INFORMATION CIRCULAR
(as at April 6, 2015, except as otherwise indicated)

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by Canyon Services Group Inc. (the "**Corporation**") for use at the annual (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") of the Corporation to be held on Wednesday, May 20, 2015, at 10:00 a.m. (Calgary time) at The Petroleum Club, Viking Room, 319 – 5th Avenue S.W., Calgary, Alberta T2P 0L6, and at any adjournment or postponement thereof, for the purposes set forth in the accompanying notice of meeting (the "**Notice of Meeting**"). Proxies must be delivered to Computershare, 8th floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting. The disclosure in this Information Circular is given as at April 6, 2015, unless otherwise indicated. All dollar amounts and references to "$" in this Information Circular are in Canadian dollars.

The form appointing a proxy shall be in writing and shall be executed by the Shareholder or his or her 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. A Shareholder submitting the proxy has the right to appoint a person (who need not be a Shareholder) to represent him or her at the Meeting other than the persons designated in the enclosed Form of Proxy. To exercise this right, the Shareholder should insert the name of the desired representative in the blank space provided in the Form of Proxy and strike out the other names, or submit another appropriate proxy. Such Shareholder should notify the nominee of his or her appointment, obtain his or her consent to act as proxy and should instruct him as to how the Shareholder's Common Shares are to be voted. In any case, the Form of Proxy should be dated and executed by the Shareholder or his or her attorney duly authorized in writing.

Revocability of Proxy

A Shareholder who has submitted a proxy may revoke it at any time prior to the Meeting. If a person who has given a proxy attends at the Meeting in person 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 his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized and deposited either at the head office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof, and upon either of such deposits, the proxy is revoked.

Persons Making the Solicitation

The solicitation is made on behalf of the Corporation by management. The costs incurred in the preparation and mailing of the 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 administrator, who may be remunerated therefor.

In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements may be made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held at the date of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

Exercise of Discretion by Proxy

All Common Shares represented at the Meeting by properly executed proxies will be voted on any matter that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the accompanying form of proxy, the Common Shares represented by the proxy will be voted in accordance with such instructions. **In the absence of such instructions, 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 Form of Proxy and Notice of Meeting.**

At the time of printing this Information Circular, management knew of no such amendment, variation or other matter.

Notice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of the Shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to herein as "Beneficial Shareholders") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depositary for Securities Limited, which acts as nominee 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 Common Shares registered in the name of CDS & Co. are held.

There are two ways to vote Common Shares held by your broker or nominee. Applicable regulatory policy requires intermediaries or brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholder meetings. Each intermediary or 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. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to its registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form ("**Voting Instruction Form**") in lieu of the Form of Proxy. The Beneficial Shareholder is asked to complete and return the Voting Instruction Form by mail, facsimile, internet or call a toll-free number to give voting instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Voting Instruction Form will not be able to use that Voting Instruction Form to vote Common Shares directly at the Meeting. In order to have Common Shares voted by a Voting Instruction Form, it must be returned as directed by Broadridge well in advance of the Meeting. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

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, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the 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 or Voting Instruction Form provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker. In this case, do not otherwise complete the Form of Proxy or Voting Instruction Form as your vote will be taken at the Meeting.

The Corporation is not using "notice-and-access" to send its proxy-related materials to 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 intermediaries.

All references to Shareholders in this Information Circular and the accompanying Notice of Meeting and Form of Proxy are to registered Shareholders unless specifically stated otherwise.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The board of directors of the Corporation (the "**Board**") has fixed March 26, 2015 as the record date (the "**Record Date**") for the Meeting. Shareholders at the close of business on the Record Date are entitled to receive notice of the Meeting and to vote thereat or at any adjournment or postponements thereof on the basis of one vote for each Common Share held, except to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than 10 days before the Meeting, that his or her name be included on the list of persons entitled to vote at the Meeting, in which case, the transferee shall be entitled to vote such Common Shares at the Meeting.

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares ("**Preferred Shares**"), issuable in series. As at April 6, 2015, 68,851,928 Common Shares and nil Preferred Shares were issued and outstanding as fully-paid and non-assessable.

To the best of the knowledge of the directors and executive officers of the Corporation, there is no person or corporation which beneficially owns, or controls or directs, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to the issued and outstanding Common Shares which may be voted at the Meeting other than as set forth below. 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	Percent of Outstanding
Franklin Resources, Inc.	10,003,000 (1)(2)	14.57%(2)

Note:
(1) The Corporation understands that the Common Shares are held by underlying funds and managed accounts controlled, directly or indirectly, by Franklin Resources, Inc.
(2) As at February 28, 2015.

VOTES NECESSARY TO PASS RESOLUTIONS

All of the matters to be considered at the Meeting are ordinary resolutions requiring approval by more than 50% of the votes cast in respect of the resolution by or on behalf of Shareholders present in person or represented by proxy at the Meeting.

MATTERS TO BE ACTED UPON AT THE MEETING

1. Presentation of Financial Statements

The Board has approved the audited comparative financial statements of the Corporation for the fiscal year ended December 31, 2014 (the "**Annual Financial Statements**"). Financial information related to the Corporation for the year ended December 31, 2014 is provided in the Annual Financial Statements and the related management's discussion and analysis ("**MD&A**"). Copies of such documents are available on the Corporation's website at www.canyontech.ca and under the Corporation's profile on www.sedar.com.

2. Election of Directors of the Corporation

The affairs of the Corporation are managed by the Board. Members of the Board are elected at each annual meeting of Shareholders and hold office until the next annual meeting, or until their successors are duly elected or appointed or until a director vacates his or her office or is replaced in accordance with the by-laws of the Corporation.

In the event that the number of Common Shares voted in favour of the election of a particular director nominee at the Meeting is less than the number of Common Shares voted and withheld from voting for that nominee, the matter will be referred to the Board's Corporate Governance and Compensation Committee. See "*Majority Voting for Directors*" below.

Majority Voting for Directors

The Board has adopted a policy stipulating that if the number of Common Shares voted in favour of the election of a particular director nominee at a Shareholders' meeting is less than the number of Common Shares voted and withheld from voting for that nominee, the nominee will submit his or her resignation to the Board promptly following the Meeting, with the resignation to take effect upon acceptance by the Board. The Corporate Governance and Compensation Committee will consider the director nominee's offer to resign and will make a recommendation to the Board as to whether or not to accept the resignation. The Corporate Governance and Compensation Committee will be expected to accept the resignation except in special circumstances requiring the applicable director to continue to serve on the Board. In considering whether or not to accept the resignation, the Corporate Governance and Compensation Committee will consider all factors that it deems relevant including, without limitation, the stated reasons why Shareholders "withheld" votes from the election of that nominee, the existing Board composition, the tenure and the qualifications of the director whose resignation has been tendered, the director's past and expected contributions to the Corporation, the Corporation's corporate governance policies and such other skills and qualities as the Corporate Governance and Compensation Committee deems to be relevant.

The Board will consider the Corporate Governance and Compensation Committee's recommendation and make a decision as to whether to accept the director's offer to resign within 90 days of the Meeting, which it will announce by way of a press release, including, if the Board elects, the reasons for rejecting the resignation offer. In considering whether to accept the director's offer of resignation, the Board will consider the factors considered by the Corporate Governance and Compensation Committee and such additional factors it considers to be relevant. No director who is required to tender his or her resignation shall participate in the deliberations or recommendations of the Corporate Governance and Compensation Committee or the Board.

If a director's offer of resignation is accepted, subject to any corporate law restrictions, the Board may leave the resultant vacancy unfilled until the next annual meeting of Shareholders. Alternatively, at the Board's discretion, it may fill the vacancy through the appointment of a new director whom the Board considers appropriate or it may call a special meeting of Shareholders at which there will be presented nominees supported by the Board to fill the vacant position or positions. The foregoing policy does not apply in circumstances involving contested director elections.

Director Nominees

At the Meeting, the Shareholders will be asked to fix the number of directors of the Corporation to be elected at the Meeting at seven (7) and to elect seven (7) directors. The persons named below have been nominated for election and have consented to such nomination. Management is not aware of any reason why any of the nominees named herein would be unable or unwilling to serve as a director. However, if a nominee is not available to serve at the time of the Meeting, and unless otherwise specified (including by a Shareholder direction to withhold a vote), the persons named in the instrument of proxy may vote in favour of a substitute nominee or nominees selected by the directors or management of the Corporation.

The following table sets out the names of management's nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Corporation and the number of Common Shares beneficially owned by each, directly or indirectly, or over which each exercised control or direction.

Name, Province and Country of Residence	Number of Common Shares Beneficially Owned (directly or indirectly)	Offices Held and Date Appointed[4]	Principal Occupation During the Past 5 Years
Bradley P.D. Fedora Alberta, Canada	822,700	President (September 1, 2007), Chief Executive Officer (November 13, 2009) and Director (April 9, 2008)	President of the Corporation since September 2007 and Chief Executive Officer since November 2009. Principal in the Corporate Finance group of Peters & Co. Limited, a full service investment banking firm from 2000 to 2007.
Stan G.P. Grad[3] Alberta, Canada	2,439,305	Director (April 8, 2004)	President of Soderglen Ranches Ltd., a private ranching company, since 1996.
Raymond P. Antony[1][2] Alberta, Canada	45,000	Chairman (May 27, 2011) Director (September 7, 2004)	Self-employed businessman since August 2006.
Neil M. MacKenzie[3] Alberta, Canada	132,000	Director (February 4, 2009)	Director and Partner of Blackstone Drilling Fluids Limited, a private oil and gas services company, since 2010.
M. Scott Ratushny[1] Alberta, Canada	37,500	Director (May 26, 2011)	Chairman and Chief Executive Officer of Cardinal Energy Ltd., a public oil and gas company, since May 2011. Chairman and Director of Enseco Energy Services Corp., a public oil and gas services company, since 2006. Chairman, Chief Executive Officer and Director of Midway Energy Ltd., an oil and gas company, from July 2009 to April 2012.
Miles Lich[2] [3] Alberta, Canada	12,400	Director (May 22, 2013)	Co-founder and Managing Director of Northern Plains Capital Ltd., a private company, since September 2005.
Ken Mullen[1][2] Alberta, Canada	5,000	Director (March 17, 2014)	Independent businessman since January 2015. Prior thereto, President and Chief Executive Officer of Savanna Energy Services Corp. from June 2001 to January 2015.

Notes:
(1) Member of Audit Committee.
(2) Member of Corporate Governance and Compensation Committee.
(3) Member of Health, Safety and Environment Committee.
(4) All directorships expire at the next annual general meeting of Shareholders.

None of the proposed nominees for election as a director of the Corporation are proposed for election pursuant to any arrangement or understanding between the nominee and any other person.

Corporate Cease Trade Orders or Bankruptcies

No proposed director is, at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular:

(a) a director, chief executive officer or chief financial officer of any company (including the Corporation) that was subject to: (A) a cease trade order; (B) an order similar to a cease trade order; or (C) an order that denied the relevant company access to any exemption under securities legislation; that was in effect for a period of more than 30 consecutive days that was issued:

  (i) while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

  (ii) after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

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 proceedings, arrangement or compromise with credits, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties or Sanctions

No proposed director has: (i) been subject to 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, other than penalties for late filing of insider reports; or (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

3. Appointment and Remuneration of Auditors

At the Meeting, Shareholders will be asked to pass a resolution appointing KPMG LLP, Chartered Accountants, as auditors of the Corporation, to hold office until the next annual meeting of Shareholders or until the firm of KPMG LLP is removed from office or resigns as provided by law or by the Corporation's by-laws and to authorize the Board to fix the remuneration to be paid thereto. KPMG LLP was initially appointed as the auditor of the Corporation on October 7, 2005.

4. Other Matters

As of the date of this Information Circular, management knew of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the Meeting, proxies will be voted on such matter in accordance with the best judgement of the person or persons voting the proxies.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation of the executive officers of the Corporation is reviewed annually by the Corporate Governance and Compensation Committee and is subsequently approved by the Board based on the recommendation of the Corporate Governance and Compensation Committee. During the most recently completed financial year, the members of the Corporate Governance and Compensation Committee were Raymond P. Antony, Miles Lich and Ken Mullen, all of whom are considered to be independent directors.

Risk Mitigation

The Corporation recognizes that certain compensation programs could promote unintended behaviours that may, in certain circumstances, be misaligned with Shareholders' interests. Such behaviours could be problematic at any level of the organization; however, they could potentially have a greater impact on the entire organization if exhibited by executive officers of the Corporation. The Corporation seeks to ensure, through the structure of its compensation programs, that executive actions and decisions align with the interests of the Corporation and the Shareholders. There are additional risks that the Corporation is typically subject to; however, this discussion focuses solely on risks linked to the Corporation's executive compensation programs.

Elements of the Corporation's mitigation of behavioural risk are embedded in its compensation processes and executive compensation design.

Process Elements

- The Corporate Governance and Compensation Committee plays an important role in assessing behavioural risk mitigation by reviewing the Corporation's compensation program design, approving compensation awards and analyzing market data to ensure that the Corporation's compensation structure promotes the intended behaviours. Members of the Corporate Governance and Compensation Committee meet at least three times per year to review both executive compensation and human resources issues generally, with one of the meetings focused predominately on executive compensation.

- A regular review of proxy materials and compensation survey data analysis identifies whether the Corporation's compensation programs are deviating significantly from market practices.

Compensation Design Elements

- A significant portion of the Corporation's executive officer compensation package is comprised of "at risk" elements (i.e., option-based awards, share-based awards and short-term incentive bonus). This "at risk" compensation aligns executive officer and Shareholder interests mainly because lower shareholder returns adversely impact the calculation of the short and long-term incentives.

- Minimum shareholding requirements for the Corporation's executive officers ensure that the executive are also Shareholders and, therefore, more aligned with the Shareholders' interests.

- Three year vesting of various compensation elements ensure a focus on both immediate performance and longer term value creation.

Pursuant to the Corporation's policies, directors and executive officers are not permitted to purchase financial instruments (including, for greater certainty, puts, options, calls, prepaid variable formal contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a change in the market value of Common Shares or other securities of the Corporation held by a director or an executive officer.

Elements of Compensation

The compensation of the Corporation's executives consists principally of a base salary. Executives are also eligible to participate in the stock option plan (the "**Option Plan**") of the Corporation and the stock based compensation plan (the "**Stock Based Compensation Plan**") of the Corporation, see "*Incentive Plan Awards*" below. In addition, executives may be granted cash bonuses as recommended by the Corporate Governance and Compensation Committee and authorized by the Board from time to time.

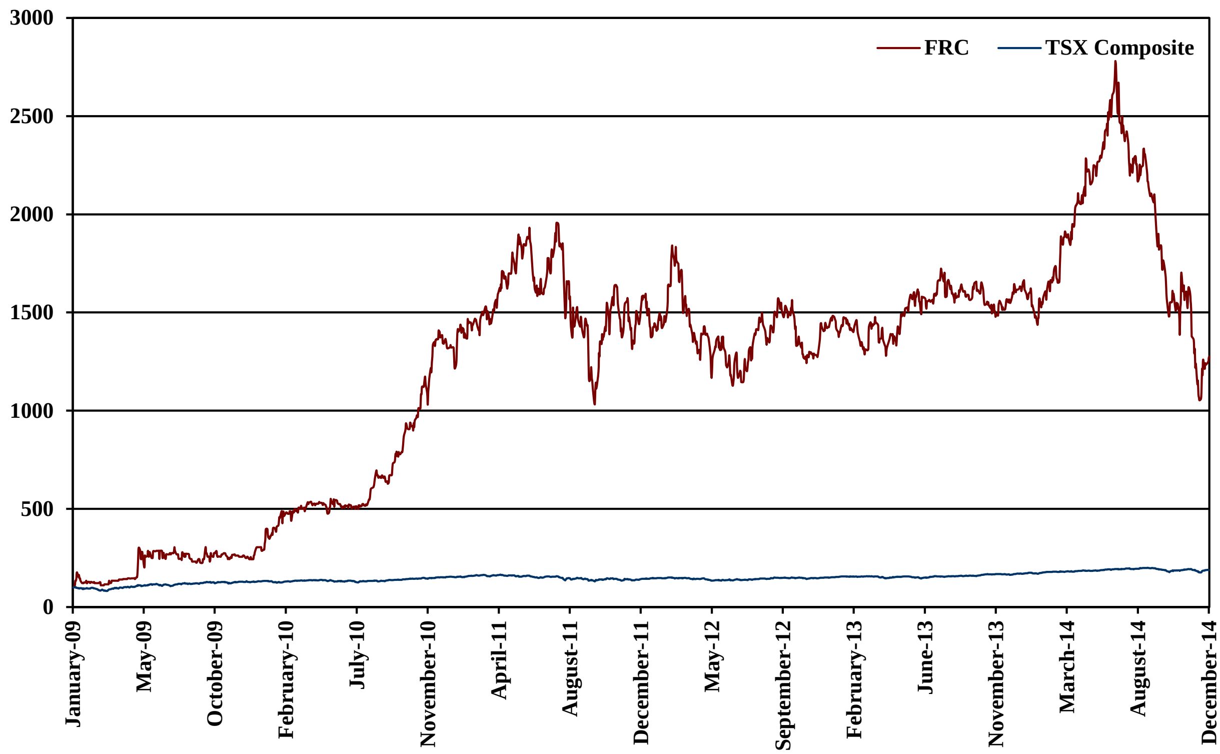
While there is not a specific "peer group" of companies that is used by the Board and the Corporate Governance and Compensation Committee when setting compensation levels, their objective in setting compensation levels is that the aggregate compensation received by executive officers be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are employed by other companies of corresponding size. In setting such levels, the Board and the Corporate Governance and Compensation Committee rely on their own experience and knowledge as well as compensation data compiled from public sources of information.

Executive officer and certain employee compensation have the following major elements: (1) base salaries; (2) bonuses; (3) options ("**Options**") to purchase Common Shares; and (4) Incentive Based Units (as defined herein).

> **Base salaries** – The Corporation's view of base salaries is that they should be competitive with industry peers, to the extent that can be determined, and with other public companies having similar assets, number of employees, market capitalization and profit margin.
>
> **Bonuses** – Bonuses are offered as short-term incentives and are generally based on achieving exceptional corporate performance, based on certain measures as discussed in more detail below. The Corporate Governance and Compensation Committee may also base a component of a bonus award on the individual's personal performance.
>
> **Options** – Pursuant to the Option Plan, the Board grants Options to directors, executive officers, other employees and consultants as incentives intended to align the individuals' and Shareholders' interests in the long term. Group effort resulting in overall corporate performance provides the potential for significant rewards through the grant of Options and this is based, in part, on the measures discussed in more detail below. The Corporation emphasizes Options in executive compensation as they allow the executive to share in corporate results in a manner which is relatively cost-effective despite the effects of treating Options as a compensation expense. The President recommends Option grants to senior management, other employees and consultants. The Corporate Governance and Compensation Committee recommend grants to the senior executives.
>
> **Incentive Based Units** – Under the Stock Based Compensation Plan, the Corporation may issue incentive based units ("**Incentive Based Units**") to any director, officer, employee or consultant of the Corporation or any subsidiaries thereof to provide an incentive to, and encourage an equity participation in the Corporation by, key personnel of the Corporation and any subsidiaries thereof. Each Incentive Based Unit is a right granted to the participant to acquire one Common Share for no further consideration or payment by such participant. The Corporation views the grants of Incentive Based Units as an effective manner to reward those individuals who contribute to the success of the Corporation, while giving the Corporation the flexibility to replace or supplement any annual cash bonuses paid by the Corporation in order to retain funds for other purposes. The President recommends Incentive Based Unit grants to senior management, other employees and consultants. The Corporate Governance and Compensation Committee recommend grants to senior executives and directors.

Performance Graph

The following graph compares the change in cumulative Shareholder return for the period January 1, 2009 and ending on December 31, 2014 (assuming a $100 investment was made on January 1, 2009) on the Common Shares with the cumulative total return of the S&P/TSX Composite Index from January 1, 2009 to December 31, 2014:



Cumulative Return on $100 Investment January 1, 2009 through to December 31, 2014

The trend shown in the above graph does not necessarily correspond to the Corporation's compensation to its Named Executive Officers (as defined herein) for the period ended December 31, 2014 or for any prior fiscal periods. The Corporation's executive compensation is reviewed annually and set by the Board upon the recommendation of the Corporate Governance and Compensation Committee. The Corporate Governance and Compensation Committee considers several factors in connection with its determination of appropriate levels of compensation, including, but not limited to, the demand for and supply of skilled professionals in the oil and gas and oil and gas service industries generally, individual performance, the Corporation's performance (which is not necessarily tied exclusively to the trading price of the Common Shares on the Toronto Stock Exchange (the "**TSX**")) and other factors discussed under "*Compensation Discussion and Analysis*" above. The trading price of the Common Shares on the TSX is subject to fluctuation based on several factors, many of which are outside the control of the Corporation. These include, but are not limited to, fluctuations and volatility in commodity price markets for oil and natural gas and natural gas liquids, input costs relating to products used in connection with the Corporation's services, global economic conditions, changes in government, environmental policies, legislation and royalty regimes, and other factors, some of which are disclosed and discussed under the "*Risk Factors*" headings in each of the Corporation's MD&A and the annual information form of the Corporation dated March 26, 2015. The Corporation also examines and considers executive compensation levels of companies of similar size, many of which do not necessarily correspond to the market or trading price of such companies' securities.

Summary Compensation Table

The following table (presented in accordance with Form 51-102F6 ("**Statement of Executive Compensation**" or "**Form 51-102F6**") of National Instrument 51-102 – *Continuous Disclosure Requirements*) sets forth the total compensation for services in all capacities to the Corporation for the last three financial years (to the extent required by Form 51-102F6) in respect of each of the individuals comprised of the Chief Executive Officer and the Chief Financial Officer of the Corporation as at December 31, 2014 and the other three most highly compensated executive officers of the Corporation as at December 31, 2014 whose individual total compensation for the most recently completed financial year exceeded $150,000 or any individual who would have satisfied this criteria but for the fact that individual was not serving as such an officer at the end of the most recently completed financial year (each a "**Named Executive Officer**").

Name and Principal Position	Year	Salary ($)	Share-based awards(3) ($)	Option-based awards(4) ($)	Non-equity incentive plan compensation: Annual incentive plans(12) ($)	Non-equity incentive plan compensation: Long-term incentive plans ($)	Pension value ($)	All Other Compensation(13) ($)	Total Compensation ($)
Bradley P.D. Fedora(1) President and Chief Executive Officer	2014	400,000	175,832	135,354(5)	513,800	Nil	Nil	3,969	1,228,955
	2013	400,000	334,140	333,398(8)	266,300	Nil	Nil	3,969	1,337,807
	2012	400,000	165,194	203,660(10)	423,800	Nil	Nil	3,636	1,196,290
Barry O'Brien Vice President, Finance and Chief Financial Officer	2014	300,000	101,053	77,657(6)	308,300	Nil	Nil	5,000	792,010
	2013	300,000	187,808	191,152 (9)	159,800	Nil	Nil	5,000	843,760
	2012	300,000	101,928	124,973(11)	293,400	Nil	Nil	5,000	825,301
A.J. (Joseph) Peskunowicz Executive Vice President, Corporate	2014	300,000	101,053	77,657(6)	308,300	Nil	Nil	8,969	795,979
	2013	300,000	187,808	191,152 (9)	159,800	Nil	Nil	8,969	847,729
	2012	300,000	101,928	124,973(11)	293,400	Nil	Nil	8,636	828,937
Todd Thue Chief Operating Officer	2014	300,000	101,053	77,657(6)	308,300	Nil	Nil	8,969	795,979
	2013	300,000	187,808	191,152 (9)	159,800	Nil	Nil	8,969	847,729
	2012	300,000	101,928	124,973(11)	293,400	Nil	Nil	8,636	828,937
Dave Westlund(2) Director, Sales	2014	275,000	162,334	110,838(7)	260,000	Nil	Nil	Nil	808,172

Notes:

(1) Mr. Fedora is a director of the Corporation but was not compensated by the Corporation for his services in his capacity as a director or committee member during the most recently completed financial year, other than reimbursement for out-of-pocket expenses for attending Board and committee meetings.

(2) Mr. Westlund joined the Corporation on February 6, 2014.

(3) All values are as at December 31, 2014 and include only grants made in the referenced calendar year. Represents the fair value on the date of the grants of Incentive Based Units, see "*Incentive Plan Awards – Stock Based Compensation Plan*" below for a description of the Stock Based Compensation Plan. The grant date fair value has been calculated using an option pricing model as set out in IFRS 2 of the CPA Canada Handbook - Accounting. The Corporation has adopted the Black-Scholes model in order to measure the fair value of the equity instruments on the date of the grant. IFRS 2 of the CPA Canada Handbook - Accounting specifies the use of the Black-Scholes model or a binomial model. The key assumptions and estimates used for the calculation of the February 7, 2014 grant date fair value under this model include a risk-free interest rate of 1.00% to 1.19%, an expected life of five years for the Incentive Based Units, volatility of 24.20% to 39.70% and dividend yield of 4.96%. Mr. Westlund was granted 6,000 Incentive Based Units on October 14, 2014, with the key assumptions and estimates used for the calculation of the October 14, 2014 grant date fair value under this model include a risk-free interest rate of 1.04% to 1.16%, an expected life of five years for the Incentive Based Units, volatility of 24.20% to 39.70% and dividend yield of 5.51% The key assumptions and estimates used for the calculation of the January 21, 2013 grant date fair value under this model include a risk-free interest rate of 1.25% to 1.50%, an expected life of five years for the Incentive Based Units, volatility of 50.26% and dividend yield of 5.43%. The key assumptions and estimates used for the calculation of the August 13, 2013 grant date fair value under this model include a risk-free interest rate of 1.32% to 1.96%, an expected life of five years for the Incentive Based Units, volatility of 50.26% and dividend yield of 5.11%. The key assumptions and estimates used for the calculation of the January 10, 2012 grant date fair value under this model include a risk-free interest rate of 1.06% to 1.36%, an expected life of five years for the Incentive Based Units, volatility of 54.03% and dividend yield of 2.08%. The grant date fair values presented in the above table do not differ from the fair value determined in accordance with IFRS 2 of the CPA Canada Handbook - Accounting.

(4) All values are as at December 31, 2014 and include only grants made in the referenced calendar year. This represents the fair value on the date of grant of the Option award made under the Option Plan. See "*Incentive Plan Awards – Option Plan*" below for a description of the Option

Plan. The grant date fair value has been calculated using an option pricing model as set out in IFRS 2 of the CPA Canada Handbook - Accounting. The Corporation has adopted the Black-Scholes model in order to measure the fair value of the equity instruments on the date of the grant. IFRS 2 of the CPA Canada Handbook - Accounting specifies the use of the Black-Scholes model or a binomial model. The key assumptions and estimates used for the calculation of the February 7, 2014 grant date fair value under this model include a risk-free interest rate of 1.00% to 1.19%, an expected life of five years for the Options, volatility of 24.20% to 39.70% and dividend yield of 4.96%. The key assumptions and estimates used for the calculation of the October 14, 2014 grant date fair value under this model include a risk-free interest rate of 1.04% to 1.16%, an expected life of five years for the Options, volatility of 24.20% to 39.70% and dividend yield of 5.51%. Mr. Westund was granted 25,000 Options on October 14, 2014, with the key assumptions and estimates used for the calculation of the October 14, 2014 grant date fair value under this model include a risk-free interest rate of 1.04% to 1.16%, an expected life of five years for the Options, volatility of 24.20% to 39.70% and dividend yield of 5.51%The key assumptions and estimates used for the calculation of the January 21, 2013 grant date fair value under this model include a risk-free interest rate of 1.16% to 1.25%, an expected life of five years for the Options, volatility of 50.41% and dividend yield of 5.43%. The key assumptions and estimates used for the calculation of the August 13, 2013 grant date fair value under this model include a risk-free interest rate of 1.20% to 1.32%, an expected life of five years for the Options, volatility of 50.41% and dividend yield of 5.11%. The key assumptions and estimates used for the calculation of the January 10, 2012 grant date fair value under this model include a risk-free interest rate of 1.03% to 1.06%, an expected life of five years for the Options, volatility of 54.03% and dividend yield of 2.08

(5) Represents the grant of 86,800 Options on February 7, 2014, which will vest as to 1/3 on each of the first, second and third anniversaries of the grant.

(6) Represents the grant of 49,800 Options on February 7, 2014, which will vest as to 1/3 on each of the first, second and third anniversaries of the grant.

(7) Represents the grant of 45,000 Options on February 7, 2014, which will vest as to 1/3 on each of the first, second and third anniversaries of the grant, and the grant of 25,000 Options on October 14, 2014, which will vest as to 1/3 on each of the first, second and third anniversaires of the grant.

(8) Represents the grant of 108,600 Options on January 21, 2013, which will vest as to 1/3 on each of the first, second and third anniversaries of the grant, and the grant of 36,585 Options on August 13, 2013, which will vest as to 1/3 on each of the first, second and third anniversaries of the grant.

(9) Represents the grant of 65,200 Options on January 21, 2013, which will vest as to 1/3 on each of the first, second and third anniversaries of the grant, and the grant of 18,293 Options on August 13, 2013, which will vest as to 1/3 on each of the first, second and third anniversaries of the grant.

(10) Represents the grant of 52,800 Options on January 10, 2012, which will vest as to 1/3 on each of the first, second and third anniversaries of the grant.

(11) Represents the grant of 32,400 Options on January 10, 2012, which will vest as to 1/3 on each of the first, second and third anniversaries of the grant.

(12) Represents the cash bonus awards paid in January 2015, February 2014 and 2013, respectively, to the Named Executive Officers for the 2014, 2013 and 2012 fiscal years, respectively.

(13) The amounts in this column consist of car allowance, RRSP contributions and parking allowance.

Incentive Plan Awards

The Corporation currently has two equity incentive plans in place: (i) the Option Plan; and (ii) the Stock-Based Compensation Plan.

Option Plan

The Option Plan was last approved by Shareholders on May 21, 2014. The Option Plan has been established to provide incentives to qualified parties to increase their propriety interest in the Corporation and thereby encourage their continuing association with the Corporation. The Option Plan is administered by the Board and provides that Options may be issued to directors, officers, key employees or consultants of the Corporation or any subsidiary of the Corporation. The material terms of the Option Plan are described below.

The Board has the discretion to determine to whom Options will be granted, the number and exercise price of such Options and the terms upon which the Options will vest and be exercisable; provided that Options may only be exercisable for a maximum of ten calendar years from the date of grant and the exercise price of the Options must be no less than the five day weighted average trading price of the Common Shares on the TSX prior to the date of the granting of the Options by the Board.

The Option Plan provides that the number of Common Shares issuable under the Option Plan and all other security based compensation arrangements of the Corporation (which includes the Stock Based Compensation Plan) may not exceed 10% of the total number of issued and outstanding Common Shares from time to time. The number of Common Shares that may be issued under the Option Plan are subject to the following additional limitations: (i) the number of Options (and corresponding Common Shares reserved for issuance upon exercise of such Options) that may be issued to any one person under the Option Plan, together with any other security-based compensation arrangement, must not exceed 5% of the issued and outstanding Common Shares (on a non-diluted basis); (ii) the maximum number of Options (and corresponding Common Shares reserved for issuance upon the exercise of such Options) that may be reserved for issuance to insiders of the Corporation under the Option Plan at any time, together with any other security-based compensation arrangement, is 10% of the issued and outstanding Common Shares (on a non-diluted basis); and (iii) the total number of securities of the Corporation which may be issued to insiders of the Corporation under all security-based compensation arrangements within a one year period cannot exceed 10% of the issued and outstanding Common Shares.

As of April 6, 2015, a total of up to 6,885,193 Common Shares can be reserved for issuance under the Option Plan, representing 10% of the issued and outstanding Common Shares minus the sum of 1,354,736 being the number of Common Shares which may be issued pursuant to granted and outstanding Incentive Based Units at April 6, 2015.

As at April 6, 2015, there were 4,476,186 Options outstanding, representing approximately 6.5% of the issued and outstanding Common Shares, leaving 2,409,007 Common Shares (representing 3.5% of the issued and outstanding Common Shares on that date) reserved and available for issuance upon the exercise of Options that may be granted in the future. As the total number of Common Shares available to be reserved for issuance upon the exercise of outstanding Options is limited to 10% of the issued and outstanding Common Shares at the relevant time less the number of Common Shares that may be issued pursuant to the Corporation's other security based compensation arrangements, the number of Common Shares available to be reserved for issuance upon the exercise of Options that may be granted in the future will be reduced to the extent that additional security based compensation awards are granted by the Corporation, including in respect of future grants of Incentive Based Units. As such, no more than 10% of the issued and outstanding Common Shares may be reserved at any one time for issuance pursuant to the Corporation's existing security based compensation arrangements. As discussed above, as the Option Plan does not have a fixed maximum number of securities issuable thereunder, a number of Common Shares equivalent to the number of Options or Incentive Based Units that have been exercised, terminated, cancelled or expired are immediately available for future issuances of Options, subject in all cases to the 10% limit contained in the Option Plan.

An Option is personal to the grantee of the Options and is non-assignable. The Option Plan contains standard adjustment and anti-dilution provisions for changes in the capital structure of the Corporation. For a description of the treatment of Options in the case of the termination of an optionholder's employment or certain transactions involving the Corporation, see "*Termination and Change of Control Benefits*" below.

The Board may, generally, amend or discontinue the Option Plan at any time without the consent of the participants, provided that such amendments do not alter or impair any Option previously granted under the Option Plan. However, the Board will not be entitled, in the absence of Shareholder and TSX approval, to: (i) reduce the exercise price of an Option held by an insider of the Corporation; (ii) extend the expiry date of an Option held by an insider of the Corporation; (iii) amend the limitations on the maximum number of Common Shares reserved or issued to insiders, as described above; (iv) increase the maximum number of Common Shares issuable pursuant to the Option Plan; or (v) amend the foregoing amendment provisions. Where Shareholder approval is sought for amendments under subsections (i), (ii) or (iii) of the foregoing, the votes attached to Common Shares held directly or indirectly by insiders benefitting from the proposed amendments will be excluded.

Stock Based Compensation Plan

The Stock Based Compensation Plan was established to provide an incentive to certain directors, officers, key employees and consultants of the Corporation and encourages an equity participation in the Corporation by such persons. The material terms of the Stocked Based Compensation Plan are described below.

Each Incentive Based Unit is a right granted to acquire one Common Share for no further consideration or payment by the grantee. The Board has the discretion to determine the terms and conditions of grants of Incentive Based Units, consistent with the terms of the Stock Based Compensation Plan. Each grant agreement shall set forth, at a minimum, the number of Incentive Based Units subject to such grant agreement, the applicable vesting date for each Incentive Based Unit, and may specify such other terms and conditions consistent with the terms of the Stock Based

Compensation Plan as the Board shall determine or as shall be required under any other provision of the Stock Based Compensation Plan.

The maximum number of Common Shares that may be issued pursuant to the exercise of Incentive Based Units under the Stock Based Compensation Plan, subject to certain limitations, is 5% of the issued and outstanding Common Shares (on a non-diluted basis) from time to time. Additionally, the 5% maximum is an "evergreen" provision whereby the number of Common Shares issued upon exercise of an Incentive Based Unit or reserved for issuance in connection with an Incentive Based Unit which has expired or been cancelled or terminated, are automatically available for future issuances under the Stock Based Compensation Plan.

As of April 6, 2015, a total of up to 3,442,596 Common Shares can be reserved for issuance under the Stock Based Compensation Plan, representing 5% of the issued and outstanding Common Shares (subject to reduction pursuant the provisions of the Option Plan, discussed above, which effectively limits the aggregate number of Common Shares available to be reserved for issuance pursuant to all of the Corporation's security based incentive arrangements, including Incentive Based Units and Options, to 10% of the issued and outstanding Common Shares).

As at April 6, 2015, there were 1,354,736 Incentive Based Units granted and outstanding, representing approximately 1.9% of the issued and outstanding Common Shares, leaving up to 2,087,860 Common Shares (representing 3.1% of the issued and outstanding Common Shares on that date) available for issuance upon the exercise of Incentive Based Units that may be granted in the future (which number is subject to reduction in the event the overall 10% limit contained in the Option Plan on the number of Common Shares available to be reserved for issuance at any one time pursuant to the Corporation's security based compensation arrangements, as discussed above, is met). As discussed above, as the Stock Based Compensation Plan does not have a fixed maximum number of securities issuable thereunder, a number of Common Shares equivalent to the number of Options or Incentive Based Units that have been exercised, terminated, cancelled or expired are immediately available for future issuances of Incentive Based Units, subject in all cases to the 10% limit contained in the Option Plan.

Issuances of Incentive Based Units may not exceed the following limitations without the Corporation obtaining TSX and Shareholder approval: (i) the maximum number of Common Shares that may be issued under the Stock Based Compensation Plan together with all other security based compensation arrangements to any one participant within a twelve (12) month period shall not exceed 5% of the issued and outstanding Common Shares (on a non-diluted basis); (ii) the maximum number of Common Shares issuable at any time to insiders of the Corporation pursuant to the Stock Based Compensation Plan shall not exceed 5% of the total issued and outstanding Common Shares (on a non-diluted basis) less the aggregate number of Common Shares that may be issued to insiders under any other security based compensation arrangement of the Corporation; (iii) the maximum number of Common Shares that may be issued to insiders of the Corporation under the Stock Based Compensation Plan or pursuant to any other security based compensation arrangement of the Corporation (which includes the Option Plan) within a one year period shall be 10% of the issued and outstanding Common Shares (on a non-diluted basis), excluding Common Shares issued under the Stock Based Compensation Plan or any other security based compensation arrangement of the Corporation over the preceding one year period; and (iv) the maximum number of Common Shares that may be issued to any one insider of the Corporation and such insider's associates under the Stock Based Compensation Plan or pursuant to any other security based compensation arrangement of the Corporation (which includes the Option Plan) within a one year period shall be 5% of the issued and outstanding Common Shares (on a non-diluted basis), excluding Common Shares issued under the Stock Based Compensation Plan or any other security based compensation arrangement of the Corporation to such insider over the preceding one year period.

The Stock Based Compensation Plan also provides that the Board may discontinue or amend the Stock Based Compensation Plan and may amend any Incentive Based Units granted under it at any time without Shareholder approval, provided however that such amendment shall not alter or impair any Incentive Based Unit previously granted under the Stock Based Compensation Plan, and the Board may not amend the Stock Based Compensation Plan without Shareholder approval in respect of the following matters: (i) to extend the expiry date of an Incentive Based Unit held by an insider of the Corporation; (ii) any amendment to the limitations on the maximum number of Common Shares reserved or issued to insiders as set forth above; (ii) any amendment to increase the number of Common Shares issuable pursuant to the Stock Based Compensation Plan; and (iii) any amendment to amend the amendment provision of the Stock Based Compensation Plan. Where Shareholder approval is sought for amendments to the limitations on the maximum number of Common Shares reserved or issued to insiders as set forth above, the votes attached to Common Shares held directly or indirectly by insiders benefiting from the amendments will be excluded.

Under the Stock Based Compensation Plan, the directors have the power to determine the time(s) at which an Incentive Based Unit will expire and the time or times when Incentive Based Units will vest and become exercisable, provided that an Incentive Based Unit may not be exercisable following 5 years from the date of grant, subject to such expiry date falling within a Black Out Period (as defined in the Stock Based Compensation Plan) in which case such Incentive Based Units will be exercisable for an additional ten business days following the end of the Black Out Period. In addition, should the expiry date of an Incentive Based Unit fall within nine business days following the expiration of a Black Out Period, such expiry date of the Incentive Based Unit shall be automatically extended without any further act or formality to that date which is the tenth business day after the end of the Black Out Period, such tenth business day to be considered the expiry date for such Incentive Based Unit for all purposes under the Stock Based Compensation Plan.

An Incentive Based Unit is personal to the grantee and is non-assignable, except in the case of the death of a participant. The Stock Based Compensation Plan contains standard adjustment and anti-dilution provisions for changes in the capital structure of the Corporation. For a description of the treatment of Incentive Based Units in the case of the termination of a holder's employment or certain transactions involving the Corporation, see "*Termination and Change of Control Benefits*" below.

Outstanding Option–Based Awards and Share–Based Awards

The following table sets forth all awards outstanding as at December 31, 2014 for the Named Executive Officers.

	Option-Based Awards				**Share-Based Awards**		
Name	**Number of Common Shares underlying unexercised Options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money Options ($)**	**Number of units or Common Shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Bradley P. D. Fedora	150,000[(1)]	$2.43	January 7, 2015	984,000[(6)]	46,330	416,570[(7)]	193,420[(7)]
	57,700[(2)]	$11.64	February 3, 2016	Nil[(6)]			
	52,800[(3)]	$12.73	January 10, 2017	Nil[(6)]			
	108,600[(4)]	$10.65	January 21, 2018	Nil[(6)]			
	36,585[(4)]	$12.07	August 13, 2018	Nil[(6)]			
	86,800[(5)]	$10.74	February 7, 2019	Nil[(6)]			
Barry O'Brien	50,000[(1)]	$4.97	August 5, 2015	201,000[(6)]	26,582	238,972[(7)]	113,643[(7)]
	38,800[(2)]	$11.64	February 3, 2016	Nil[(6)]			
	32,400[(3)]	$12.73	January 10, 2017	Nil[(6)]			
	65,200[(4)]	$10.65	January 21, 2018	Nil[(6)]			
	18,293[(4)]	$12.07	August 13, 2018	Nil[(6)]			
	49,800[(5)]	$10.74	February 7, 2019	Nil[(6)]			
A. J. (Joseph) Peskunowicz	16,667[(1)]	$4.97	August 5, 2015	67,001[(6)]	26,582	238,972[(7)]	113,643[(7)]
	38,800[(2)]	$11.64	February 3, 2016	Nil[(6)]			
	32,400[(3)]	$12.73	January 10, 2017	Nil[(6)]			
	65,200[(4)]	$10.65	January 21, 2018	Nil[(6)]			
	18,293[(4)]	$12.07	August 13, 2018	Nil[(6)]			
	49,800[(5)]	$10.74	February 7, 2019	Nil[(6)]			

Name	Option-Based Awards: Number of Common Shares underlying unexercised Options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money Options ($)	Share-Based Awards: Number of units or Common Shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)
Todd Thue	25,000[(1)]	$4.97	August 5, 2015	100,500 [(6)]	26,582	238,972[(7)]	113,643[(7)]
	38,800[(2)]	$11.64	February 3, 2016	Nil[(6)]			
	32,400[(3)]	$12.73	January 10, 2017	Nil[(6)]			
	65,200[(4)]	$10.65	January 21, 2018	Nil[(6)]			
	18,293[(4)]	$12.07	August 13, 2018	Nil[(6)]			
	49,800[(5)]	$10.74	February 7, 2019	Nil[(6)]			
Dave Westlund	45,000[(5)]	$10.74	February 7, 2019	Nil[(6)]	16,000	143,840[(7)]	Nil[(7)]
	25,000[(5)]	$11.71	October 14, 2019				

Notes:
(1) Represents Options granted to the Named Executive Officers in 2010 pursuant to the Option Plan.
(2) Represents Options granted to the Named Executive Officers in 2011 pursuant to the Option Plan.
(3) Represents Options granted to the Named Executive Officers in 2012 pursuant to the Option Plan.
(4) Represents Options granted to the Named Executive Officers in 2013 pursuant to the Option Plan.
(5) Represents Options granted to the Named Executive Officers in 2014 pursuant to the Option Plan.
(6) The estimated market or payout value is determined by multiplying the number of Options by the difference between the $8.99 closing price of the Common Shares on the TSX on December 31, 2014 and the respective exercise price of the Options.
(7) The estimated market or payout value is determined by multiplying the number of Incentive Based Units by the $8.99 closing price of the Common Shares on the TSX on December 31, 2014.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of the awards that vested for each Named Executive Officer in 2014, as well as the non-equity incentive plan compensation earned during the year.

Name	Option-based awards - Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)[(1)]
Bradley P. D. Fedora	90,776	217,026	514,000
Barry O'Brien	51,564	124,206	308,000
A. J. (Joseph) Peskunowicz	51,564	124,206	308,000
Todd Thue	51,564	124,206	308,000
Dave Westlund	Nil	Nil	260,000

Note:
(1) Non-equity incentive plan compensation for 2014 was paid in January 2015.

Non-Equity Incentive Plan Awards

Annual Bonus

Structure of Bonus

The Corporation has a discretionary bonus plan (the "**Bonus Plan**") that is designed to recognize and reward individuals for their achievement of annual performance relative to company-wide financial and operational criteria, as well as their individual performance. The Bonus Plan consists of compensation based on the attainment of performance targets in respect of selected financial and operational performance criteria for the relevant financial year along with an assessment and recognition of strong individual performance for each of the participants in the

Bonus Plan. Performance targets in respect of any selected performance criteria are approved by the Corporate Governance and Compensation Committee and may have regard to such matters as the Corporate Governance and Compensation Committee considers appropriate including the prior year's performance as reflected in the audited financial statements of the Corporation. The Corporate Governance and Compensation Committee also considers market and economic conditions, extraordinary internal and market-related occurrences and other extenuating circumstances when determining bonus awards in any particular year.

Each year the Corporate Governance and Compensation Committee establishes: (i) the maximum percentage of the annual salary of each participant subject to a bonus award; (ii) the performance targets that would yield target bonus award payment; (iii) the minimum performance targets that must be attained prior to any bonus award being made; (iv) the performance targets that would yield full payment of the bonus award being made; (v) the amount of the bonus award if the level of achievement in relation to the performance targets is between the minimum and maximum performance targets; and (vi) the allocation of the bonus award for a participant that is derived from each of the financial and operational performance criteria and the individual performance assessment.

Particulars related to 2014 Bonus

The selected financial and operational performance criteria for purposes of the financial year 2014 bonus award for the Named Executive Officers was: (i) year over year revenue growth; (ii) EBITDA as a percentage of revenue; (iii) return on invested capital; and (iv) certain safety and productivity measures. EBITDA is a non-GAAP measure as set forth and defined in the Corporation's MD&A for the year ended December 31, 2014. The individual performance assessment for all Named Executive Officers other than the Chief Executive Officer, for purposes of the fiscal year 2014 bonus award, was approved by the Corporate Governance and Compensation Committee on recommendation of the Chief Executive Officer. The Corporate Governance and Compensation Committee approved the portion of the bonus award of the Chief Executive Officer that is based on individual performance.

The table below shows the bonus awards for 2014 for each Named Executive Officer:

NEO	2014 Salary Earned	2014 Bonus Award	2014 Bonus Award as a % of
Bradley P.D. Fedora President and Chief Executive Officer	400,000	514,000	129%
Barry O'Brien Vice President, Finance and Chief Financial Officer	300,000	308,000	103%
A.J. (Joseph) Peskunowicz Executive Vice President, Corporate	300,000	308,000	103%
Todd Thue Chief Operating Officer	300,000	308,000	103%
Dave Westlund Director, Sales	275,000	260,000	95%

The likelihood of the Named Executive Officers achieving each of the performance criteria approved by the Corporate Governance and Compensation Committee for purposes of receiving a bonus award in any given year is dependent on the Corporation's financial and operating performance, the price of oil and natural gas, general market conditions and certain other factors that affect the overall financial and operating performance of the Corporation.

Pension Plan Benefits

The Corporation does not have any retirement plans in place for executives.

Termination and Change of Control Benefits

General

On September 28, 2011, the Corporation entered into an employment agreement with Bradley P.D. Fedora for an indefinite term (the "**Fedora Employment Agreement**"). In the event of the termination of Mr. Fedora's employment, certain payments may be required to be made to Mr. Fedora pursuant to the Fedora Employment Agreement, and the Option Plan. Additionally, the Corporation has entered into executive employment agreements (the "**Executive Employment Agreements**") with each of the Barry O'Brien, A.J. (Joe) Peskunowicz, Todd Thue and Dave Westlund (collectively, the "**Employed Officers**"), as well as its other senior managers. The Executive Employment Agreements have an indefinite term and provide for salary, short-term and long-term incentives and benefits to be paid to the Employed Officers. In connection with the termination of an Employed Officer's employment, certain payments may be required to be made to such a terminated Employed Officer pursuant to their respective Executive Employment Agreements and the Option Plan.

For the purposes of the Fedora Employment Agreement the definition of "change of control" means: (i) the acquisition by a person of 50% or more of the Corporation's issued and outstanding voting securities; and (ii) the amalgamation or merger of or involving the Corporation with or into any one or more other corporations or business vehicles, provided that the former holders of voting securities of the Corporation receive, in the aggregate, less than 50% of the voting securities of the amalgamated or merged entity; or (iii) the sale of all or substantially all of the assets of the Corporation.

Fedora Employment Agreement

Termination for Just Cause and Voluntary Resignation

Under the terms of the Fedora Employment Agreement, in the event of termination for just cause or the voluntary resignation of Mr. Fedora, Mr. Fedora is not entitled to any further compensation from the date of termination, except for the payment of accrued salary and vacation pay, out-of-pocket expenses incurred prior to the date of termination and any unpaid bonuses for prior financial years as at the date of termination.

Termination Without Just Cause, Termination Following a Change of Control or Constructive Dismissal

The Fedora Employment Agreement provides that if Mr. Fedora is terminated without just cause, he will be entitled to receive a lump sum payment equal to (i) 24 months' salary, (ii) any amounts owing for accrued vacation pay, (iii) any out-of-pocket expenses owing prior to the date of termination, (iv) any unpaid bonuses for prior financial years, (v) two times the average cash bonus granted in the two years preceding termination of employment and (vi) 30% of salary in lieu of benefits (the "**Termination Payment**"). In the event of a change of control of the Corporation, Mr. Fedora has the right, for a period of 30 days following the change of control, to elect to terminate the Fedora Employment Agreement and receive the Termination Payment. In the event that an arbitrator determines that actions undertaken by the Corporation have the effect of constructively dismissing Mr. Fedora, Mr. Fedora is entitled to the Termination Payment and to be reimbursed for his reasonable legal expenses incurred in connection with such arbitration (on an indemnity basis), and the Corporation shall be required to satisfy any award for punitive, aggravated or exemplary damages that may be made by the arbitrator.

Non-Competition and Non-Solicitation

The Fedora Employment Agreement provides that, for a period of one year following termination of his employment pursuant to the foregoing, he will not: (i) solicit for hire, hire or take away any other employees of the Corporation who were employed by the Corporation during the 12 months preceding Mr. Fedora's termination, unless that employee has not been employed by the Corporation or an affiliate of the Corporation for a period of at least four months or was previously terminated by the Corporation or an affiliate of the Corporation; or (ii) solicit or accept business for oilfield services similar to the services being provided by the Corporation at the date of Mr. Fedora's termination from any customers of the Corporation or from an affiliate of the Corporation that was a customer or the

Corporation or an affiliate of the Corporation during the 12 months preceding the termination of Mr. Fedora's employment.

Executive Employment Agreements

Termination for Just Cause and Voluntary Resignation

Under the terms of the Executive Employment Agreements, in the event of a termination for just cause or the voluntary resignation of an Employed Officer, the executive is not entitled to any further compensation from the date of termination; provided that the Corporation has paid the Employed Officer the salary, benefits and accrued vacation pay to the date of termination.

Termination Without Just Cause or Constructive Dismissal

Each Executive Employment Agreement provides for compensation upon termination without just cause or constructive dismissal. In the case of Messrs. O'Brien, Peskunowicz and Thue, each individual will be entitled to receive a lump sum payment equal to (i) 18 months' salary, (ii) any amounts owing for accrued vacation pay, (iii) any out of pocket expenses owing prior to the date of termination, (iv) any unpaid bonuses for prior financial years, (v) 1.5 times the average cash bonus granted in the two years preceding termination of employment and (vi) 22.5% of salary in lieu of benefits. Mr. Westlund’s employment agreement provides for compensation upon termination without just cause or constructive dismissal equal to (i) 12 months' salary, (ii) any amounts owning for accrued vacation pay, (iii) any out of pocket expenses owing prior to the date of termination, (iv) any unpaid bonuses for prior financials years, (v) 1 times the average cash bonuses granted in the two years preceding termination of employment and (vi) 15% of salary in lieu of benefits.

Option Plan

Under the Option Plan, a Named Executive Officer has 30 days from the earlier of (i) the date the Named Executive Officer is provided with notice of termination of their employment and (ii) the date the Named Executive Officer last carries on their regular employment duties following termination of their employment, to exercise any outstanding Options. In the event of termination of employment due to the death or permanent disability of a Named Executive Officer, any unvested Options held by such individual shall immediately vest and may be exercised by the Named Executive Officer or the legal personal representative(s) of the Named Executive Officer's estate at any time for a period of one year from the date of death or permanent disability.

Stock Based Compensation Plan

Under the Stock Based Compensation Plan, if the employment or appointment of an Incentive Based Unit holder by the Corporation or any one of its subsidiaries, as applicable, is terminated, then the Incentive Based Units of such holder terminate, subject to express Board resolution to the contrary, and may not be exercised or redeemed after: (i) the earlier of the scheduled expiry date and the date which is 30 days after the date of termination, in cases of termination by reason of retirement, death or permanent disability; (ii) the date which is 30 days after the date of termination of active employment, if vested at the time of termination, in cases of termination for cause; and (iii) the earlier of the scheduled expiry date and the date which is 30 days after the date of termination of active employment or the date notice of termination or resignation was given, whichever is earlier, in cases of termination for any reason (including voluntary resignation) other than death, retirement, permanent disability or termination for cause.

Additionally, if a take-over bid, exempt take-over bid, issuer bid or exempt issuer bid is made in respect of the Common Shares or any class of securities convertible or exchangeable into Common Shares or any transaction is commenced which will constitute, in the Board's sole discretion, a change of control of the Corporation for the purpose of the Stock Based Compensation Plan, each of the respective vesting dates of the Incentive Based Units granted pursuant to the Stock Based Compensation Plan are deemed to be amended to be the date upon which the "offer to acquire" is made or the date the Board deems to be the date the "offer to acquire" was made for the purposes of the Stock Based Compensation Plan.

Estimated Payments Upon Certain Events

The following tables set forth the estimated incremental payments that would have been required to have been made to the Named Executive Officers had a Named Executive Officer been terminated without just cause, in the case of constructive dismissal of the Named Executive Officer, or terminated following a change of control, in each case on December 31, 2014.

Name	Salary ($)	Total ($)
Bradley P.D. Fedora	1,190,500[(1)]	1,310,500
Barry O'Brien	684,000[(2)]	751,500
A.J. (Joseph) Peskunowicz	684,000[(2)]	751,500
Todd Thue	684,000[(2)]	751,500
Dave Westlund	535,000[(2)]	576,250

Notes:

(1) Represents the estimated incremental payout value pursuant to the Termination Payment (see "*Termination and Change of Control Benefits - Fedora Employment Agreement*" above) as a result of Mr. Fedora's employment being terminated without just cause, Mr. Fedora's constructive dismissal by the Corporation or following Mr. Fedora's election to terminate his employment following a change of control pursuant to the Fedora Employment Agreement.

(2) Represents the estimated incremental payout value pursuant to the Executive Employment Agreements as a result of the Named Executive Officer's termination without just cause or constructive dismissal.

(3) No payments would be required to be made to any Named Executive Officers had any been terminated by reason of permanent disability on December 31, 2014.

DIRECTORS' COMPENSATION

Overview

The Board, through the Corporate Governance and Compensation Committee, is responsible for developing and implementing the directors' compensation plan. The main objectives of the directors' compensation plan are to:

- attract and retain services of the most qualified individuals;
- compensate the directors in a manner that is commensurate with the risks and responsibilities assumed in Board and Board committee membership, and competitive with other comparable public issuers; and
- align the interests of the directors with the Shareholders.

Unlike compensation for the Named Executive Officers, the directors' compensation plan is not designed to pay for performance; rather, directors receive retainers for their services in order to help ensure unbiased decision–making.

Fees

During 2014, each director of the Corporation (who is not an officer or employee of the Corporation) received (i) a quarterly retainer of $6,250, (ii) a fee of $1,250 for each Board or committee meeting attended, (iii) a one time (annual) grant of $75,000 paid in Incentive Based Units, and (iv) a reimbursement for his out-of-pocket expenses for attending Board and committee meetings. The Chair of the Board and the Audit Committee are paid an additional $30,000 and $15,000 per year, respectively. The Chair of the Corporate Governance and Compensation Committee and the Health, Safety and Environment Committee are paid an additional $5,000 per year.

Bradley P.D. Fedora, President and Chief Executive Officer of the Corporation, did not receive any compensation in his capacity as director of the Corporation for the 2014 fiscal year. For a description of Mr. Fedora's compensation, see "*Executive Compensation*" above.

Summary Compensation Table

The following table summarizes the compensation paid, payable, awarded or granted for 2014 to each of the independent directors of the Corporation. See "*Corporate Governance Practices*" below.

Name	Fees earned ($)[1]	Share-based awards ($)[2]	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Stan G.P. Grad	31,250	81,793	Nil	Nil	Nil	Nil	113,043
Raymond P. Antony	86,250	81,793	Nil	Nil	Nil	Nil	168,043
Neil M. MacKenzie	42,500	81,793	Nil	Nil	Nil	Nil	124,293
M. Scott Ratushny	37,500	81,793	Nil	Nil	Nil	Nil	119,293
Miles Lich	46,250	81,793	Nil	Nil	Nil	Nil	128,043
Ken Mullen	18,750	81,793	Nil	Nil	Nil	Nil	100,543

Notes:

(1) Represents all fees awarded, earned, paid, or payable in cash for services as a director.

(2) Represents the fair value on March 12, 2014, the date of grant of 37,500 Incentive Based Units awarded under the Stock Based Compensation Plan for 2014 to each of Messrs, Antony, Grad, Lich, MacKenzie, and Ratushny (7,500 each), respectively, which will vest as to 1/3 on each of the first, second and third anniversaries of the date of the respective grants and the fair value on March 17, 2014, the date of grant of 7,500 Incentive Based Units awarded to Mr. Mullen, which will vest as to 1/3 each of the first, second and third anniversaries of the date of the grant. See "*Executive Compensation – Incentive Plan Awards – Stock Based Compensation Plan*" above for a description of the Stock Based Compensation Plan. The grant date fair value has been calculated using an option pricing model as set out in IFRS 2 of the CPA Canada Handbook - Accounting. The Corporation has adopted the Black-Scholes model in order to measure the fair value of the equity instruments on the date of the grant. IFRS 2 of the CPA Canada Handbook - Accounting specifies the use of the Black-Scholes model or a binomial model. The key assumptions and estimates used for the calculation of the March 12, 2014 fair value under this model include a risk-free interest rate of 1.06% to 1.23%, an expected life of five years for the Incentive Based Units, volatility of 24.20% to 39.70% and dividend yield of 4.38%. The key assumptions and estimates used for the calculation of the March 17, 2014 fair value under this model include the risk-free interest rate of 1.06% to 1.23%, an expected life of five years for the Incentive Based Units, volatility of 24.20% to 39.70% and dividend yield of 4.38%. The grant date fair value presented in the above table does not differ from the fair value determined in accordance with IFRS 2 of the CPA Canada Handbook - Accounting.

(3) In January, 2015 each Director was granted 13,850 Incentive Based Units for total consideration of $75,000. The key assumptions and estimates used for the calculation of the January 21, 2014 fair value under this model include a risk-free interest rate of 0.46%, an expected life of five years for the Incentive Based Units, volatility of 38.13% and dividend yield of 8.51%.

Incentive Plan Awards

Option Plan and Stock Based Compensation Plan

Options and Incentive Based Units may be granted to directors of the Corporation under the Option Plan and Stock Based Compensation Plan, respectively. See "*Executive Compensation – Incentive Plan Awards*" above for a detailed description of the Option Plan and the Stock Based Compensation Plan. The purpose of granting such awards is to assist the Corporation in compensating, attracting, retaining and motivating directors and to align the interests of such persons with those of the Shareholders.

Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth all awards outstanding as at December 31, 2014 for the directors of the Corporation.

	Option-Based Awards				Share-Based Awards		
Name	**Number of Common Shares underlying unexercised Options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money Options ($)**	**Number of units of Common Shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Stan G.P. Grad	Nil	N/A	N/A	N/A	15,000	134,850[(1)]	67,425[(2)]
Raymond P. Antony	Nil	N/A	N/A	N/A	15,000	134,850[(1)]	179,800[(2)]
Neil M. MacKenzie	Nil	N/A	N/A	N/A	15,000	134,850[(1)]	67,425[(2)]
M. Scott Ratushny	Nil	N/A	N/A	N/A	15,000	134,850[(1)]	22,475[(2)]
Miles Lich	Nil	N/A	N/A	N/A	12,500	112,375[(1)]	22,475[(2)]
Ken Mullen	Nil	N/A	N/A	N/A	7,500	67,425[(1)]	Nil[(2)]

Notes:
(1) Represents the Incentive Based Units awarded to respective directors which have not yet vested. The estimated market or payout value is determined by multiplying the number of Incentive Based Units that are not vested by the $8.99 closing price of the Common Shares on the TSX on December 31, 2014.
(2) Represents the Incentive Based Units awarded to respective directors which have vested. The estimated market or payout value is determined by multiplying the number of vested Incentive Based Units by the $8.99 closing price of the Common Shares on the TSX on December 31, 2014.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of the awards that vested for or were earned by each director of the Corporation for the year ended December 31, 2014.

Name	**Option-based awards- Value vested during the year ($)**	**Share-based awards – Value vested during the year ($)**	**Non-equity incentive plan compensation – Value earned during the year ($)**
Stan G.P. Grad	N/A	84,925[(1)]	N/A
Raymond P. Antony	N/A	84,925[(1)]	N/A
Neil M. MacKenzie	N/A	84,925[(1)]	N/A
M. Scott Ratushny	N/A	84,925[(1)]	N/A
Miles Lich	N/A	84,925[(1)]	N/A
Ken Mullen	N/A	Nil[(1)]	N/A

Note:
(1) The value of the share-based awards which vested during the 2014 financial year is comprised of the Incentive Based Units for each director which vested during 2014, the value of which was determined by multiplying the number of Incentive Based Units which vested by the closing price of the Common Shares on the TSX on the applicable vesting date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information as at the financial year ended December 31, 2014:

Plan Category	Number of Common Shares to be issued upon exercise of outstanding Options and Rights	Weighted average exercise price of outstanding Options and Rights	Number of Securities remaining available for future issuance under equity compensation plans (excluding outstanding securities reflected in Column 1)
Equity compensation plans approved by securityholders	4,167,657[(1)]	$9.69	2,693,476
Total	4,167,657		

Note:

(1) Represents outstanding Options and Incentive Based Units granted pursuant to the Option Plan and Stock Based Compensation Plan, respectively, as at December 31, 2014. For descriptions of the Option Plan and Stock Based Compensation Plan, see "*Executive Compensation – Incentive Plan Awards – Option Plan*" and "*Executive Compensation – Incentive Plan Awards – Stock Based Compensation Plan*", respectively.

MANAGEMENT CONTRACTS

During the most recently completed financial year, no management functions of the Corporation were to any substantial degree performed by a person or corporation other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Corporation or its subsidiaries nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation or its subsidiaries nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person or proposed director of the Corporation and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which in either such case 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

Except as set out herein, no person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, no proposed nominee of management of the Corporation for election as a director of the Corporation and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting.

CORPORATE GOVERNANCE PRACTICES

The Board is responsible for all corporate governance matters relating to the Corporation. Corporate governance relates to the activities of the Board, the members of which are indirectly elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the

Board and who are charged with the day to day management of the Corporation. The Board is committed to sound corporate governance practices, which are in the interest of its Shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), the Corporation is required to disclose its corporate governance practices, as summarized below.

1. Board of Directors

NI 58-101 suggests that the board of directors of a public corporation should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who has no direct or indirect material relationship with the corporation. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director's independent judgement.

The Board is currently comprised of seven members. Currently, Stan G.P. Grad, Raymond P. Antony, Neil M. MacKenzie, Ken Mullen, Miles Lich and M. Scott Ratushny are all considered independent directors of the Corporation. Bradley P.D. Fedora is not considered to be an independent director, as Mr. Fedora is the President and Chief Executive Officer of the Corporation. Ric Peterson was a director from January 1, 2014 until March 17, 2014. Therefore, six of the current seven Board members (86%) are considered independent directors. The Board is responsible for determining whether a director is an independent director.

The Board facilitates its exercise of independent judgment in carrying out its responsibilities through frequent meetings of the Board. The Board does not have separate meetings at which non-independent and non-management directors are not in attendance. However, given that a majority of the directors are considered independent, the Board does not feel that the lack of such meetings inhibits open and candid discussions among directors. In addition, each director has free access to the Corporation's external auditors and legal counsel and to any of the Corporation's officers.

The following directors, and nominees for director, of the Corporation are also directors of other reporting issuers:

Director	Other Reporting Issuers
Brad Fedora	Marsa Energy Inc.
Stan G.P. Grad	Enseco Energy Services Corp.
Raymond P. Antony	Sabre Graphite Corp. Blackhawk Resource Corp. Marsa Energy Inc.
Neil MacKenzie	Yangarra Resources Ltd.
M. Scott Ratushny	Enseco Energy Services Corp. Cardinal Energy Ltd.

The current Chairman of the Board, Raymond P. Antony, is an independent director. As Chairman of the Board, his responsibilities include ensuring that the Board functions effectively and independently of management and that the Board meets its obligations and responsibilities.

Since the beginning of the Corporation's most recently completed financial year ended December 31, 2014 until April 6, 2015, the Board held seven meetings, on February 6, March 12, May 6, June 18, July 31 and November 6, 2014 and March 5, 2015. The following is a record of attendance for each director at such Board meetings:

Director	Number of Board Meetings Attended / Total Number of Board Meetings Held
Bradley P.D. Fedora	7/7
Stan G.P. Grad	6/7
Raymond P. Antony	7/7
Neil M. MacKenzie	7/7
M. Scott Ratushny	7/7
Miles Lich	7/7
Ken Mullen	5/5
Richard E. Peterson	1/2

2. Board Mandate

The Board has a written mandate. The Board must act in the best interests of the Corporation and the Shareholders. To discharge this obligation, the Board Mandate provides that the Board shall assume responsibility for the following:

Strategic Plan

The Board meets annually, typically near the end of the year, and may also have special meetings as required, to review the Corporation's overall business strategies and its annual business plan, as well as major strategic initiatives, to allow for the Board to evaluate whether the Corporation's proposed actions generally accord with Corporation objectives.

Identification of Principal Risks

The Board, directly and through the Audit Committee as well as the other committees of the Board, reviews the principal risks of the Corporation's business and the appropriateness of the systems management puts in place to manage these risks.

Communication Policy

The Disclosure and Confidentiality Policy established by the Board summarizes practices regarding disclosure of material information to investors, analysts and the media. The Board, in consultation with the Corporate Governance and Compensation Committee, monitors and advises on compliance with its mandate.

Internal Control and Management Information Systems

The Board, acting through the Audit Committee, monitors the implementation of appropriate internal control systems. The Audit Committee reports, at least twice annually, to the Board and periodically includes in its reports updates on the status of the Corporation's internal control systems.

Shareholder Feedback

The Board has established a complaint procedure for concerns about any aspect of the Corporation's activities and operations. In addition, the Board monitors management in its ongoing development of appropriate investor relations programs and procedures to receive and respond to Shareholder feedback.

In order to meet their responsibilities, the Board has the following expectations for its members:

Commitment and Attendance

All directors should make every effort to attend all meetings of the Board and meetings of committees of which they are members. Members may attend by telephone to mitigate conflicts.

Participation in Meetings

Each director should be sufficiently familiar with the business of the Corporation, including its financial statements and capital structure and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Upon request, management makes appropriate personnel available to answer any questions a director may have about any aspect of the Corporation's business. Directors should also review the materials provided by management and Corporation advisors in advance of meetings of the Board and its committees and should arrive prepared to discuss the issues presented.

Ethical Business Conduct

Each director must comply with the fiduciary duties placed on each individual director by the Corporation's governing corporate legislation and the common law. Under corporate legislation, each director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, any director that serves as a director or officer of another company must comply with the conflict of interest provisions of the *Business Corporations Act* (Alberta), as well as the relevant securities regulatory instruments, in order to ensure that the director exercises independent judgement in considering transactions and agreements in respect of which such director has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

Directors should be familiar with the corporate legislation and the common law applicable to their fiduciary duties and business conduct and should consult with the Corporation's counsel in the event of any issues or concerns.

Other Directorships

The Corporation values the experience directors bring from other boards on which they serve, but recognizes that those boards may also present demands on a director's time and availability, and may also present conflicts or legal issues. Directors are to advise the Chair of the Corporate Governance and Compensation Committee before accepting any new membership on other boards of directors or any other significant commitment involving an affiliation with other related businesses or governmental units.

Contact with Management

All directors are invited to contact the Chief Executive Officer at any time to discuss any aspect of the Corporation's business. Directors also have complete access to other members of management. The Board expects that there will be frequent opportunities for directors to meet with the Chief Executive Officer and other members of management in Board and committee meetings and in other formal or informal settings.

Confidentiality

The proceedings and deliberations of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with his or her services.

Independent Director Sessions

To encourage free and open discussion and communication among the non-management directors of the Board, the independent directors may meet during or at the end of each Board meeting with no members of management present.

Evaluating Board Performance

The Board, acting through the Corporate Governance and Compensation Committee, and each of the committees of the Board conduct in each case a self-evaluation at least annually to assess their respective levels of effectiveness. In addition, the Corporate Governance and Compensation Committee assesses the Board, its committees and each individual director in respect of effectiveness and contribution.

3. Position Descriptions

The Board has not developed written position descriptions for the Chairman, Chief Executive Officer or the chair of each committee. Instead, the Board delineates the role and responsibilities of each such position by utilizing the knowledge and experience of the members of the Board, as a whole, and the Board is currently of the view that the respective corporate governance roles are clear and that the limits to the responsibility and authority of each such position are well understood.

There is a formal understanding as to what the roles and responsibilities of each committee chair position are, and both the Board and each committee delineates those roles and responsibilities as deemed necessary.

4. Orientation and Continuing Education

The Board does not have in place a formal policy to orient new directors; however, steps are taken to ensure that new members understand the role of the Board, its committees and its directors as well as the nature and operation of the Corporation's business. To that end, new members of the Board are provided with:

(a) information respecting the functioning of the Board, committees and copies of the Corporation's corporate governance policies;

(b) access to recent, publicly filed documents of the Corporation; and

(c) access to management.

Members of the Board are encouraged to (1) communicate with management, auditors and other third party consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance; and (2) attend related industry seminars. Members of the Board also have full access to the records of the Corporation. Meetings of the Board often include presentations by management and employees of the Corporation to give the members of the Board additional insight into the business of the Corporation.

5. Ethical Business Conduct

The Board has adopted a code of ethics applicable to all members of the Corporation, including directors, officers and employees. Each director, officer and employee of the Corporation has been provided with a copy of the code of ethics. Any reports of variance from the code of ethics are reported to the Board.

The Board has also adopted a "Whistleblower Policy" wherein employees, consultants and external stakeholders of the Corporation are provided with a mechanism by which they can raise concerns in a confidential, anonymous process.

Copies of such documents may be obtained on request and without charge from Barry O'Brien at 2900, 255 - 5th Avenue S.W., Calgary, Alberta T2P 3G6, phone (403) 290-2478, facsimile (403) 355-2211.

6. Compensation

The Corporate Governance and Compensation Committee is composed solely of independent directors. The current members of the Corporate Governance and Compensation Committee are Ken Mullen, Raymond P. Antony and Miles Lich. Each of whom the Board believes has the necessary knowledge and experience to effectively perform his responsibilities. Each member of the Corporate Governance and Compensation Committee has direct experience with private and public companies as Board members, members of Compensation Committees or as members of Executive Management.

The responsibilities with respect to compensation of the Corporate Governance and Compensation Committee include:

(a) compensation policies and guidelines for supervisory and management personnel of the Corporation and its related entities;

(b) corporate benefits, bonuses and other incentives, including stock options;

(c) reviewing and approving corporate goals and objectives relevant to the Chief Executive Officer's compensation, evaluating the Chief Executive Officer's performance in light of those corporate goals and objectives and determining the Chief Executive Officer's compensation level based on this evaluation;

(d) other officer and director compensation, incentive compensation plans and equity based plans;

(e) the review of executive compensation disclosure before the Corporation publicly discloses such information;

(f) succession plans for the officers and for key employees of the Corporation; and

(g) any material changes or trends in human resources policy, procedure, compensation and benefits. annually to ensure the Corporation's legal and ethical obligations to its employees are fulfilled.

The Corporate Governance and Compensation Committee determines compensation levels by reviewing compensation paid for directors and officers of companies of similar size and stage of development.

The Corporate Governance and Compensation Committee reports to the Board and has unrestricted access to the Corporation's personnel and documents and is provided with the resources necessary, including, as required, the engagement and compensation of outside advisors, to carry out its responsibilities.

7. Other Board Committees

The Corporation has no other standing committees at this time other than the Audit Committee, the Corporate Governance and Compensation Committee and the Health, Safety and Environment Committee. The Board has adopted mandates for each committee. The Board has determined that additional committees are not necessary at this stage of the Corporation's development.

The primary function of the Corporate Governance and Compensation Committee is as described herein. The primary function of the Audit Committee is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting, and the Corporation's auditing, accounting and financial reporting processes. Consistent with this function, the Audit Committee encourages continuous improvement of, and fosters adherence to, the Corporation's policies, procedures and practices at all levels.

The primary function of the Health, Safety and Environment Committee is to assist the Board in fulfilling its oversight in respect of the development, implementation and monitoring of the Corporation's health, safety and environmental policies.

8. Assessments

As part of its mandate, the Board is responsible for reviewing annually the composition of the Board and its committees and assessing the performance of the Directors on an ongoing basis. Assessment questionnaires are provided to the individual Directors annually to assess both Board and individual Director effectiveness. The reports of the assessment questionnaires are summarized and provided to the Chairman of the Board for review with each Director.

9. Director Nominations

The Board has not appointed a nominating committee but has delegated such nomination duties to the Corporate Governance and Compensation Committee and the Chairman of the Board. There is no formal procedure for the nomination of members to the Board; however, the Corporate Governance and Compensation Committee regularly assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors.

10. Director Term Limits and Other Mechanisms of Board Renewal

The Board does not believe that fixed term limits 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 Corporate Governance and Compensation 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 Corporate Governance and Compensation 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 Corporate Governance and Compensation 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 Corporate Governance and Compensation 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 a written policy relating to the identification and nomination of female directors nor does it have targets regarding the number of women on the Board. The Board believes that director nominations should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the Board at the time. The Corporation is committed to a meritocracy and believes that considering the broadest group of individuals with the skills, knowledge, experience and character required to provide the leadership needed to achieve its business objectives is in the best interests of the Corporation and its stakeholders, without reference to their age, gender, race, ethnicity or religion. While the Board recognizes the benefits of diversity at the Board level and in assessing candidates and selecting nominees for the Board, diversity will also be considered by the Corporate Governance and Compensation Committee, the Board will not compromise the principles of a meritocracy.

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 specifically considered in identifying and nominating candidates for election to the Board. See item 11.

13. Consideration given to the Representation of Women in Executive Officer Appoinments

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. See item 14.

14. Corporation’s Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

The Board does not specifically consider the level of female representation in executive officer positions when making such appointments nor does it have targets in respect of appointing women to these positions. Similar to the Board's approach in considering director nominations, in making appointments to executive officer positions, the

Board considers each candidate's experience, knowledge, education, management capabilities and competency, as well as the effect of the appointment on the diversity of the Corporation's executive officers as a whole.

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

There are presently no women serving on the Board or in executive officer positions.

AUDIT COMMITTEE INFORMATION

Certain other information regarding the Corporation's Audit Committee that is required to be disclosed in accordance with National Instrument 52-110 - *Audit Committees* is contained in the Corporation's annual information form for the year ended December 31, 2014, which is available on the Corporation's website at www.canyontech.ca or under the Corporation's profile at www.sedar.com.

ADDITIONAL INFORMATION

The Corporation regularly files quarterly and annual financial statements, as well as material change reports, MD&A and other important information with the securities commissions or similar authorities in each of the provinces of Canada. Financial information of the Corporation is contained in the Annual Financial Statements and MD&A. Copies of such documents are available on the Corporation's website www.canyontech.ca, under the Corporation's profile at www.sedar.com or may be obtained on request and without charge from Barry O'Brien at 2900, 255 - 5th Avenue S.W., Calgary, Alberta T2P 3G6, phone (403) 290-2478, facsimile (403) 355-2211.