

# ACADIA RESOURCES CORPORATION

## INFORMATION CIRCULAR

### FOR THE SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JULY 11, 2013

This information is given as of May 24, 2013 unless otherwise noted.

### SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of **Acadia Resources Corporation** (the “Company”) for use at the Special Meeting (the “Meeting”) of the shareholders of the Company, to be held on Thursday, July 11, 2013 at the time and location and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

### PERSONS OR COMPANIES MAKING THE SOLICITATION

**The enclosed form of Proxy is solicited by Management.** Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders’ nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute the Proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. None of the directors of the Company have advised that they intend to oppose any action intended to be taken by Management as set forth in this Information Circular.

### APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying form of Proxy are directors or officers of the Company. **A shareholder has the right to appoint a person to attend and act for him on his behalf at the Meeting other than the persons named in the enclosed form of Proxy. To exercise this right, a shareholder shall strike out the names of the persons named in the Proxy and insert the name of his nominee in the blank space provided, or complete another Proxy. The completed Proxy should be deposited with the Company’s Registrar and Transfer Agent, Computershare Investor Services Inc., 2<sup>nd</sup> Floor, 510 Burrard Street, Vancouver, B.C. V6C 3B9 at least 48 hours before the time of the Meeting or any adjournment thereof, excluding Saturdays and holidays.**

The Proxy must be dated and be signed by the shareholder or by his attorney in writing, or if the shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

**In addition to revocation in any other manner permitted by law, a shareholder may revoke a Proxy either by (a) signing a Proxy bearing a later date and depositing it at the place and within the time aforesaid, or (b) signing and dating a written notice of revocation (in the same manner as the Proxy is required to be executed as set out in the notes to the Proxy) and either depositing it at the place and within the time aforesaid or with the Chairman of the Meeting on the day of the Meeting or on the day of any adjournment thereof, or (c) registering with the scrutineer at the Meeting as a shareholder present in person, whereupon such Proxy shall be deemed to have been revoked.**

## NON-REGISTERED HOLDERS OF COMPANY'S SHARES

**Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders because the common shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the common shares.** More particularly, a person is not a Registered Shareholder in respect of common shares which are held on behalf of that person (the “Non-Registered Holder”) but which are registered either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the common shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency of which the Intermediary is a participant. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration for the Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms).

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “NOBO’s”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “OBO’s”.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has elected to send the Notice of Meeting, this Information Circular and the Proxy (collectively, the “Meeting Materials”) directly to the NOBO’s, and indirectly through Intermediaries to the OBO’s. The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them.

Meeting Materials sent to Non-Registered Holders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a “VIF”). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it a Non-Registered Holder is able to instruct the Registered Shareholder how to vote on behalf of the Non-Registered Shareholder. VIF’s, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the common shares which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Holder or his/her nominee the right to attend and vote at the Meeting. **Non-Registered Holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.**

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

## VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

On any poll, the persons named in the enclosed form of Proxy will vote the shares in respect of which they are appointed and, where directions are given by the shareholder in respect of voting for or against any resolution will do so in accordance with such direction.

**In the absence of any direction in the Proxy, it is intended that such shares will be voted in favour of the motions proposed to be made at the Meeting as stated under the headings in this Information Circular.**

The form of Proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to any matters, which may properly be brought before the Meeting. At the time of printing of this Information Circular, Management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters, which are not now known to the Management, should properly come before the Meeting, the Proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Other than as disclosed elsewhere in this Information Circular, none of the directors or senior officers of the Company, none of the persons who have been directors or senior officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, save and except for those matters pertaining to incentive stock options.

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Company is authorized to issue an unlimited number of common shares without par value. On May 24, 2013, the record date of the Meeting, 47,738,945 common shares were issued and outstanding, each share carrying the right to one vote. At the Meeting, on a show of hands, every shareholder present in person shall have one vote and, on a poll, every shareholder shall have one vote for each share of which he is the holder.

Only shareholders of record on the close of business on May 24, 2013, who either personally attend the Meeting or who complete and deliver a Proxy in the manner and subject to the provisions set out under the heading "Appointment and Revocation of Proxies" will be entitled to have his or her shares voted at the Meeting or any adjournment thereof.

To the knowledge of the directors and senior officers of the Company, the following parties beneficially own, directly or indirectly or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company:

<b>Name and Place of Residence of Shareholder</b>	<b>Number of Shares Held</b>	<b>Percentage of Shares Held</b>
CDS & Co. (NCI) <sup>1</sup>	24,600,426	51.53%

1. The beneficial owners are not known.

The above information was provided by management of the Company and the Company's registrar and transfer agent as of May 24, 2013.

### **VOTES NECESSARY TO PASS RESOLUTIONS**

Under the Company's Articles, the quorum for the transaction of business at a meeting of shareholders is one person who is present in person or by proxy. A majority of two-thirds of the votes of those shareholders who are present and vote either in person or by proxy at the meeting is required to pass a special resolution. At a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting.

## MATTERS TO BE ACTED UPON AT THE MEETING

### 1. Alteration of Issued Share Capital

The Company is authorized to issue an unlimited number of Class “A” common shares without par value (voting shares) (the “**Shares**”) and an unlimited number of Class “B” convertible preferred shares without par value (non-voting shares). There are no preferred shares issued and outstanding. There are currently 47,738,945 Shares issued and outstanding. The Company’s Shares are currently trading at a price of \$0.02 per Share on the TSX Venture Exchange (“TSXV”).

The Board of Directors and management of the Company believe that it is in the best interests of the Company to complete a consolidation (the “**Consolidation**”) of its issued and outstanding Shares on the basis of three pre-consolidation Shares for each post-consolidation Share currently issued and outstanding. While the Company may be able to raise additional funds at current share prices, it would be highly dilutive for current shareholders, and is not attractive to investors either. To move forward, the Company will need to raise additional equity capital, but it cannot do so with its existing share capital structure.

The Shareholders will be asked to consider and, if thought appropriate, to pass, with or without variation, a special resolution authorizing the Board, in its sole discretion, to consolidate the Shares on a basis of three (3) pre-consolidation Shares for each post-consolidation Share, (the “**Consolidation**”). The Consolidation must be approved by a special resolution in order to become effective. To pass, a special resolution requires the affirmative vote of not less than two-thirds of the votes cast by the holders of Shares present at the Meeting in person or by proxy. Shareholders are urged to vote in favour of this special resolution (the “**Consolidation Resolution**”) authorizing the Consolidation.

Approval of the Consolidation Resolution does not mean the directors will implement a 3:1 consolidation, but it allows the directors the flexibility to negotiate financings on the basis of a consolidation of up to that level. Further, the directors may determine not to implement the Consolidation Resolution at all if it deems it appropriate.

No fractional Shares will be issued upon the Consolidation, and if as a result of the Consolidation a shareholder becomes entitled to a fractional Share, such fraction will be rounded to the nearest whole number. Completion of the Consolidation is subject to the approval of the TSXV. If the Consolidation Resolution is approved and implemented, the Company will send letters of transmittal to Shareholders which will provide instructions to Shareholders on how to obtain new certificates representing the number of Shares to which such Shareholders are entitled as a result of the Consolidation.

The complete text of the special resolution which management intends to place before the Meeting authorizing the Consolidation is as follows:

“**BE IT HEREBY RESOLVED** as a special resolution of the Company that:

1. The Board of Directors are hereby authorized and approved, on behalf of the Company, to consolidate the issued and outstanding common shares in the capital of the Company on the basis of one new post-consolidated common share for up to three currently outstanding common shares; provided that if such consolidation would otherwise result in the issuance of a fractional share, no fractional share will be issued and such fraction will be rounded to the nearest whole number;
2. Notwithstanding that the above special resolution has been approved by the Shareholders of the Company, the directors of the Company are hereby authorized and empowered, in their sole discretion and without the requirement to obtain any further approval from the Shareholders of the Company, to

implement a consolidation of the Company's common shares on such actual lesser consolidation ratio as they may determine, or to not implement such consolidation at all.

3. Any director or officer of the Company is hereby authorized and directed, for and on behalf of and in the name of the Company, to do all such things and to execute, whether under the corporate seal of the Company or otherwise, and deliver all such documents and instruments as may be considered necessary or desirable to give effect to the foregoing."

**In order to be passed, the Consolidation Resolution must be approved by at least two-thirds of the votes cast in person or by proxy on the matter at the Meeting.**

**The directors of the Company recommend that the Shareholders vote in favour of the Consolidation Resolution. Unless such authority is withheld, the persons named in the accompanying Instrument of Proxy intend to vote "For" the Consolidation Resolution. The Consolidation is intended to be effected prior to the Continuance referred to below, however for greater flexibility, board of directors' approval and Shareholders' approval shall be deemed to apply mutatis mutandis if the Company is governed by the Companies (Jersey) Law 1991 (as amended) at the time the Shares are consolidated.**

## **2. Approval of the Continuance of the Company into Jersey, Channel Islands**

The Shareholders of the Company will be asked to consider and, if thought fit, pass a special resolution (the "**Continuance Resolution**") approving and authorizing the continuance of the Company from the Province of British Columbia ("**BC**") to Jersey, the Channel Islands (the "**Continuance**"). In addition, the Shareholders will be asked to approve a form of memorandum of association and articles of continuance of the Company which will comply with the provisions of the *Companies (Jersey) Law 1991* (as amended) (the "**CJL**"), and the change of the Company's name to "Horizon Petroleum plc" or such other name as may be approved.

### ***Procedure for the Continuance***

In order for the Continuance to become effective:

- a) The Shareholders of the Company must authorize by special resolution the filing of an application to continue (the "**Continuance Application**") by the Company with the Jersey Financial Services Commission (the "**Commission**"), requesting that the Company be continued as if it had been incorporated under the CJL;
- b) The Registrar of Companies (the "**BC Registrar**") appointed under the British Columbia *Business Corporations Act* ( the "**BCBCA**") must authorize the proposed continuance under the CJL, upon being satisfied that the Continuance will not adversely affect creditors or Shareholders of the Company;
- c) The Company must file an application to continue to another jurisdiction with the BC Registrar, who will then authorize the Continuance by stamping the effective date on the application;
- d) The continuation of the Company as a body corporate under the CJL will not be approved by the BC Registrar unless the CJL provide in effect that:
  - (i) the property of the Company continues to be the property of the continued corporation;
  - (ii) the continued corporation continues to be liable for the obligations of the Company;
  - (iii) an existing cause of action, claim or liability to prosecution is unaffected;

- (iv) a civil, criminal or administrative action or proceeding pending by or against the Company may be continued to be prosecuted by or against the continued corporation; and
  - (v) a conviction against, or ruling, order or judgment in favour of or against the Company may be enforced by or against the continued corporation.
- e) Subject to compliance with all the requirements of the CJL (including, but not limited to, the delivery of all required documents to, and approval of, the Commission to the Continuance) the registrar of companies under the CJL (the “**Jersey Registrar**”) shall issue to the Company a certificate of continuance (the “**Certificate of Continuance**”).
- f) Upon the issue of the Certificate of Continuance by the Jersey Registrar:
- (i) the Company shall become a company incorporated under the CJL; and
  - (ii) the instruments constituting or defining the constitution of the Company, being the new memorandum of association and articles of continuance to be adopted by the Company, shall become the Charter Documents (defined herein) of the Company.
- g) Upon the Continuance of the Company as a company incorporated in Jersey, Channel Islands under the CJL:
- (i) all property and rights to which the Company was entitled immediately before the Certificate of Continuance is issued become the property and rights of the Company as incorporated in Jersey, Channel Islands;
  - (ii) the Company will remain subject to all criminal and civil liabilities, and all contracts, debts and other obligations, to which it was subject immediately before the Certificate of Continuance was issued; and
  - (iii) all actions and other legal proceedings which, immediately before the issue of the Certificate of Continuance, were pending by or against the Company may be continued by or against the Company as a company incorporated in Jersey, Channel Islands.
- h) Under the CJL, a Certificate of Continuance, once issued to the Company, shall be conclusive evidence of the following matters:
- (i) that the Company is continued and deemed incorporated under the CJL;
  - (ii) that the requirements of the CJL have been complied with in respect of:
    - A. the continuance of the Company under the CJL;
    - B. all matters precedent to its continuance as such a company;
    - C. all matters incidental to its continuance as such a company; and
    - D. if the Certificate of Continuance states that it is a public company or a private company, that it is such a company.

### ***Effect of Continuance***

Assuming that the Continuance Resolution is approved by the Shareholders at the Meeting, it is expected that the Continuance Application will be filed with the Commission and the procedures outlined above will begin as soon as practicable thereafter, as determined by the Board of Directors of the Company in its sole discretion, in order to give effect to the Continuance.

On the effective date of the Continuance, holders of common shares of the Company will continue to hold the same number of common shares of the Company domiciled in Jersey, Channel Islands (subject only to the Consolidation). The existing share certificates representing common shares of the Company will not be cancelled. Holders of convertible securities of the Company on the effective date of the Continuance will continue to hold convertible securities to purchase, or otherwise acquire an identical number of common shares of the Company on substantially the same terms (subject only to the Consolidation).

The principal attributes of the classes and series of the shares of the Company will be identical to those as currently exist, other than differences in Shareholders' rights under the CJL compared with the BCBCA. Differences are outlined below under the heading "Comparison between BC and Jersey Corporate Law".

The Continuance, if approved, will effect a change in the legal domicile of the Company on the effective date thereof to the laws of Jersey, Channel Islands, but the Company will not change its business or operations after the effective date of the Continuance.

Immediately following the Continuance, the directors and officers of the Company will remain unchanged. As of the effective date of the Continuance, the election, duties, resignations and removal of the Company's directors and officers will be governed by the CJL and the Company will no longer be subject to the BCBCA.

Upon completion of the Continuation, the Continued Company's shares would remain listed on the TSX Venture Exchange.

By operation of law applicable under the laws of the Province of BC and the CJL, as of the effective date of the Continuance:

- (i) all property and rights to which the Company was entitled immediately before the Certificate of Continuance is issued become the property and rights of the Company as incorporated in Jersey, Channel Islands;
- (ii) the Company will continue to be liable for all of its claims, debts, liabilities and obligations that existed prior to the Continuance;
- (iii) the Company will remain subject to all criminal and civil liabilities, and all contracts, debts and other obligations, to which it was subject immediately before the Certificate of Continuance was issued; and
- (iv) all actions and other legal proceedings which, immediately before the issue of the Certificate of Continuance, were pending by or against the Company may be continued by or against the Company as a company incorporated in Jersey, Channel Islands.

### ***Reason for Continuance***

With the addition of new directors, the Company anticipates doing business in various countries of the world outside of North America. It will likely cease to carry on business in BC, and it will likely not own any assets or have its executive mind or management in BC. The Continuance, combined with a change of its tax residency from BC will provide the Company with a number of benefits, including:

- (i) improving the marketability of the common shares to international institutional investors, who are more familiar with Jersey's well-developed corporate law framework;
- (ii) reducing the time spent and travel expenses involved in holding face to face meetings of the Board of Directors in BC; and
- (iii) reducing the withholding tax applicable to intra-group dividends, thereby improving overall shareholder returns.

As such, the Board of Directors believes it is desirable for the Company to continue its corporate existence under the laws of Jersey, Channel Islands.

### ***Comparison between BC and Jersey Corporate Law***

The following is a summary of certain differences between the *Companies (Jersey) Law 1991* (as amended) (the “**CJL**”), the statute that will govern the corporate affairs of Company upon the continuance, and the *Business Corporations Act* (British Columbia) (the “**BCBCA**”).

#### *Charter Documents*

A company incorporated under the CJL has the charter documents which consist of a “memorandum of association” and “articles of association” or “articles of continuance” in the case of a company continuing into Jersey in the manner proposed herein (collectively, the “**Charter Documents**”). The memorandum sets forth the name of the company, whether it is a public company or a private company, whether it is a par value company, a no par value company or a guarantee company, the full name and the address of each subscriber who is a natural person and the corporate name and the address of the registered or principal office of each subscriber which is a body corporate. The articles of association or articles of continuance, as the case may be, regulate the corporate business and affairs and management of the company. The Charter Documents are filed with the Registrar of Companies in Jersey (the “**Jersey Registrar**”) and are publicly available. Any amendment to the Charter Documents needs to be approved by special resolution of the members of the Company. A special resolution is passed where not less than two-thirds of members present in person or by proxy at a duly convened meeting of the members of the relevant company who (being entitled to do so) vote in favour of it.

The doctrine of *ultra vires* does not apply to Jersey companies incorporated after March 30, 1992 or to those incorporated previously who pass a special resolution to such effect and accordingly the capacity of such a company is not limited by anything in its Charter Documents or by any act of its members.

Under the BCBCA, a company has a “Notice of Articles” and “Articles”, which requires the name of the company and the amount and type of authorized capital to be set out in a prescribed form approved by the BC Registrar of Companies (the “**Registrar**”). The BCBCA provides that a company is required to send to the Registrar, its Notice of Articles which provides notice to the public of some basic elements of the company (authorized capital, initial directors, registered and records office and the like) and where the Articles are maintained. The BCBCA provides that the records of the company shall be maintained at the registered office of the company, or at such other place in BC designated by the directors. The Continuance under the CJL will not result in any substantive changes to the constitution, powers or management of the Company, except as previously described.

#### *Amendments to the Charter Documents of the Company*

As noted above, a company incorporated under the CJL may amend its Charter Documents by special resolution. The CJL also requires a special resolution to be passed for other fundamental changes, such as changing the name of the company, changing the status of a company (e.g. public to private or vice versa), altering the share capital of a company, approving a continuation in another jurisdiction etc. The BCBCA has substantially the same requirements.

#### *Sale of Company’s Undertaking*

Under the BCBCA, should the directors seek to sell all or substantially all of the assets or undertaking of the company, a notice of a meeting of Shareholders must be sent to each Shareholder entitled to vote at the

meeting and must include a summary of the agreement of the sale, lease or exchange, and state that a dissenting shareholder is entitled to be paid the fair value of their shares, although failure to make this statement does not invalidate the sale, lease, or exchange.

The BCBCA provides that the approval of a sale, lease or exchange is effective when the Shareholders have approved such sale, lease or exchange by a special resolution of the holders of the shares of each class or series entitled to vote thereon. In addition, if a sale, lease or exchange by a company would affect a particular class or series of shares of the company in a manner different from the shares of another class or series of the company entitled to vote, the holders of such first mentioned class or series of shares, whether or not they are otherwise entitled to vote, are entitled to vote separately as a class or series in respect to such sale, lease or exchange.

The CJL does not require the approval of Shareholders in respect to a sale, lease, or exchange of all or substantially all of the property of a Jersey company although its Charter Documents can so provide. Note also the above reference to the abolition of ultra vires and also note that third parties contracting with a Jersey company are not deemed to have knowledge of any restrictions in its Charter Documents notwithstanding that such are publicly available from the Jersey Registrar.

#### *Rights of Dissent and Appraisal*

The BCBCA provides that Shareholders who dissent to certain actions being taken by a company may exercise a right of dissent and require the company to purchase the shares held by Shareholders at the fair value of such shares. The dissent right is applicable where the company proposes to:

- (a) amend its articles to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the company;
- (b) amend its articles to add, remove or change any restriction upon the business or businesses that the company may carry on or upon the powers that the company may exercise;
- (c) amalgamate with another company;
- (d) be continued under the laws of another jurisdiction; or
- (e) sell, lease or exchange all or substantially all its property.

The CJL does not provide a specific right of dissent to shareholders such as under the BCBCA (in terms of requiring a purchase of shares at fair value), however note that (i) a special resolution needs to be passed to change the articles, approve a merger of companies, approve the continuance of a company in another jurisdiction and to convert from a public to a private company (or vice versa); (ii) in the case of a takeover of a Jersey company the CJL contains mechanics giving the offeror the right to buy out minority Shareholders and a right for minority Shareholders to oblige an offeror to buy them out; and (iii) Shareholders may apply to court in various circumstances, including unfair prejudice as detailed below, objecting to a proposed merger, where directors are in breach of their general statutory duties under Article 74 of the CJL, seeking a just and equitable winding up of a company, and the like.

#### *Oppression Remedies*

Under the CJL, a member of a company (called a “Shareholder” under the BCBCA) may apply to the Court for an order on the grounds that the company’s affairs are being or have been conducted in a manner which is unfairly prejudicial to the interests of its members generally or of some part of its members (including at least the member) or that an actual or proposed act or omission of the company (including an act or omission on its behalf) is or would be so prejudicial. In addition in certain limited circumstances the Jersey Financial Services Commission (the “JFSC”) or the Minister of Economic Development of Jersey may also make such an

application. These provisions under the CJL also apply to a person who is not a member of a company but to whom shares in the company have been transferred or transmitted by operation of law.

The Court has the wide power to grant an order as it thinks fit for giving relief in respect of the matters complained of, which includes regulating the conduct of the company's affairs, requiring the company to refrain from doing or continuing an act, or providing for the purchase of the rights of any members of the company by other members or by the company itself. The provisions of the BCBCA are substantially similar.

Under the BCBCA, a shareholder, former Shareholder, director, former director, officer, former officer of a company or any of its affiliates, or any other person who, in the discretion of the Court, is a proper person to seek an oppression remedy, may apply to the Court for an order to rectify the matters complained of where, in respect of a company or any of its affiliates, any act or omission of the company or its affiliates effects a result, or the business or affairs of the company or its affiliates are, have been or are threatened to be carried on or conducted in a manner, or the powers of the directors of the company or any of its affiliates are, have been or are threatened to be exercised in a manner that is oppressive or unfairly prejudicial to, or that unfairly disregards the interest of any security holder, creditor, director or officer.

#### *Shareholder Derivative Actions*

Under the BCBCA, a Shareholder, former Shareholder, director, former director, officer, former officer of a company or any of its affiliates, or any other person who, in the discretion of the Court, is a proper person to seek leave to bring a derivative action ("**Complainant**"), may apply to the Court for an order to grant such leave if the directors of the company or its subsidiary do not bring, diligently prosecute or defend or discontinue the action, and it appears to be in the interests of the company or its subsidiary that the action be brought, prosecuted, defended or discontinued. The Complaint must give 14 days notice to the directors of the company or its subsidiary of their intention to apply to the Court for leave to pursue a derivative action and must be acting in good faith. However, a Complainant is not required to give 14 days notice of their intention to apply to the court if all the directors of the company or its subsidiary are defendants in the action.

The CJL does not itself provide shareholders the right to bring a derivative action. However, English corporate common law is generally followed in Jersey, which provides that a derivative action may be brought, if only within limited circumstances. However the right as stated above to bring an unfair prejudice action as interpreted by the courts has largely supplanted the derivative action in practice and the courts also have powers to order the winding up of a company where it is just and equitable to do so.

#### *Requisition of Meetings*

The CJL provides that one or more Shareholders of a company holding at least one-tenth of the total voting rights of the company may give notice to the directors requiring them to call and hold a meeting of shareholders. The requisition shall state the business to be transacted at the meeting and shall be sent to the registered office of the company. If the directors do not, within 21 days after receiving the requisition, call a meeting to be held within two months from that date, the shareholders making the request, or any of them representing more than one-half of the total voting rights of all of them, may call the meeting, but a meeting so called cannot be held after three months from that date.

The BCBCA has substantially the same requirements; however, the BCBCA provides that one or more shareholders of a company holding at least five percent of the issued voting shares of the company may give notice to the directors requiring them to call and hold a meeting of Shareholders. Further, the BCBCA provides that on receiving the requisition the directors shall call a meeting of Shareholders to transact the business stated in the requisition, unless a record date has been fixed and notice has been given thereof, or the

directors have called a meeting of Shareholders and given notice thereof, or the business of the meeting as stated in the requisition include matters exempt by the BCBCA.

#### *Indemnification*

The CJL only allows a company to indemnify any of its officers (i.e. the directors and any liquidator) or former officers or those of its affiliates against liabilities which would otherwise be incurred by him by reason of such position where (i) in defending proceedings he is given judgment in his favour or acquitted, they are discontinued without conferring benefit on the other side or are settled where he has been substantially successful on the merits; (ii) he acted in good faith with a view to the best interests of the company; (iii) he is successful in obtaining from a court a grant of relief pursuant to the CJL (broadly where he has acted honestly and in all the circumstances the court rules that he ought fairly to be excused liability in whole or in part); and (iv) where the company normally maintains insurance for persons other than directors. The BCBCA also provides this right.

#### *Place of Meetings*

The BCBCA provides that, subject to the articles and any unanimous shareholder agreement, a meeting of shareholders of a company shall be held at such place in BC as the directors determine. In the absence of such a determination, the meeting of shareholders shall be held at the registered office of the company. The CJL does not contain any requirements in respect to the place of shareholder meetings.

#### *Directors*

The CJL provides that a private company must have at least one director and a public company must have at least two directors. The CJL does not contain any residency requirements for directors however note that for certain companies (e.g. funds and securitization vehicles) the JFSC usually insists on two Jersey resident directors being appointed. A Jersey company issuing securities (other than shares) to more than ten subscribers, may be required to have at least one Jersey resident director.

The BCBCA provides that a company shall have a board of directors which consists of at least one individual in the case of a company that is not an offering corporation, and not fewer than three individuals in the case of a company that is an offering corporation. The BCBCA does not have any residency requirements for directors.

#### *Issuance of Shares at Fair Market Value*

The CJL does not require shares to be issued at fair market value but shares may not be issued at a discount and generally of course the directors are obliged to act honestly and in good faith with a view to the best interests of the company. In addition, the CJL does not provide recourse against the board of directors if shares are issued for less than fair market value unless in all the circumstances doing so constituted a breach of the director's duties.

The BCBCA provides that a share shall not be issued for less than the fair equivalent of the money that the company would have received if the share had been issued for money.

#### *Share to be Fully Paid and Non-Assessable*

The CJL does not require shares to be fully paid and non-assessable. The CJL provides that where authorized under the articles a company may make arrangements on allotment for a difference between the Shareholders in the amounts and times of payments of calls or installments payable on their shares.

The BCBCA provides that shares issued by a company are non-assessable and the holders are not liable to the company or to its creditors in respect thereof. In addition, the BCBCA states that a share shall not be issued until the consideration for the share is fully paid in money or in property or past services.

### **Certain Canadian Federal Income Tax Considerations**

This Circular does not contain a summary of the Canadian or foreign income tax considerations applicable to Shareholders of the Company. The Continuation may have important tax consequences for the Shareholders of the Company, and as such are advised to consult with their advisors for tax consequences material to them, in connection with considering whether to approve the Continuation Resolution.

### **Rights of Dissent to the Continuation**

Shareholders are entitled to the dissent rights set out in the BCBCA and to be paid the fair value of their Shares if such shareholder dissents to the Continuation and the Continuation becomes effective. Neither a vote against passing a resolution authorizing the Continuation (the “**Continuation Resolution**”), nor an abstention or the execution or exercise of a proxy vote against such resolution will constitute notice of dissent, but a Shareholder need not vote against such resolution in order to object. A Shareholder must dissent with respect to all the Common Shares either held personally by him or on behalf of any one beneficial owner and which are registered in one name.

**Persons who are beneficial owners of the Common Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that ONLY A REGISTERED SHAREHOLDER IS ENTITLED TO DISSENT.** A Shareholder who beneficially owns the Common Shares but is not the registered holder thereof, should contact the registered holder for assistance.

In order to dissent, a shareholder must send to the Company in the manner set forth below, a written notice of objection (the “**Objection Notice**”) to the Continuation Resolution. On the Continuation Resolution becoming effective, the making of an agreement between the Company and the dissenting shareholder as to the payment to be made for the dissenting Shareholder’s shares or the pronouncement of an order by the Court, whichever first occurs, the Shareholder ceases to have any rights as a Shareholder other than the right to be paid the fair value of his shares in an amount agreed to by the Company and the Shareholder or in the amount of the judgment, as the case may be, which fair value shall be determined as of the close of business on the last business day before the day on which the resolution from which the dissent was adopted. Until any one of such events occurs, the Shareholder may withdraw his dissent or the Company may rescind the resolution and in either event, the proceedings shall be discontinued.

If the Continuation is approved, the dissenting Shareholder who sent an Objection Notice, or the Company, may apply to the Court to fix the fair value of the Common Shares held by the dissenting shareholder and the Court shall make an order fixing the fair value of such the Common Shares, giving judgment in that amount against the Company in favour of the dissenting shareholders and fixing the time by which the Company must pay that amount to the dissenting shareholder. If such an application is made by a dissenting shareholder, the Company shall, unless the Court otherwise orders, send to each dissenting Shareholder a written offer (the “**Offer to Purchase**”) to pay to the dissenting shareholder, an amount considered by the directors of the Company to be the fair value of the subject Common Shares, together with a statement showing how the fair value of the subject Common Shares was determined. Every Offer to Purchase shall be on the same terms.

At any time before the Court pronounces an order fixing the fair value of the dissenting Shareholder’s Common Shares, a dissenting Shareholder may make an agreement with the Company for the purchase of his Common Shares, in the amount of the Offer to Purchase, or otherwise. The Offer to Purchase shall be sent to

each dissenting Shareholder within ten (10) days of the Company being served with a copy of the originating notice. Any order of the Court may also contain directions in relation to the payment to the Shareholder of all or part of the sum offered by the Company for the Common Shares, the deposit of the share certificates representing the Common Shares, and other matters.

If the Company is not permitted to make a payment to a dissenting Shareholder due to there being reasonable grounds for believing that the Company is or would after the payment be unable to pay its liabilities as they become due, or the realizable value of the Company's assets would thereby be less than the aggregate of its liabilities, then the Company shall, within ten (10) days after the pronouncement of an order, or the making of an agreement between the Shareholder and the Company as to the payment to be made for his Common Shares, notify each dissenting Shareholder that it is unable lawfully to pay such dissenting Shareholders for their shares. Notwithstanding that a judgment has been given in favour of a dissenting Shareholder by the Court, if the Company is not permitted to make a payment to a dissenting Shareholder for the reasons stated above, the dissenting Shareholder by written notice delivered to the Company within 30 days after receiving the notice, as set forth in the previous paragraph, may withdraw his notice of objection in which case the Company is deemed to consent to the withdrawal and the Shareholder is reinstated to his full rights as a Shareholder, failing which he retains his status as a claimant against the Company to be paid as soon as it is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the Company but in priority to its Shareholders.

In order to be effective, a written Objection Notice must be received by the President of the Company prior to the commencement of the Company's Meeting. The foregoing summary does not purport to provide a comprehensive statement of the procedures to be followed by a dissenting Shareholder who seeks payment of the fair value of his Common Shares. Each Shareholder who might desire to exercise the dissenters' rights should consult such Shareholders' legal advisor. The directors of the Company may elect not to proceed with the transactions contemplated in the Continuance Resolution if any notices of dissent are received.

### ***Continuance Resolution***

The holders of Common Shares will be asked to pass a special resolution, the text of which is set forth below, in respect of approval of the Continuance. In order to be effective, a special resolution requires the approval by not less than two-thirds of the votes cast by Shareholders who vote in respect of the resolution.

**In the absence of contrary directions, the Company's Management Designees intend to vote proxies in the accompanying form in favour of the Continuance.** The text of the special resolution to approve the Continuance will be presented as follows, with or without modification:

**"BE IT HEREBY RESOLVED** as a special resolution of the Company that:

1. The board of directors be and is hereby authorized to:
  - (a) make an application to the BC Registrar of Companies for continuation of the Company from British Columbia (BC) to Jersey, Channel Islands; and
  - (b) make application pursuant to Article 172K of the Companies (Jersey) Law 1991, as amended, (the "Law") to the Jersey Financial Services Commission to seek continuance of the Company as a company incorporated under the laws of Jersey, Channel Islands.
  
2. Subject to the issuance by the Jersey Financial Services Commission of the Certificate of Continuance and without affecting the validity of the Company and the existence of the Company by or under its charter documents and of any act done thereunder, the Company hereby approves and adopts new Memorandum of Association and Articles of Continuance in the form submitted to the meeting in substitution for and to the

exclusion of the existing Notice of Articles and Articles of the Company.

3. Subject to consent of the Jersey Financial Services Commission pursuant to Article 127N of the Law, upon the granting of authorization to discontinue as a BC company by the relevant authorities in BC, the Company shall cease to be a company incorporated under the laws of BC and shall become a company incorporated under the laws of Jersey.

4. Any director or officer of the Company be and is hereby individually authorized and directed for and on behalf of the Company to do all acts and things and to execute under the seal of the Company or otherwise and to deliver all such documents, instruments and writings as may be necessary or desirable in connection with the discontinuance of the Company from the Province of BC and the continuance of the Company into Jersey without further resolution.

5. Notwithstanding the approval of the Shareholders of the Company as herein provided, the board of directors of the Company may, in its sole discretion, revoke this special resolution before it is acted upon, without further approval of the Shareholders of the Company.

6. Any one or more directors or officers be and are hereby authorized, upon the board of directors resolving to give effect to this resolution, to take all necessary steps and proceedings, and to execute and deliver and file any and all applications, declarations, documents and other instruments and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to the provisions of this resolution.”

### **3. Approval of Name Change**

Subject to the Continuance Resolution being approved at the Meeting, the Shareholders will be asked to consider and, if thought appropriate, approve the change of the name of the Company to “**Horizon Petroleum plc**” or such other name as the Board of Directors determines appropriate and which all applicable regulatory authorities, including the TSX Venture Exchange, may accept (the “Name Change”).

Shareholders must approve the Name Change by special resolution (being at least two-thirds of the votes cast). Unless otherwise directed, it is the intention of the Management Designees to vote in favour of the special resolution in relation to the Name Change.

The text of the Name Change resolution is as follows:

“**BE IT RESOLVED** that:

1. The Company’s name to be changed to “**Horizon Petroleum plc**” or such other name as the board of directors in its sole discretion determines appropriate and which all applicable regulatory authorities may accept; and that the Company’s Memorandum and Articles of Association be altered accordingly.
2. The directors of the Company are hereby authorized and empowered, in their sole discretion and without the requirement to obtain an further approval from the Shareholders of the Company, not to implement such name change resolution at all.
3. Any director or officer of the Company is hereby authorized and directed, for and on behalf of and in the name of the Company, to do all such things and to execute, whether under the corporate seal of the Company or otherwise, and deliver all such documents and instruments as may be considered necessary or desirable to give effect to the foregoing.”

## **OTHER MATTERS**

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting the shares represented by the Instrument of Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

## **APPROVAL**

The contents of this Information Circular and the sending thereof to the shareholders of the Company have been approved by the Board of Directors.

**DATED** at Vancouver, British Columbia, the 24<sup>th</sup> day of May, 2013.

## **BY ORDER OF THE BOARD**

*"Thomas J. Kennedy"*

CEO, President