employees and directors.

The members of the Compensation and Governance Committee during the year ended December 31, 2014 were comprised of Greg Bay, Raymond Cej, Don T. Gray and Peter Verburg, all of whom are highly experienced executives, directors and/or businessmen who have dealt with compensation issues in the course of their respective leadership roles and each are independent. The skills and experience that enable the members of the Compensation and Governance Committee to make decisions on the suitability of the Corporation's compensation policies and practices is as follows:

- Mr. Bay is the founding partner, President of Cypress Capital Management (a private investment firm) from 1998 to present. In that role he has extensive experience in analyzing and understanding market views and perception of public companies. Mr. Bay also sits on the board of directors of Mullen Group Ltd. and is on compensation committee of Mullen Group Ltd.

- Mr. Cej is currently President of Teine Energy Ltd., a private oil and gas company. His primary oil and gas experience was gained through a 26-year career with Shell Canada Ltd., culminating with senior executive responsibility for all of Shell's upstream activities. Mr. Cej has also served as an independent director on several Boards including First Calgary Petroleum Ltd., Canada Southern Petroleum Ltd., Brooklyn Energy Corporation and Geocan Energy Inc. Mr. Cej is a registered professional engineer in Ontario and Alberta and holds a B. Eng. Chem. Eng. (Royal Military College) and M.Sc. Chem. Eng. (California Institute of Technology).

- Mr. Gray holds a BSc in petroleum engineering from Texas A&M University and has over 25 years experience in the Canadian oil and gas business in various capacities. Mr. Gray is the Chairman of Gear and is a Co-Founder and former President and Chief Executive Officer of Peyto. Mr. Gray is also Chairman and co-founder of Petrus Resources Ltd., and Chairman of EIQ Capital Corp., a private investment company.

- Mr. Verburg holds an MBA from the University of Calgary. He is currently the President of EIQ Capital Corp., a private investment company. He was formerly Managing Director of EIQ Capital since 2008, and prior thereto an officer at GMP Securities L.P., working in the Corporate Finance energy group since 2005. Prior thereto, Mr. Verburg was a member of the editorial board at a leading financial periodical, and held other senior positions in the communications industry. Mr. Verburg is also a co-founder and director of Petrus Resources Ltd.

The Corporation's compensation philosophy includes a "pay-for-performance" element, which supports the Corporation's desire to deliver continuous, strong performance for its shareholders. In addition, the Corporation's compensation philosophy is aimed at attracting and retaining quality and experienced people, which is critical to the success of the Corporation for the benefit of its shareholders. Employee compensation, including executive officer compensation, is comprised of three elements: base salary, short-term incentive compensation (cash bonuses) and long-term incentive compensation (Options (as defined herein)). The Compensation and Governance Committee reviews all components in assessing the compensation paid to individual executive officers and paid by the Corporation as a whole. Salaries and bonuses are intended to provide current compensation and a short-term incentive for employees to meet the Corporation's goals, as well as to remain competitive with the industry. Options are granted as a long-term incentive and to encourage commitment to the Corporation.

When determining executive compensation, the Compensation and Governance Committee gives regard to the contributions made by officers, how their compensation levels relate to compensation packages that would be achievable from other opportunities, available salary survey data and other information publically disclosed by some of the Corporation's competitors and peers. As well, the Compensation and Governance Committee considers the Corporation's and individual's performance in relation to production, reserve growth, cash flows (including, in each case, on a debt adjusted per share basis) and other strategic objectives. A total of 17 publicly traded junior energy companies were reviewed to assess the competitive nature of Corporation's compensation using data contained in various information circulars. These companies ranged from approximately $150 million to $450 million enterprise values for the year ended December 31, 2013. From that data, an average was calculated and considered in determining the appropriate compensation for the Corporation's officers. The following peers were considered as part of this evaluation with respect to the year ended December 31, 2014: Arsenal Energy Inc., Rock Energy Inc., Cardinal Energy Ltd., Yoho Resources Inc., Manitok Energy Inc., Pine Cliff Energy Ltd., Tamarack Valley Energy Ltd., Pinecrest Energy Inc., Strategic Oil & Gas Ltd., Questerre Energy Corporation, Artek Exploration Ltd., Storm Resources Ltd., Arcan Resources Ltd., Longview Oil Corporation, Zargon Oil & Gas Ltd., Crocotta Energy Inc. and Delphi Energy Corp.

The President and Chief Executive Officer ("**CEO**" or "**Chief Executive Officer**") of the Corporation is responsible for making recommendations to the Compensation and Governance Committee with respect to compensation for the executive officers of the Corporation, including the CEO. In making such recommendations, the CEO analyzes a number of factors including compensation data compiled from the Corporation's peer groups, corporate performance and individual executive officer performance. In assessing corporate performance, the Corporation does not have any pre-determined set targets, but the following factors are considered: (a) year over year growth in reserves value; (b) the Corporation's performance relative to its industry peer group; (c) cash flow and cash flow per share amounts;

(d) total operating costs and total general and administrative costs, as well as operating costs and general and administrative costs per barrel of oil equivalent; and (e) annual finding, development and acquisitions costs. In assessing the performance of individual executive officers, consideration is given to objective factors such as level of responsibility, experience and expertise, as well as subjective factors such as leadership and performance in such executive officer's specific role with the Corporation.

The CEO then makes a recommendation to the Compensation and Governance Committee with respect to the various elements of compensation to be awarded to each executive officer. The CEO also presents his analysis of corporate performance and individual executive officer performance to the Compensation and Governance Committee.

Upon the receipt of such recommendation, the Compensation and Governance Committee reviews the evaluation in addition to the compensation data compiled with respect to the Corporation's peer group and determines whether to accept the recommendation or make any changes. Recommendations for executive compensation, as well as for compensation paid by the Corporation as a whole, are then made by the Compensation and Governance Committee to the Board for approval.

At no time in Gear's previous two completed financial years has a compensation consultant or advisor been formally retained by Gear to assist the Board or the Compensation and Governance Committee to determine the compensation of the directors or executive officers of Gear.

Short Sales, Puts, Calls and Options

Pursuant to the Corporation's Disclosure, Confidentiality and Trading Policy, directors, officers and employees of the Corporation shall not knowingly sell, directly or indirectly, a security of the Corporation if such person selling such security does not own or has not fully paid for the security to be sold. Directors, officers and employees of the Corporation shall not, directly or indirectly, buy or sell a call or put in respect of a security of the Corporation. Notwithstanding these prohibitions, directors, officers and employees of the Corporation may sell a Common Share which such person does not own if such person owns another security convertible into Common Shares or an option or right to acquire Common Shares sold and, within 10 days after the sale, such person: (i) exercises the conversion privilege, option or right and delivers the Common Shares so associated to the purchaser; or (ii) transfers the convertible security, option or right, if transferable to the purchaser.

Elements of the Corporation's Executive Compensation Program

Each element of the Corporation's executive compensation program is described in more detail below.

Base Salaries

The Compensation and Governance Committee recognizes that the size of the Corporation prohibits base salary compensation for executive officers from matching those of larger companies in the oil and gas industry. The Compensation and Governance Committee does believe, however, that performance-based compensation plans are an important element in the compensation packages for the Corporation's executive officers, and that long-term equity interests, in the form of Options, compensate for lower base salaries. This compensation strategy is similar to the strategies of many other companies in the Corporation's peer group.

In setting base compensation levels of individual executive officers, consideration is given to objective factors such as level of responsibility, experience and expertise, as well as subjective factors such as leadership. Base salaries paid to executive officers of the Corporation, including the CEO, are set to be competitive with industry levels relative to the Corporation's peer group. Salaries of executive officers, including that of the CEO, are reviewed annually.

Effective July 1, 2014, the Corporation adjusted base salaries for all offices and employees, including NEOs (as defined herein). The current salaries for NEOs as of the date of this information circular are: (i) Mr. Ingram Gillmore, President and Chief Executive Officer - $230,000; (ii) Mr. David Hwang, Vice President, Finance and

Chief Financial Officer - $205,000; (iii) Mr. Jason Kaluski, Vice President, Operations - $195,000; and (iv) Messrs. Yvan Chretien, Vice President, Land, and James Lord, Vice President, Business Development - $185,000.

Bonuses

The Corporation has a discretionary bonus plan and the basis of awarding bonuses was approved by the Compensation and Governance Committee. The discretionary bonus plan is structured to drive and reward current year results. It is the Compensation and Governance Committee's philosophy that the total amount of bonuses paid should be tied primarily to the Corporation's performance, and rewarded to individuals relative to their performance of their duties and for their contribution to the achievement of the Corporation's annual goals and objectives. The Committee reviews the factors mentioned above relative to peer companies, in order to determine whether a bonus is in fact warranted. The amount of the bonus paid is linked to actual reserves value created, amongst other factors and is approved by the Board based upon the recommendations of the Compensation and Governance Committee.

Long-Term Incentive Compensation

Stock Option Plan

The Corporation has a stock option plan (the "**Option Plan**"), which permits the granting of options to purchase Common Shares ("**Options**") to officers, directors, employees and consultants to the Corporation and its subsidiaries, and other persons who provide ongoing management and consulting services to the Corporation and its subsidiaries.

Options are granted by the Board on the recommendation of senior management, in the case of employees, and by the Compensation and Governance Committee, in the case of executive officers including the CEO. Options are intended to encourage retention and provide incentive, thereby aligning employee and shareholder interests by attempting to create a direct link between compensation and shareholder return. In addition, the Option Plan provides the opportunity for executive officers to develop and maintain a significant ownership position in the Corporation. By allowing participation in the Option Plan, the Corporation is able to reward overall corporate performance year over year. As with most companies in the Corporation's peer group, Options form an important part of the total compensation provided to the Corporation's executive officers as Options help compensate for lower base salaries relative to larger companies in the oil and gas industry.

Options are normally awarded by the Board upon the commencement of employment with the Corporation, based on the level of responsibility within the Corporation. Additional grants may be made periodically to ensure that the number of Options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within the Corporation. When determining Options to be allocated to each individual executive officer, a number of factors are considered including the number of outstanding Options held by such executive officer, the value of such Options held by the executive officer and the total number of available Options for grant.

During the year ended December 31, 2014, the Corporation granted an aggregate of 1,819,800 Options to officers, directors, employees and consultants and as at the date hereof: (i) the Corporation has 4,520,801 Options outstanding, pursuant to which 4,520,801 Common Shares would be issuable upon exercise; and (ii) there remain 2,560,802 Options available for grant, pursuant to which 2,560,802 Common Shares would be issuable upon exercise, which in aggregate represents 10% of the currently outstanding Common Shares.

The maximum number of Common Shares that may be issued under the Option Plan at any time shall not exceed 10% of the aggregate number of Common Shares actually outstanding at that time, as determined on a non-diluted basis.

Summary

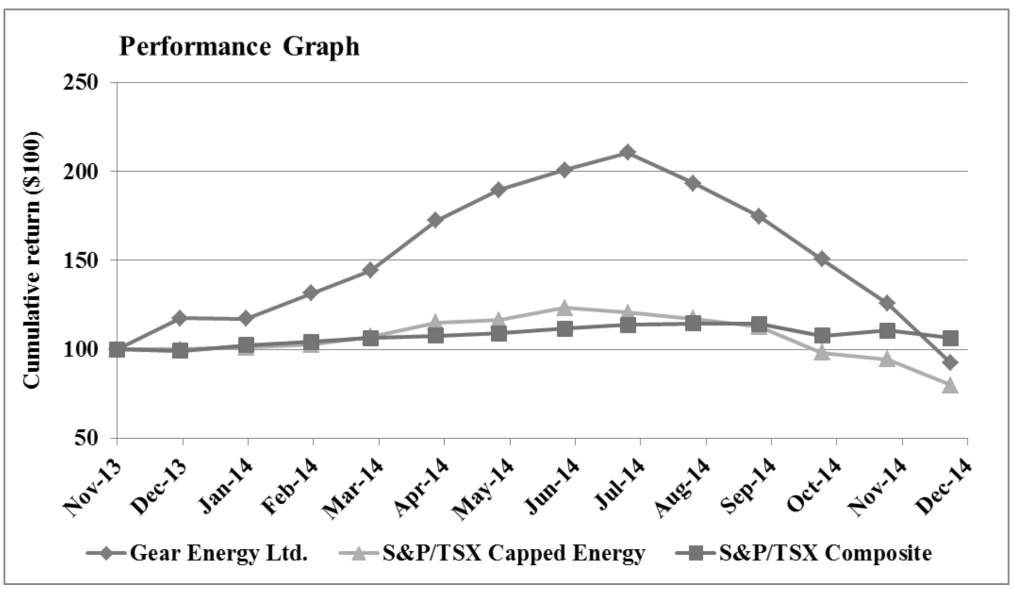
The Corporation's compensation policies have allowed the Corporation to attract and retain a team of motivated professionals and support staff working towards the common goal of enhancing shareholder value. The Compensation and Governance Committee and the Board will continue to review compensation policies to ensure that they are competitive within the oil and natural gas industry and consistent with the performance of the Corporation.

Risk Adjusted Compensation

As part of its review of the Corporation's compensation program, the Compensation and Governance Committee considered whether the compensation program provided executive officers of the Corporation with adequate incentives to achieve both short and long term objectives without motivating them to take inappropriate or excessive risk. The Compensation and Governance Committee concluded that the compensation program and policies of the Corporation did not encourage its NEOs to take inappropriate or excessive risks. This assessment is based on a number of considerations including, without limitation, the following: (a) the terms of the Option Plan provide that Options vest over a period of 3 years and expire on the fifth anniversary from the date of grant, which encourages executive officers to continue to develop favourable results over a longer period of time and reduces the risk of actions that may have short term advantages; (b) a portion of executive compensation in the form of bonuses is not guaranteed and is variable, year over year, as the Board has discretion to pay bonuses to NEOs based on recommendations made by the Compensation and Governance Committee, whose recommendations are based on internal corporate, administrative, operating and financial and reserve addition performance; (c) the Corporation's compensation program for certain executive officers is not structured significantly differently from the compensation program for other executive officers within the Corporation; and (d) the overall compensation program is market based and aligned with the Corporation's business plan and long-term strategies.

Performance Graph

The following graph compares the change in the cumulative total shareholder return since November 18, 2013 (the date the Common Shares commenced trading on the Toronto Stock Exchange (the "**TSX**")), of a $100 investment in the Common Shares, with the cumulative total return of the S&P/TSX Capped Energy Index and the S&P/TSX Composite Index for the comparable period.



As the Common Shares commenced trading on the TSX on November 18, 2013, the trend shown in the above graph does not provide a meaningful comparison to the trend in the Corporation's compensation paid to the Corporation's Named Executive Officers. As Options form a significant portion of compensation, the total compensation for the Named Executive Officers is affected by increases and decreases in the price of the Common Shares as the value of such Options decrease as the Common Share price decreases.

Summary Compensation Table

The following table sets forth, for the years ended December 31, 2014, 2013 and 2012 information concerning the compensation paid to the President and CEO, the Vice President, Finance and Chief Financial Officer, the Vice President, Operations, the Vice President, Engineering, the Vice President, Business Development and the Vice President, Land (each a "**Named Executive Officer**" or "**NEO**" and collectively, the "**Named Executive Officers**" or "**NEOs**").

Name and principal position	Year	Salary[7] ($)	Option-based awards[1] ($)	Share-based awards [2] ($)	Non-equity incentive plan compensation ($)		Pensi-on value ($)	All other compen-sation[5]	Total compensation ($)[6]
					Annual incentive plans[2][3][4]	Long-term incentive plans			
Ingram B. Gillmore President and CEO	2014 2013 2012	215,000 195,000 182,500	- 192,000 -	- - 40,000	- 150,000 89,600	- - -	- - -	6,400 6,200 6,000	221,400 543,200 318,100
David Hwang Vice President, Finance and Chief Financial Officer	2014 2013 2012	190,000 170,000 162,500	340,548 192,960 -	- - 39,375	- 100,000 35,000	- - -	- - -	7000 5,200 6,000	537,548 468,160 242,875
Jason Kaluski Vice President, Operations	2014 2013 2012	185,000 170,000 162,500	281,096 192,960 -	- - 27,625	- 95,000 42,500	- - -	- - -	6,500 5,840 -	472,596 463,800 232,625
Tom Everest[8] Vice President, Engineering	2014 2013 2012	254,615[9] 170,000 162,500	- 135,360 -	- - 36,563	- 20,000 32,500	- - -	- - -	1,900 5,200 5,250	256,515 330,560 236,813
James Lord Vice President, Business Development	2014 2013 2012	177,500 167,500 162,500	234,632 192,960 -	- - -	- 80,000 59,000	- - -	- - -	7,500 5,570 5,670	419,632 446,030 227,170
Yvan Chretien Vice President, Land	2014 2013 2012	177,500 167,500 162,500	234,632 192,960 -	- - -	- 85,000 59,000	- - -	- - -	6,400 6,200 6,000	418,532 451,660 227,500

Notes:

(1) No Option-based awards were granted to NEOs during the year ended December 31, 2012. The grant date fair value for compensation purposes is calculated using Black-Scholes Option pricing methodology. Key assumptions used in the pricing model for 2014 and 2013, respectively were: dividend yield: 2014 – nil and 2013 – nil; expected volatility: 2014 – 41.3% and 2013 – 30%; risk-free interest rate: 2014 – 1.03% and 2013 – 1.43%; and weighted average life: 2014 – 5 years and 2013 – 5 years. The Black-Scholes Option pricing methodology was selected due to its acceptance as an appropriate valuation model used by similar sized oil and gas companies.

(2) In connection with the payment of the bonuses earned for the year ended December 31, 2012, the NEOs were entitled to elect to receive up to 100% of their respective allocated bonus amount in cash (the "**Cash Amount**"), with any amount less than 50% subject to a 1.25 multiple and issued in the form of Common shares. The Cash Amount was paid on April 5, 2013 and all Common Shares were issued from treasury on April 1, 2013 at a price of $2.50 per Common Share. Trading of such Common Shares was restricted in accordance with the contractual agreement from each holder (as represented by the legend affixed to the share certificates for such Common Shares) that such Common Shares were not tradable until the earlier of: (i) January 1, 2014; or (ii) the completion of a liquidity event by the Corporation, which occurred on November 18, 2013, in each case subject to restrictions under applicable securities laws. In addition, a second deferred bonus was paid on October 8, 2013 relating to the year ended December 31, 2012 totalling $224,500. NEOs received this second deferred bonus in cash.

(3) In connection with the payment of the bonuses earned for the year ended December 31, 2013, the NEOs were paid 50% of such Cash Amount on April 7, 2014 and the remaining 50% of such Cash Amount was paid on September 15, 2014.

(4) The Common Share amounts and Cash Amounts of the bonuses have been recorded under "Share-based awards" and "Non-equity incentive plan compensation – Annual incentive plans", respectively, above.

(5) The value of perquisites received by each of the NEOs, including property or other personal benefits provided to the NEOs that are not generally available to all employees, were not in the aggregate greater than $50,000 or 10% of the NEO's total salary for the financial year.

(6) Table reflects amounts earned, paid to or payable to the relevant NEO during the relevant period, regardless of when paid.

(7) Gear adjusted base salaries effective July 1, 2014 for all officers and employees, including NEOs. See "*Statement of Executive Compensation – Elements of the Corporation's Executive Compensation Program – Base Salaries*" above**.**

(8) Mr. Everest ceased to be Vice President, Engineering of the Corporation on April 4, 2014.

(9) Includes one-time severance costs paid to Mr. Everest.

Incentive Plan Awards

Option Plan

The Option Plan limits the number of Common Shares that may be subject to Options granted and outstanding under the Option Plan, and any other share compensation arrangements established by the Corporation, at any time to 10% of the outstanding Common Shares.

Options granted pursuant to the Option Plan have a term as determined by the Board and vest in such manner as determined by the Board. Options vest on the occurrence of a change of control (as defined in the Option Plan) and vesting may be accelerated at the discretion of the Board. Options which expire during a blackout period (as defined in the Option Plan) or within nine business days following the expiration of a blackout period, shall be extended for a period of ten business days after the end of such blackout period. Options granted under the Option Plan are non assignable. The exercise price of Options granted is determined by the Board at the time of grant and, if at such time the Common Shares are listed on a stock exchange, the weighted average trading price per Common Share on an a stock exchange, for the last five (5) consecutive trading days immediately prior to the date of grant or such other minimum price that may be prescribed by such exchange.

In case of death of an optionee, Options terminate on the date determined by the Board which may not be more than 12 months from the date of death and, if the optionee ceases to be a director, officer or employee of, or to provide ongoing management or consulting services to, the Corporation, Options terminate on the expiry of a period not in excess of six months as determined by the Board at the time of grant. In each case, the optionee is entitled to exercise those Options that the optionee was entitled to exercise on the date of death or the date the optionee ceased to be an officer, director or employee of, or to provide ongoing management or consulting services to, the Corporation, as the case may be. An optionee may make an offer (the "**Surrender Offer**") to the Corporation, at any time, for the disposition and surrender by the optionee to the Corporation of any Options granted for an amount in cash or in Common Shares equal to the difference between the fair market value of the Common Shares underlying the Options (if Common Shares are listed on a stock exchange, fair market value will be the weighted average trading price per Common Share on an a stock exchange, for the last five (5) consecutive trading days immediately prior to the date of grant or such other minimum price that may be prescribed by such exchange) and the exercise price of such Options and the Corporation may, but is not obligated to, accept the Surrender Offer.

In the event of the sale by the Corporation of all or substantially all of the property and assets of the Corporation as an entirety (an "**Asset Sale**") prior to the expiry date of an Option, the Board, in its sole discretion, may accelerate the vesting of such Option such that such Option may be exercised, as to all or any of the Common Shares in respect of which such Option has not previously been exercised (including Common Shares in respect of Options not otherwise vested at such time) by the Optionee. If approved by the Board, Options may provide that, whenever the shareholders receive a take-over proposal, such Option may be exercised as to all or any of the Common Shares in respect of which such Option has not previously been exercised (including in respect of Common Shares not otherwise vested at such time) by the Optionee, but any such Option not otherwise vested and deemed only to have vested in accordance with the foregoing may only be exercised for the purposes of tendering to such take-over proposal.

The Board may make certain amendments to the Option Plan or discontinue the Option Plan at any time without the consent of the participants as permitted by the provisions of the Option Plan and, if required, subject to the approval by any exchange on which the Common Shares are listed. However, the Board may not amend the Option Plan without shareholder approval with respect to: (i) increasing the number of Common Shares reserved for issuance under the Option Plan or the Option Plan maximum; (ii) reduce the exercise price of any Options granted; (iii) extend the expiry date of any outstanding Options other than as permitted in the Option Plan; (iv) permit a holder of Options to transfer or assign Options to a new beneficial holder, other than for estate settlement purposes; (v) any amendment to increase the number of Common Shares that may be issued to insiders above the restrictions contained in the Option Plan; or (vi) any amendments to the amendments section of the Option Plan.

Outstanding Option-based Awards

The following table sets forth, for each Named Executive Officer, all Option-based awards outstanding at the end of the year ended December 31, 2014.

	Option-based Awards				**Share-based Awards**		
Name	**Number of securities underlying unexercised Options (# of Common Shares)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options[(1)] ($)**	**Number of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Ingram B. Gillmore	300,000 400,000	2.50 2.50	January 22, 2018 May 13, 2015	Nil	Nil	Nil	Nil
Jason Kaluski	146,100 201,000	5.32 2.50	August 22, 2019 January 22, 2018	Nil	Nil	Nil	Nil
David Hwang	177,000 201,000	5.32 2.50	August 22, 2019 January 22, 2018	Nil	Nil	Nil	Nil
Tom Everest[(2)]	N/A	N/A	N/A	N/A	N/A	N/A	N/A
James Lord	121,950 201,000	5.32 2.50	August 22, 2019 January 22, 2018	Nil	Nil	Nil	Nil
Yvan Chretien	121,950 201,000	5.32 2.50	August 22, 2019 January 22, 2018	Nil	Nil	Nil	Nil

Notes:

(1) Calculated based on the difference between the closing market price of the Common Shares on December 31, 2014 and the exercise price of the Options.

(2) Mr. Everest ceased to be Vice President, Engineering of the Corporation on April 4, 2014. As a result, all Options held by Mr. Everest were exercised or cancelled in accordance with their terms.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth, for each Named Executive Officer, the value of Option-based awards that vested during the year ended December 31, 2014 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2014.

Name	Option-based awards – Value vested during the year[(1)] ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year[(2)] ($)
Ingram B. Gillmore	79,000	-	-
Jason Kaluski	79,935	-	-
David Hwang	79,935	-	-
Tom Everest[(3)]	55,695	N/A	N/A
James Lord	79,935	-	-
Yvan Chretien	79,935	-	-

Notes:

(1) Calculated based on the difference between the closing price of the Common Shares on the vesting date and the exercise price of the Options multiplied by the Options vested during the year.
(2) Reflects the cash bonus earned by the NEO in respect of the last completed financial year.
(3) Mr. Everest ceased to be Vice President, Engineering of the Corporation on April 4, 2014.

Pension Plan Benefits

The Corporation does not have a pension plan or similar benefit program.

Termination and Change of Control Benefits

The Corporation has entered into executive employment agreements (the "**Employment Agreements**") with each of the NEOs. The Employment Agreements continue indefinitely until terminated in accordance with the terms thereof and the annual salary payable thereunder is subject to annual review. NEOs are entitled to participate in any benefit plans adopted by the Corporation.

The Employment Agreements may be terminated by the Corporation for just cause at any time and without any payment, other than salary owing for services rendered up to and including the last day of employment and outstanding vacation pay. The Corporation may terminate an Employment Agreement without just cause upon paying the NEO all salary earned but not paid to the termination date, all vacation pay due and owing to such date and a retiring allowance (as calculated in accordance with the Employment Agreements) of the sum of:

For the CEO:

(i) one (1) year of the CEO's annual base salary as at the Cessation Date (as defined in the CEO's Employment Agreement); and

(ii) an amount equal to the bonus amounts, if any, paid in the twelve (12) month period immediately preceding the Cessation Date.

For all other NEOs:

(iii) six (6) months of the NEO's annual base salary as at the Cessation Date (as defined in the Employment Agreements) plus three months for every completed year of service after January 1, 2010, to a maximum of 12 months; and

(iv) an amount equal to one half (1/2) the bonus amounts, if any, paid to the NEO in the twelve (12) month period immediately preceding the Cessation Date.

In addition, a NEO may terminate his or her Employment Agreement within six (6) months following the occurrence of a change of control if there is an event which constitutes "Good Reason" as defined in the Employment Agreement, which includes: material adverse change, by the Corporation and without the agreement of the NEO, in the NEO's salary, title or lines of reporting, or the requirement that the NEO be based anywhere other than the Corporation's Calgary office on a normal and regular basis, such that immediately after such change or series of changes, the responsibilities and status of the NEO, taken as a whole, are not at least substantially equivalent to those assigned to the NEO immediately prior to such change, or any reason which would be constructive dismissal, in which case the NEO shall also be entitled to the termination payments outlined above. In exchange for payment of the retiring allowance, the NEO agrees to provide a release in an agreed upon form. Pursuant to the terms of the Employment Agreements, the NEOs recognize their obligation not to disclose confidential information and to refrain from using such information for purposes other than authorized by the Corporation both during and after termination of employment.

If the Employment Agreements were terminated by the Corporation, other than for just cause or by the respective NEOs for good reason following a change of control, at December 31, 2014, the amounts payable thereunder would have been $1,330,000. As Options only accelerate vesting at the discretion of the Board in the event of an Asset Sale or take-over proposal such amounts have not been included in payments to be made upon a change of control (see "*Statement of Executive Compensation – Directors' Incentive Plan – Incentive Plan Awards – Option Plan*"). Specifically, the total termination payments that would have been received by each of the Corporation's NEOs is as follows:

NEOs	**Change of Control Pursuant to Change of Control Agreements ($)**
Ingram B. Gillmore President and CEO	380,000
David Hwang Vice President, Finance and Chief Financial Officer	255,000
Jason Kaluski Vice President, Operations	242,500
James Lord Vice President, Business Development	225,000
Yvan Chretien Vice President, Land	227,500
Total:	**1,330,000**

Note:

(1) Mr. Tom Everest ceased to be Vice President, Engineering of the Corporation on April 4, 2014. As a result, Mr. Everest was entitled to a one-time severance payment in the amount of $207,500 in accordance with his Employment Agreement.

Director Compensation

On July 4, 2013, the Board determined to pay annual fees to independent members of the Board. On July 2, 2014, the Board increased the annual fees to independent members of the Board as follows: (i) $25,000 per year to each director as a base director fee; (ii) $8,000 per year as an additional fee for the chair of the Audit Committee; (iii) $5,000 per year as an additional fee for the chair of the Reserves Committee; (iv) $4,000 per year as an additional fee for the chair of the Compensation and Governance Committee; and (v) $15,000 per year as an additional fee for the chairman of the Board (collectively, the "**Board Member Fees**"). One half of the applicable Board Member Fee is be tied to the price performance of the Common Shares in the given year based on the criteria to be determined by the Compensation and Governance Committee and presented to the Board.

Board members are also eligible to participate in the Option Plan and any other long term compensation plans adopted by the Corporation from time to time. The Corporation will reimburse directors for all reasonable expenses incurred in order to attend meetings. The number of Options awarded to directors will be determined by criteria to be established by the Compensation and Governance Committee.

Directors' Summary Compensation Table

The following table sets forth, for the year ended December 31, 2014, information concerning the compensation paid to the Corporation's directors, other than directors who are also Named Executive Officers.

Name	Salary /Fees earned ($)	Share-based awards ($)	Option-based awards(1) ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Greg Bay	24,122	-	-	-	-	-	24,122
Raymond Cej	24,569	-	-	-	-	-	24,569
Don T. Gray	39,757	-	-	-	-	-	39,757
Peter Verburg	25,909	-	-	-	-	-	25,909
Harry English(2)	16,602	-	234,780	-	-	-	251,382

Notes:

(1) The grant date fair value for compensation purposes is calculated using Black-Scholes Option pricing methodology. Key assumptions used in the pricing model for 2014 were: dividend yield: nil; expected volatility: 41.3%; risk-free interest rate: 1.03%; and weighted average life: 5 years. The Black-Scholes Option pricing methodology was selected due to its acceptance as an appropriate valuation model used by similar sized oil and gas companies.

(2) Mr. English was appointed to the Board on June 2, 2014.

Directors' Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth, for each of the Corporation's directors other than directors who are also Named Executive Officers, all Option-based and share-based awards outstanding at the end of the year ended December 31, 2014.

	Option-based Awards				Share-based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options(1) ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)
Greg Bay	105,000	2.50	March 25, 2018	Nil	-	-
Raymond Cej	105,000	2.50	January 22, 2018	Nil	-	-
Don T. Gray	222,600	2.50	March 3, 2015	-	-	-
Peter Verburg	65,000 40,260	2.50 2.50	January 22, 2018 March 3, 2015	Nil	-	-
Harry English(2)	105,000	6.05	July 2, 2019	Nil	-	-

Notes:

(1) Calculated based on the difference between the closing market price of the Common Shares on December 31, 2014 and the exercise price of the Options.
(2) Mr. English was appointed to the Board on June 2, 2014.

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

The following table sets forth, for each of the Corporation's directors, other than directors who are also Named Executive Officers, the value of Option-based awards and share-based awards which vested during the year ended December 31, 2014 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2014.

Name	Option-based awards – Value vested during the year(1) ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Greg Bay	59,150	-	-
Raymond Cej	27,650	-	-
Don T. Gray	-	-	-
Peter Verburg	17,116	-	-
Harry English(2)	-	-	-

Notes:

(1) Calculated based on the difference between the closing price of the Common Shares on the vesting date and the exercise price of the Options multiplied by the Options vested during the year.
(2) Mr. English was appointed to the Board on June 2, 2014.

Securities Authorized for Issuance Under Equity Compensation Plans

The following sets forth information in respect of securities authorized for issuance under the Corporation's equity compensation plans as at December 31, 2014.

Plan Category	Number of securities to be issued upon exercise of outstanding Options, warrants and rights (a)	Weighted average exercise price of outstanding Options, warrants and rights ($) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) (1)
Equity compensation plans approved by securityholders (Options)	4,783,661	3.54	2,298,042
Equity compensation plans not approved by securityholders	-	-	-
Total	4,783,661	3.54	2,298,042

Note:

(1) The total dilution from the Option Plan is limited to 10% of the Corporation's outstanding Common Shares. For a summary of the Option Plan, see "*Statement of Executive Compensation – Incentive Plan Awards – Option Plan*" above.

CORPORATE GOVERNANCE

Set forth below is a description of the Corporation's current corporate governance practices, as prescribed by Form 58-101F2, of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**").

1. **Board of Directors**

(a) **Disclose the identity of directors who are independent.**

The following five directors of the Corporation are independent (for purposes of NI 58-101):

Don T. Gray (Chairman)
Greg Bay
Raymond Cej
Peter Verburg
Harry English

(b) **Disclose the identity of directors who are not independent, and describe the basis for that determination.**

Ingram Gillmore is not independent as he occupies the position of President and Chief Executive Officer of the Corporation.

(c) **Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors does to facilitate its exercise of independent judgement in carrying out its responsibilities.**

A majority of the directors of the Corporation (currently five of six) are independent.

(d) **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.**

The following directors are presently directors of other issuers that are reporting issuers (or the equivalent):

Name	Name of Reporting Issuer
Greg Bay	Mullen Group Ltd.
Don T. Gray	Peyto Exploration & Development Corp.

(e) **Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.**

At the end of or during each meeting of the Board, the members of management of the Corporation and the non-independent director of the Corporation who are present at such meeting leave the meeting in order for the independent directors to meet. In addition, as all committees are comprised of independent directors, and, as such, all committee meetings also serve as forums for discussion amongst independent members of the Board. In addition, other meetings of the independent directors may be held from time to time if required. The Chairman of the Board also communicates informally, from time to time, with the independent members including discussions required on ad hoc resolutions. Approximately four (4) informal meetings of the independent directors have been held since the beginning of the Corporation's most recently completed financial year.

(f) **Disclose whether or not the chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead director that is independent, describe what the Board does to provide leadership for its independent directors.**

The Chairman of the Board is Don T. Gray, who is an independent member of the Board. The Chairman presides at all meetings of the Board and, unless otherwise determined, at all meetings of shareholders and to enforce the rules of order in connection with such meetings. The Chairman is to provide overall leadership to the Board without limiting the principle of collective responsibility and the ability of the Board to function as a unit. The Chairman is to endeavour to fulfill his Board responsibilities in a manner that will ensure that the Board is able to function independently of management and is to consider, and allow for, when appropriate, a meeting of independent directors, so that Board meetings can take place without management being present. The Chairman is also to endeavour to ensure that reasonable procedures are in place to allow directors to engage outside advisors at the expense of the Corporation in appropriate circumstances.

(g) **Disclose the attendance record of each director for all Board meetings held since the beginning of the issuer's most recently completed financial year.**

The attendance record of each of the directors of the Corporation for Board meetings and committee meetings held from January 1, 2014 to the date of this Information Circular is as follows:

Name of Director	**Attendance Record**	
Greg Bay	5 out of 5	Board Meetings
	4 out of 4	Audit Committee Meetings(2)
	2 out of 2	Reserves Committee Meetings(3)
	4 out of 4	Compensation and Governance Committee Meetings(4)
Raymond Cej	5 out of 5	Board Meetings
	4 out of 4	Audit Committee Meetings(2)
	2 out of 2	Reserves Committee Meetings(3)
	4 out of 4	Compensation and Governance Committee Meetings(4)
Harry English(1)	4 out of 5	Board Meetings
	3 out of 4	Audit Committee Meetings(2)
Don T. Gray	5 out of 5	Board Meetings
	4 out of 4	Audit Committee Meetings(2)
	2 out of 2	Reserves Committee Meetings(3)
	4 out of 4	Compensation and Governance Committee Meetings(4)
Ingram Gillmore	5 out of 5	Board Meetings
Peter Verburg	5 out of 5	Board Meetings
	4 out of 4	Audit Committee Meetings(2)
	4 out of 4	Compensation and Governance Committee Meetings(4)

Notes:

(1) Mr. English was appointed to the Board on June 2, 2014.

(2) On July 2, 2014, the Board reconstituted the Audit Committee to be comprised of Messrs. Cej, Bay, English, Gray and Verburg.
(3) On July 2, 2014, the Board reconstituted the Reserves Committee to be comprised of Messrs. Bay, Cej and Gray.
(4) On July 2, 2014, the Board reconstituted the Compensation and Governance Committee to be comprised of Messrs. Bay, Cej, Gray and Verburg.

2. **Board Mandate – Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.**

The mandate of the Board is attached to this Information Circular as Schedule "A".

3. **Position Descriptions**

(a) **Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.**

The Board has developed written position descriptions for the Chairman of the Board as well as the Chairman of each of the committees of the Board.

(b) **Disclose whether or not the Board and Chief Executive Officer have developed a written position description for the Chief Executive Officer. If the Board and Chief Executive Officer have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the Chief Executive Officer.**

The Board, with the input of the Chief Executive Officer of the Corporation, has developed a written position description for the Chief Executive Officer.

4. **Orientation and Continuing Education**

(a) **Briefly describe what measures the Board takes to orient new directors regarding (i) the role of the Board, its committees and its directors, and (ii) the nature and operation of the issuer's business.**

While the Corporation does not currently have a formal orientation and education program for new recruits to the Board, the Corporation has historically provided such orientation and education on an informal basis. As new directors join the Board, management will provide these individuals with corporate policies, historical information about the Corporation, as well as information on the Corporation's performance and its strategic plan with an outline of the general duties and responsibilities entailed in carrying out their duties. The Board believes that these procedures will prove to be a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation, limited changes to members of the Board and the experience and expertise of the members of the Board. The Compensation and Governance Committee has the responsibility and duty to work with management of the Corporation to facilitate an education and comprehensive orientation program for new members of the Board and a continuing education program for all directors.

(b) **Briefly describe what measures, if any, the Board takes to provide continuing education for its directors. If the Board does not provide continuing education, describe how the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.**

Presentations are made regularly to the Board and committees to educate and inform them of changes within the Corporation and on appropriate other subjects such as regulatory and industry requirements and standards, capital markets, commodity pricing and corporate governance. Historically, the Audit Committee has quarterly presentations on emerging trends and issues in the accounting and audit fields from management. During the year ended December 31, 2014, the auditor of the Corporation was present at all audit committee meetings in which financial statements were recommended for approval by the Audit Committee. The Board has quarterly presentations on operational results and technical and regulatory issues pertaining to reserves evaluation from management and the independent reserves evaluator is present at a minimum of one of the Board meetings each year. Management provides the Board with an annual update on corporate governance "best practices" from third party publications as well as quarterly reports on new legislation or regulation relating to health, safety and environmental matters.

The Corporation also encourages for directors to attend, enrol or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters and has agreed to pay the cost of such courses and seminars. Each director of the Corporation has the responsibility for ensuring that he maintains the skill and knowledge necessary to meet his obligations as a director. The Compensation and Governance Committee has the responsibility and duty to work with management of the Corporation to facilitate an education and comprehensive orientation program for new members of the Board and a continuing education program for all directors.

5. **Ethical Business Conduct**

(a) **Disclose whether or not the Board has adopted a written code for the directors, officers and employees. If the Board has adopted a written code:**

The Corporation has adopted a Code of Business Conduct and Ethics (the "**Code**") for directors, officers, employees and contractors of the Corporation. Officers, employees and contractors are required to sign annual acknowledgements that they have read and understand the Code. Any reports of variance from the Code will be reported to the Board. To the extent that management is unable to make a determination as to whether a breach of the Code has taken place, the Board will review the alleged breach in order to make a determination.

(i) **disclose how a person or company may obtain a copy of the code;**

A copy of the Code may be obtained by contacting David Hwang, Vice President, Finance and Chief Financial Officer (403-538-8437 or dhwang@gearenergy.com) and is also available on SEDAR at www.sedar.com.

(ii) **describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its code; and**

The Board monitors compliance with the Code by requiring each of the senior officers of the Corporation to affirm in writing on an annual basis his or her agreement to abide by the Code, as to his or her ethical conduct and with respect to any conflicts of interest. Please also see 5(c) below for a discussion of the Whistleblower Policy.

(iii) **provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.**

There have been no material change reports filed since the beginning of the Corporation's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.

(b) **Describe any steps the Board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.**

In accordance with the ABCA, directors who are a party to, or are a director or an officer of a person which is a party to, a material contract or material transaction or a proposed material contract or proposed material transaction are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. In addition, in certain cases, an independent committee of the Board may be formed to deliberate on such matters in the absence of the interested party. Any potential conflicts of interest must be reported immediately to senior management.

(c) **Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.**

The Board has also adopted a Whistleblower Policy which provides employees with the ability to report, on a confidential and anonymous basis, any violations within the organization, including (but not limited to) questionable accounting practices, inadequate internal accounting controls, the misleading or coercion of auditors, disclosure of fraudulent or misleading financial information and instances of corporate fraud. The Board believes that providing a forum for employees to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct within the Corporation.

The Board has also adopted a Disclosure, Confidentiality and Trading Policy which provides guidance on disclosure of material information and maintaining confidentiality and restrictions on trading securities of the Corporation.

6. **Nomination of Directors**

(a) **Describe the process by which the Board identifies new candidates for Board nomination.**

Pursuant to its mandate, the Compensation and Governance Committee, in conjunction with the Board Chairman, is responsible for recommending suitable candidates as nominees for election or appointment as director, and, in consultation with the Board, in recommending the criteria governing the overall composition of the Board and governing the desirable characteristics for directors. In making such recommendations, the Compensation and Governance Committee, in consultation with the Board, is to consider: (i) the competence and skills that the Board considers to be necessary for the Board, as a whole, to possess; (ii) the competence and skills that the Board considers each existing director to possess; (iii) the competencies and skills that each new nominee will bring to the Board; and (iv) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board.

The Compensation and Governance Committee is also to review on a periodic basis the composition of the Board to ensure that an appropriate number of independent directors sit on the Board, and analyze the needs of the Board and recommend nominees who meet such needs.

(b) **Disclose whether or not the Board has a nominating committee composed entirely of independent directors. If the Board does not have a nominating committee composed entirely of independent directors, describe what steps the Board takes to encourage an objective nomination process.**

The Compensation and Governance Committee, which is responsible for nominating directors, is comprised of only independent directors.

(c) **If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.**

See item 6(a).

7. **Compensation**

(a) **Describe the process by which the Board determines the compensation for the issuer's directors and officers.**

Compensation of Directors

For a description of the compensation of directors of the Corporation, see "*Statement of Executive Compensation – Director Compensation*".

Compensation of Officers

When determining executive compensation, the Compensation and Governance Committee gives regard to the contributions made by officers, how their compensation levels relate to compensation packages that would be achievable from other opportunities, available salary survey data and other information publically disclosed by some of the Corporation's competitors and peers. As well, the Compensation and Governance Committee considers the Corporation's and individual's performance in relation to production, reserve growth, cash flows and other strategic objectives.

The CEO is responsible for making recommendations to the Compensation and Governance Committee with respect to compensation for the executive officers of the Corporation, including the CEO. In making such recommendations, the CEO analyzes a number of factors including compensation data compiled from the Corporation's peer groups, corporate performance and individual executive officer performance striving to ensure that executive compensation is consistent with the general principles as set forth under the heading "*Statement of Executive Compensation – Compensation Discussion and Analysis*".

The CEO then makes a recommendation to the Compensation and Governance Committee with respect to the various elements of compensation to be awarded to each executive officer. The CEO also presents his analysis of corporate performance and individual executive officer performance to the Compensation and Governance Committee.

Upon the receipt of such recommendation, the Compensation and Governance Committee reviews the evaluation in addition to the compensation data compiled with respect to the Corporation's peer group and determines whether to accept the recommendation or make any changes. Recommendations for executive compensation, as well as for compensation paid by the Corporation as a whole, are then made by the Compensation and Governance Committee to the Board for approval.

Please also see discussion under the heading "*Statement of Executive Compensation – Compensation Discussion and Analysis*".

(b) **Disclose whether or not the Board has a compensation committee composed entirely of independent directors. If the Board does not have a compensation committee composed entirely of independent directors, describe what steps the Board takes to ensure an objective process for determining such compensation.**

The Compensation and Governance Committee is comprised entirely of independent directors.

(c) **If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.**

The Compensation and Governance Committee's responsibility is to formulate and make recommendations to the Board in respect of compensation issues relating to directors and officers of the Corporation. Without limiting the generality of the foregoing, the Compensation and Governance Committee has the following duties:

- advise the Board on executive compensation matters;
- review and recommend a compensation philosophy, guidelines and plans for the Corporation's executives and employees;
- review and approve corporate goals and objectives relevant to CEO compensation;
- evaluate the CEO's performance in light of those goals, and make recommendations to the Board with regard to the CEO's compensation based on this evaluation;
- in consultation with the CEO, review and approve all executive compensation (including that of the CEO), incentive-compensation plans and equity-based plans;
- review and approve all discretionary compensation granted;
- review and approve fees to be paid to members of the Board;
- review executive compensation disclosure before it is publicly disclosed; and
- be the forum for meetings of all independent directors of the Corporation.

The Compensation and Governance Committee is required to be comprised of at least three directors, or such greater number as the Board may determine from time to time. All members of the Compensation and Governance Committee are required to be independent, as such term is defined for this purpose under applicable securities law requirements. Pursuant to the mandate and terms of reference of the Compensation and Governance Committee, meetings of the Compensation and Governance Committee are to take place regularly in each year on such dates and at such locations as the Chair of the Compensation and Governance Committee shall determine and may also meet at any other time or times on the call of the Chair of the Compensation and Governance Committee or any two of the other members.

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

In addition to the Audit Committee and the Compensation and Governance Committee, the Corporation has established a Reserves Committee. The Reserves Committee is comprised entirely of independent directors.

The Reserves Committee is responsible for various matters relating to reserves of the Corporation that may be delegated to the Reserves Committee pursuant to National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*, including:

- reviewing the Corporation's procedures relating to the disclosure of information with respect to oil and gas activities, including reviewing its procedures for complying with disclosure requirements and restrictions set forth under applicable securities law requirements;
- reviewing the Corporation's procedures for providing information to the independent evaluator;
- meeting, as considered necessary, with management and the independent evaluator to determine whether any restrictions placed by management affect the ability of the evaluator to report without reservation on the reserves information and data (the "**Reserves Data**") and to review the Reserves Data and the report of the independent evaluator thereon (if such report is provided);

- reviewing the appointment of the independent evaluator and, in the case of any proposed change to such independent evaluator, determining the reason therefor and whether there have been any disputes with management;
- providing a recommendation to the Board as to whether to approve the content or filing of the statement of the Reserves Data and other information that may be prescribed by applicable securities law requirements including any reports of the independent engineer and of management in connection therewith;
- reviewing the Corporation's procedures for reporting other information associated with oil and gas producing activities;
- health, safety and environmental matters; and
- generally reviewing all matters relating to the preparation and public disclosure of estimates of the Corporation's reserves.

9. **Assessments – Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and its individual directors are performing effectively.**

The Board assesses the effectiveness of the Board, its committees and the effectiveness and contributions of individual directors by way of an annual written questionnaire distributed to each Board member. The Board also satisfies itself with respect to the effectiveness of the Board, its committees and individual directors by monitoring, on an informal basis, whether the objectives of each of the Board and the Corporation are being achieved and whether the responsibilities of each of the Board, its committees, its individual directors and the Corporation are being fulfilled.

10. **Director Term Limits and Other Mechanisms of Board Renewal**

The Board does not believe that fixed term limits or mandatory retirement ages are in the best interest of the Corporation. Therefore it has not specifically adopted term limits or other mechanisms for board renewal.

However, when considering nominees for the Board, the Compensation and Governance Committee reviews the skills and experience of the current directors of the Corporation to assess whether the Board's skills and experience need to be strengthened in any area. In addition to considering the skills and experience of the Board, the Compensation and Governance Committee also assesses the knowledge and character of all nominees to the Board and other factors such as independence of the directors to ensure that the Board is operating effectively and independently of management. The Compensation and Governance Committee considers both the term of service and age of individual directors, the average term of the Board as a whole and turnover of directors over the prior years when proposing nominees for election of the directors of the Corporation. The Compensation and Governance Committee considers the benefits of regular renewal in the context of the needs of the Board at the time and the benefits of the institutional knowledge of the Board members.

11. **Policies Regarding the Representation of Women on the Board**

The Board has not adopted any policies that address the identification and nomination of women directors of the Corporation.

The Board believes that Board nominations and executive officer appointments should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the Board and management at the time. The Corporation is committed to a meritocracy and believes that considering the broadest group of individuals who have the skills, knowledge, experience and character required to provide leadership needed to achieve our business objectives, without reference to their age or gender is in the best interests of the Corporation and all of its stakeholders.

12. **Consideration of the Representation of Women in the Director Identification and Selection Process**

As a result of the Corporation's commitment to meritocracy, the level of representation of women on the Board is not considered in identifying and nominating candidates for election or re-election to the Board; however, the Board encourages the consideration of women who have the necessary, skills, knowledge, experience and character when considering new potential candidates for the Board.

13. **Consideration Given to the Representation of Women in Executive Officer Appointments**

As a result of the Corporation's commitment to meritocracy the level of representation of women in executive officer positions is not considered when making executive officer appointments; however, the Board encourages the consideration of women who have the necessary, skills, knowledge, experience and character when considering new potential candidates for executive officer positions.

14. **Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions**

The Corporation has not imposed quotas or targets regarding the representation of women on the Board and in executive officer positions. The Board believes that imposing quotas or targets regarding the representation of women in executive officer positions would compromise the principles of meritocracy.

15. **Number of Women on the Board and in Executive Officer Positions**

There are presently no women serving on the Board and no women serving in executive officer positions at the Corporation.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No person who is or has been a director or executive officer of the Corporation at any time since the beginning of the year ended December 31, 2014, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, is or was indebted to (i) the Corporation or (ii) another entity where such indebtedness is or was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, in either case at any time since the beginning of the year ended December 31, 2014.

AUDIT COMMITTEE INFORMATION

The information required by Form 52-110F1 of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, including information regarding the fees billed to the Corporation by Deloitte LLP, Chartered Accountants, Calgary, Alberta, is contained in the Corporation's annual information form for the year ended December 31, 2014, under the heading "*Audit Committee Information*", an electronic copy of which is available on the Corporation's SEDAR profile at www.sedar.com.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of directors, nominees for director or executive officers of the Corporation, or any Shareholder who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the outstanding Common Shares, or any other Informed Person (as defined in National Instrument 51-102) or any known associate or affiliate of such persons, in any transaction since the commencement of the last completed financial year of the Corporation or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

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

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership or otherwise of any director or nominee for director, or executive officer of the Corporation, or anyone who has held office as such since the beginning of the Corporation's last financial year, or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting, other than the election of directors.

ADDITIONAL INFORMATION

Financial information in respect of the Corporation and its affairs is provided in the Corporation's annual audited comparative financial statements for the year ended December 31, 2014 and the related management's discussion and analysis. Copies of the Corporation's financial statements and related management's discussion and analysis are available upon request from the Corporation at phone number (403) 538-8435 and on the Corporation's website at www.gearenergy.com.

OTHER MATTERS

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

SCHEDULE "A"

MANDATE OF THE BOARD OF DIRECTORS

GENERAL

The Board of Directors (the "**Board**") of Gear Energy Ltd. (the "**Corporation**" or "**Gear**") is responsible for the stewardship of the Corporation. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of Gear. In general terms, the Board will:

- in consultation with the chief executive officer of the Corporation (the "**CEO**"), define the principal objectives of Gear;
- supervise the management of the business and affairs of Gear with the goal of achieving Gear's principal objectives as developed in association with the CEO;
- discharge the duties imposed on the Board by applicable laws; and
- for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

SPECIFIC

The Board will also have the following responsibilities:

Executive Team Responsibility

- Appoint the CEO and senior officers, approve their compensation, and monitor the CEO's performance against a set of mutually agreed corporate objectives directed at maximizing shareholder value.
- In conjunction with the CEO, develop a clear mandate for the CEO, which includes a delineation of management's responsibilities.
- Establish processes as required that adequately provides for succession planning, including the appointing, training and monitoring of senior management.
- Establish limits of authority delegated to management.

Operational Effectiveness and Financial Reporting

- Annual review and adoption of a strategic planning process and approval of Gear's strategic plan, which takes into account, among other things, the opportunities and risks of the business.
- Establish or cause to be established systems to identify the principal risks to Gear and that the best practical procedures are in place to monitor and mitigate the risks.
- Consider or cause to be considered the implications of risk associated with Gear's compensation policies and practices.

- Endeavour to establish or cause to be established processes to address applicable regulatory, corporate, securities and other compliance matters.

- Establish or cause to be established an adequate system of internal control and management information systems.

- Establish or cause to be established due diligence processes and appropriate controls with respect to applicable certification requirements regarding Gear's financial and other disclosure.

- Review and approve Gear's financial statements and oversee Gear's compliance with applicable audit, accounting and reporting requirements.

- Approve annual operating and capital budgets.

- Review and consider for approval all amendments or departures proposed by management from established strategy, capital and operating budgets.

- Review operating and financial performance results relative to established strategy, budgets and objectives.

Integrity/Corporate Conduct

- Establish a communications policy or policies to ensure that a system for corporate communications to all stakeholders exists, including processes for consistent, transparent, regular and timely public disclosure, and to facilitate feedback from stakeholders.

- Approve a Business Conduct & Ethics Practice for directors, officers and employees and monitor compliance with the Practice and approve any waivers of the Practice for officers and directors.

- To the extent feasible, satisfy itself as to the integrity of the CEO and other executive officers of the Corporation and that the CEO and other executive officers create a culture of integrity throughout Gear.

Board Process/Effectiveness

- Endeavour to ensure that Board materials are distributed to directors in advance of regularly scheduled meetings to allow for sufficient review of the materials prior to the meeting. Directors are expected to attend all meetings.

- Engage in the process of determining Board member qualifications with the Corporate Governance Committee including ensuring that a majority of directors, including the Chairman of the Board, qualify as independent directors pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices (as implemented by the Canadian Securities Administrators and as amended from time to time) and that the appropriate number of independent directors are on each committee of the Board as required under applicable securities rules and requirements.

- Approve the nomination of directors.

- Provide or cause to be provided a comprehensive orientation to each new director.

- Establish an appropriate system of corporate governance including practices to ensure the Board functions independently of management.

- Establish appropriate practices for the regular evaluation of the effectiveness of the Board, its committees and its members.

- Establish committees and approve their respective mandates and the limits of authority delegated to each committee.

- Review and re-assess the adequacy of the mandate of the committees of the Board on a regular basis, but not less frequently than on an annual basis.

- Review the adequacy and form of the directors' compensation to ensure it realistically reflects the responsibilities and risks involved in being a director.

Each member of the Board is expected to understand the nature and operations of Gear's business, and have an awareness of the political, economic and social trends prevailing in all countries or regions in which Gear operates, or is contemplating potential operations.

Independent directors shall meet regularly, and in no case less frequently than quarterly, without non-independent directors and management participation.

The Board may retain persons having special expertise and may obtain independent professional advice to assist it in fulfilling its responsibilities at the expense of the Corporation, as determined by the Board.

In addition to the above, adherence to all other Board responsibilities as set forth in the Corporation's By-Laws, applicable policies and practices and other statutory and regulatory obligations, such as issuance of securities, etc., is expected.

DELEGATION

The Board may delegate its duties to, and receive reports and recommendations from, any committee of the Board.

Subject to terms of the Disclosure, Confidentiality and Trading Policy and other policies and procedures of Gear, the Chairman of the Board will act as a liaison between stakeholders of Gear and the Board (including independent members of the Board).

STANDARDS OF LIABILITY

Nothing contained in this mandate is intended to expand applicable standards of liability under statutory, regulatory, common law or any other legal requirements for the Board. The Board may adopt additional policies and procedures as it deems necessary from time to time to fulfill its responsibilities.

March 10, 2015

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