

NOVUS ENERGY INC.

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS
TO BE HELD ON JUNE 3, 2010**

NOTICE IS HEREBY GIVEN THAT the annual general and special meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of Novus Energy Inc. (the "**Corporation**") will be held at the Telus Convention Centre (North Building, Room Telus 104) 120 - 9th Ave S.E., Calgary, Alberta, at 10:30 a.m. (Calgary time) on Thursday, June 3, 2010, for the following purposes:

1. to receive the audited financial statements of the Corporation for the year ended December 31, 2009, together with the auditor's report on such financial statements;
2. to fix the number of directors of the Corporation at six (6);
3. to elect the directors of the Corporation for the ensuing year;
4. to appoint Collins Barrow Calgary LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
5. to consider and, if deemed advisable, to pass an ordinary resolution approving the existing stock option plan for the Corporation;
6. to consider and, if deemed advisable to pass, with or without modification, an ordinary resolution authorising an amendment to the terms of the Corporation's issued and outstanding performance warrants on the terms set forth in the Circular;
7. to consider and, if deemed advisable, to pass, with or without amendments, a special resolution to reduce the stated capital account maintained in respect of the Corporation's common shares from \$156,531,431 to \$68,977,493; and
8. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

Shareholders are referred to the Information Circular for more detailed information with respect to the matters to be considered at the Meeting.

Only Shareholders of record at the close of business on April 28, 2010 are entitled to notice of the Meeting and only those Shareholders of record at the close of business on April 28, 2010, or who subsequently become Shareholders and comply with the provisions of the *Business Corporations Act* (Alberta) (the "**Act**"), are entitled to vote at the Meeting.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting, or any adjournment thereof, in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. In order to be valid and acted upon at the Meeting, the enclosed proxy must be received by Olympia Trust Company, 2300, 125 – 9th Street S.E., Calgary, Alberta, T2G 0P6, no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time for the holding of the Meeting or any adjournment thereof.

DATED May 3, 2010.

**BY ORDER OF THE BOARD OF
DIRECTORS
OF NOVUS ENERGY INC.**

(signed) "Hugh G. Ross"

Hugh G. Ross

President and Chief Executive Officer

NOVUS ENERGY INC.

INFORMATION CIRCULAR

FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 3, 2010

THIS MANAGEMENT INFORMATION CIRCULAR (the "**Information Circular**") IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY OR ON BEHALF OF THE MANAGEMENT OF NOVUS ENERGY INC. (the "**Corporation**") for use at the annual general and special meeting of the holders (the "**Shareholders**") of common shares of the Corporation (the "**Common Shares**") to be held at the Telus Convention Centre (North Building, Room Telus 104) 120 - 9th Ave S.E., Calgary, Alberta, at 10:30 a.m. (Calgary time) on Thursday, June 3, 2010, and any adjournment or adjournments thereof (the "**Meeting**") for the purposes set forth in the accompanying Notice of Meeting. Information contained in this Information Circular is given as at May 3, 2010 unless otherwise stated.

SOLICITATION OF PROXIES

The solicitation is made by management of the Corporation. Solicitation of proxies by management will be primarily by mail, but may also be in person or by telephone, email or facsimile. Arrangements will also be made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of Common Shares pursuant to the requirements of National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer. The cost of any such solicitation will be borne by the Corporation.

RECORD DATE

April 28, 2010 (the "**Record Date**") is the record date for the Meeting. Only registered holders of Common Shares at the close of business on the Record Date are entitled to notice of the Meeting and to vote thereat unless, after the Record Date, a registered holder transfers his Common Shares and the transferee, upon producing properly endorsed certificates evidencing such Common Shares or otherwise establishing that he owns such Common Shares, requests not later than 10 days before the Meeting that the transferee's name be included in the list of Shareholders entitled to vote, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

APPOINTMENT AND REVOCATION OF PROXIES

Registered Shareholders may vote in person at the Meeting or they may appoint another person or company, who does not have to be a Shareholder, as their proxy to attend and vote in their place. The persons named in the enclosed form of proxy are officers of the Corporation. **A SHAREHOLDER SUBMITTING A PROXY HAS THE RIGHT TO APPOINT A PERSON OR COMPANY TO REPRESENT SUCH SHAREHOLDER AT THE MEETING OTHER THAN THE PERSON OR COMPANY DESIGNATED IN THE FORM OF PROXY FURNISHED BY THE CORPORATION, INCLUDING A PERSON OR COMPANY THAT IS NOT A SHAREHOLDER. 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. If a Shareholder plans to attend the Meeting and vote his or her Common Shares in person, the Shareholder must insert his or her own name in the space provided for in the proxy to appoint themselves as proxyholder and return it in the enclosed envelope without completing the remainder of the proxy, as such Shareholder's votes will be taken at the Meeting. In order to be effective, the proxy must be mailed so as to be deposited at the office of the Corporation's transfer agent, Olympia Trust Company, Suite 2300, 125 - 9th Street S.E., Calgary, Alberta, T2G 0P6, on or before 10:30 a.m. (Calgary time) on Tuesday, June 1, 2010, 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time of the meeting. The instrument appointing a proxy shall be in writing under the hand of the Shareholder or his attorney, or, if such Shareholder is a corporation, under its corporate seal, and executed by a director, officer or attorney thereof duly authorized.

A registered Shareholder who has submitted a proxy may revoke it at any time prior to the exercise of that proxy. In addition to revocation in any other matter permitted by law, a proxy may be revoked by instrument in writing executed by the registered Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or executed by a director, officer or attorney thereof duly authorized, and deposited either at the office of the Corporation's transfer agent, Olympia Trust Company, Suite 2300, 125 - 9th Street S.E., Calgary, Alberta, T2G 0P6, at any time prior to 10:30 a.m. (Calgary time) on the last business day preceding the day of the Meeting or with the chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting, and upon such deposit the proxy is revoked.

EXERCISE OF DISCRETION BY PROXY HOLDERS

All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting, in accordance with the instructions of the Shareholder, on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the proxy will be voted in accordance with such specification. **IN THE ABSENCE OF SUCH SPECIFICATION, SUCH COMMON SHARES WILL BE VOTED IN FAVOUR OF ALL MATTERS SET FORTH IN THIS INFORMATION CIRCULAR.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing of this Information Circular, management of the Corporation knows of no such amendment, variation or other matter.

ADVICE TO BENEFICIAL HOLDERS OF SECURITIES

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 Common Shares in their own name (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker or other intermediary, then in almost all cases those Common Shares will not be registered in the Beneficial Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Beneficial Shareholder's broker, or an agent of that broker, or another intermediary. In Canada, the vast majority of such Common Shares are registered

under the name of CDS & Co. (the registration name for CDS Clearing and Depositary Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or other nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for their clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.

Applicable regulatory policies require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy or voting instruction form supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) 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 in lieu of the form of proxy. The Beneficial Shareholder is requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, the Beneficial Shareholder can call a toll-free telephone number or access the internet to vote the Common Shares held by the Beneficial Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions representing the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance in the Meeting in order to have the Common Shares voted.** Shareholders who receive forms of proxies or voting materials from organizations other than Broadridge should complete and return such forms of proxies or voting materials in accordance with the instructions on such material in order to properly vote their Common Shares at the Meeting.

Although a Shareholder may not be recognized directly at the Meeting for the purposes of voting their Common Shares, a Shareholder may attend at the Meeting as a proxyholder and vote their Common Shares in that capacity. To do this, a Shareholder must enter their own name in the blank space on the form of proxy or voting instruction form provided to them and return the document to their broker or other intermediary (or the agent of such broker or other intermediary) in accordance with the instructions provided by such broker, intermediary or agent well in advance of the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares.

The holders of the Common Shares are entitled to dividends, if, as and when declared by the board of directors of the Corporation, to one vote per share at meetings of the Shareholders and, upon liquidation, to receive such assets of the Corporation as are distributable to the holders of the Common Shares. As at the date hereof, there are 142,507,063 Common Shares outstanding.

To the best of the knowledge of the directors and executive officers of the Corporation, no person or company beneficially owns as at the date hereof, directly or indirectly, or exercises control or direction over 10% or more of the voting rights attached to the outstanding Common Shares.

APPROVAL REQUIREMENTS

Unless otherwise indicated, 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

The following are the matters to be acted upon at the Meeting:

1. ***Presentation of Financial Statements***

The audited financial statements of the Corporation for the fiscal year ended December 31, 2009, together with the auditors' report on those financial statements were mailed to the Shareholders who have requested such financial statements in accordance with applicable securities laws, together with this Information Circular. All of the above financial statements are also available on the internet on the Corporation's SEDAR profile at www.sedar.com.

2. ***Election of Directors***

At the meeting it is proposed that that number of directors will be fixed at six and the following six persons are nominated by management of the Corporation and are, in the opinion of management, qualified to direct the activities of the Corporation until the next annual meeting of the Shareholders of the Corporation. All nominees have indicated their willingness to stand for election. Each director elected will hold office until the next annual meeting of the Shareholders of the Corporation or until his successor is duly elected or appointed, unless his office is vacated earlier in accordance with the Corporation's articles or by-laws.

In the absence of a contrary instruction, the persons designated by management of the Corporation in the enclosed form of proxy intend to vote in favour of the election as directors of the proposed nominees whose names are set forth below, each of whom has been a director since the date indicated below opposite the proposed nominee's name. Management does not contemplate that any of the proposed nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly executed proxies given in favour of such nominees may be voted by the persons designated by management of the Corporation in the enclosed form of proxy, in their discretion, in favour of another nominee.

The following table sets forth information with respect to each person proposed to be nominated for election as a director, including the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction was exercised, by such person or the person's associates or affiliates as at the date hereof. The information as to shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Corporation, has been furnished by the respective proposed nominees individually.

Name and Municipally of Residence	Office / Date Appointed	Principal Occupation During the Past 5 Years	Number and Percentage of Common Shares Beneficially Owned or over which Control or Direction is Exercised
Hugh G. Ross Calgary, Alberta, Canada	President & CEO Director March 31, 2009	President & CEO of Gentry Resources Ltd. until August 2008.	975,000 (0.7%) ⁽¹⁾
Michael H. Halvorson ^{(7) (8)} Edmonton, Alberta, Canada	Director March 31, 2009	President of Halcorp Capital Ltd., a private company specializing in the raising of investment capital.	138,333 (0.8%) ⁽²⁾
Harry L. Knutson ^{(6) (9)} Vancouver, British Columbia Canada	Director January 1, 2006	Chairman of Nova Bancorp Group (Canada) Ltd. since 1991 and certain other Nova Bancorp Group companies since 1982. Director of TSX listed Bonavista Energy Trust, Pure Energy Services Ltd., Canadian Phoenix Resources Corp. and certain other TSX and TSX Venture listed companies.	430,253 (0.3%) ⁽³⁾
Al J. Kroontje ^{(6) (8)} Calgary, Alberta Canada	Director December 22, 2004	President of Kasten Energy Inc., a private oil and gas exploration and production company. Mr. Kroontje has also been involved in numerous private and public companies with respect to acting as an officer and/or director for the purpose of starting up, restructuring and capitalizing companies.	819,922 (0.6%) ⁽⁴⁾
Larry C. Mah ^{(6) (9)} Calgary, Alberta, Canada	Director June 11, 2009	President of Lawrence C. Mah Professional Corporation. Senior partner of Collins Barrow Calgary LLP, Chartered Accountants until January 1, 2008.	200,000 (0.1%) ⁽⁵⁾
A. Bruce Macdonald ⁽⁷⁾ Calgary, Alberta, Canada	Director June 11, 2009	Chairman of Jayhawk Resources Ltd, a private oil and gas exploration and production company.	10,000 (0.1%)

Note:

- (1) 725,000 Common Shares owned directly and 250,000 Commons Shares are owned by Mr. Ross' spouse, Leslie O'Donoghue.
- (2) 985,000 Common Shares owned directly, 25,000 Common Shares controlled through Halcorp Capital Ltd. and 128,333 Common Shares are owned by Mr. Halvorson's spouse, Judith Halvorson. Mr. Halvorson is the controlling shareholder of Halcorp Capital Ltd.
- (3) 107,128 Common Shares owned directly, 262,050 Common Shares held indirectly and controlled through Nova Bancorp Investments Ltd., 35,370 Common Shares held indirectly and controlled through Nova Bancorp Securities Ltd. and 25,705 Common Shares held indirectly and controlled through NBC Canada West Capital Inc. Mr. Knutson is a director and shareholder of Nova Bancorp Investments Ltd. and of Nova Bancorp Securities Ltd. and is a director of the General Partner of Rhone 2005 Oil and Gas Strategic Limited Partnership and sole director of NBC Canada West Capital Inc. and is deemed have control or direction over these shares.
- (4) 756,581 Common Shares owned directly and 63,341 Common Shares held indirectly through Pellinore Holdings Inc. Mr. Kroontje is a director and shareholder of Pellinore Holdings Inc.
- (5) Held indirectly through 314585 Alberta Ltd.
- (6) Member of the Audit Committee
- (7) Member of the Reserves Committee
- (8) Member of the Corporate Governance Committee
- (9) Member of the Compensation Committee

3. *Appointment and Remuneration of Auditors*

Unless directed otherwise by a proxyholder, or such authority is withheld, the management designees, if named as proxy, intend to vote the Common Shares represented by any such proxy in favour of a resolution appointing Collins Barrow Calgary LLP, Chartered Accountants, of Calgary, Alberta, as auditors for the Corporation for the ensuing year, to hold office until the close of the next annual general meeting of Shareholders or until the firm of Collins Barrow Calgary LLP, Chartered Accountants, is removed from office or resigns as provided by law or by the Corporation's by-laws, and authorizing the directors to fix the compensation of the auditors. Collins Barrow Calgary LLP, Chartered Accountants, was initially appointed as the auditor of the Corporation on June 11, 2009.

4. *Approval of Stock Option Plan*

At the Meeting, Shareholders will be asked to approve a resolution approving the existing stock option plan (the "**Stock Option Plan**") dated effective June 11, 2009, which replaced the Corporation's previous stock option plan dated February 15, 2008. A full version of the the Stock Option Plan is attached to this Information Circular as Schedule "D". The purpose of the Stock Option Plan is to assist directors, officers, employees and consultants of the Corporation and any of its subsidiaries to participate in the growth and development of the Corporation. Pursuant to the Stock Option Plan, the aggregate number of Common Shares reserved for issuance shall not exceed 10% of the Corporation's then total issued and outstanding Common Shares.

Under the Stock Option Plan: (a) unless disinterested Shareholder approval is obtained, the total number of Common Shares which may be granted to any optionee in a 12 month period under the Stock Option Plan and under all other security-based compensation arrangements must not exceed 5% of the issued and outstanding Common Shares at the date of grant of the option; (b) the total number of Common Shares which may be reserved for issuance under the Stock Option Plan upon the exercise of options granted to any one consultant within a 12 month period must not exceed 2% of the issued and outstanding Common Shares at the date of the grant of the option; and (c) the total number of Common Shares which may be reserved for issuance under the Stock Option Plan upon the exercise of options granted to a person employed to provide investor relations activities (as such term is defined by the TSX Venture Exchange policies) within a 12 month period must not exceed 2% of the issued and outstanding Common Shares at the date of the grant of the option.

Under the Stock Option Plan, the maximum number of Common Shares that may be reserved for issuance to insiders under the Stock Option Plan shall be 10% of the Common Shares outstanding at the date of the grant of the Option (on a non-diluted basis), less the aggregate number of Common Shares reserved for issuance to insiders under any other security-based compensation arrangement, excluding any Common Shares reserved for issuance pursuant to the Corporation's previously issued Performance Warrants (as defined below). Additionally, the maximum number of Common Shares that may be issued to insiders, in the aggregate, under the Stock Option Plan and all other security-based compensation arrangements (excluding Common Shares issued pursuant to Performance Warrants) within a one year period shall be 10% of the Common Shares outstanding at the time of the issuance (on a non-diluted basis), excluding Common Shares issued under the Stock Option Plan or any other security-based compensation arrangements (excluding Common Shares issued pursuant to Performance Warrants) over the preceding one year period.

The Stock Option Plan will be administered by the board of directors of the Corporation, or a committee thereof, subject to the policies of the TSX Venture Exchange. The board of directors of the Corporation (or a committee thereof) will have the discretion to determine to whom options will be granted, the number of such options, the exercise price of such options (which shall not be less than the Market Price as defined in the Stock Option Plan), and the terms and time frames in which the options will be exercisable, provided that options will be exercisable for a maximum of ten years from the date of grant.

The Stock Option Plan provides that if the expiration date for an option occurs during a Blackout Period (as defined below) applicable to the relevant optionee, or within 10 business days after the expiry of a Blackout Period applicable to the relevant optionee, then the expiration date for that option shall be the date that is the tenth business day after the expiry date of the Blackout Period. "Blackout Period" is defined in the Stock Option Plan as a period of time during which the optionee cannot exercise an option, or sell the Common Shares issuable pursuant to an exercise of options, due to applicable policies of the Corporation in respect of insider trading.

Subject to certain restrictions set forth in this paragraph and to a resolution passed by the board of directors of the Corporation stating otherwise, an option shall terminate immediately upon the optionholder ceasing to be a director, officer, employee or consultant of the Corporation or its subsidiaries, provided that the optionholder's employment by the Corporation is terminated (other than for cause), or upon the death of the optionholder, the options may be exercised by the optionholder or their legal representative, as applicable, within 365 days of the date of death of such individual, or within 90 days of the termination of employment or directorship of such individual, as long as the options do not expire by such time and have vested in accordance with their terms prior to the date of death or date of notice of termination.

The Stock Option Plan provides that if the Corporation is listed on the Toronto Stock Exchange ("TSX") and in compliance with applicable TSX requirements or if the Corporation is a Tier 1 Issuer (as defined in applicable policies of the TSX Venture Exchange) and obtains approval from the TSX Venture Exchange and any other exchange upon which the Common Shares are then listed, options granted pursuant to the Stock Option Plan may be exercised by an optionee on a cashless basis. In such circumstances, an optionee may elect upon option exercise, instead of making a cash payment for the aggregate exercise price of the option, to receive a number of Common Shares equal to: (1) the difference between the aggregate Market Price (as defined in the Stock Option Plan) of the Common Shares underlying the option and the aggregate exercise price of such option divided by: (2) the Market Price of each Common Share. As of the date of this Circular, the Corporation is a Tier 2 Issuer (as defined in applicable TSX Venture Exchange policies) and accordingly is currently not a Tier 1 Issuer and is not listed on the Toronto Stock Exchange. The Corporation intends to apply to graduate to Tier 1 status within the upcoming financial year such that an optionee may elect exercise an option on a cashless basis. Upon application the granting of graduation to Tier 1 status will be made at the discretion of the TSX Venture Exchange.

The Stock Option Plan contains customary adjustment and anti-dilution provisions in the event of a merger, amalgamation, arrangement or sale of substantially all of the assets of the Corporation or if there is a subdivision, consolidation or reclassification of the Common Shares. Additionally, the Stock Option Plan provides that if, during the term of an option, there takes place a change of control, the Corporation shall give notice of such change of control to all optionees at least 14 days before the effective date of such change of control. Each optionee shall have the right, whether or not such notice is given to it by the Corporation, to exercise all options to purchase all of the Common Shares optioned to them (whether vested or unvested) which have not previously been purchased in accordance with the Plan. All options not exercised prior to the effective time of the change of control shall be and shall be deemed to have been cancelled and shall be of no further force or effect. If for any reason such change of control is not effected, any such Common Shares so purchased by an optionee shall be, and shall be deemed to be, cancelled and returned to the treasury of the Corporation, shall be added back to the number of options, if any, remaining unexercised and upon presentation to the Corporation of Common Share certificates representing such Common Shares properly endorsed for transfer back to the Corporation, the Corporation shall refund the optionee all consideration paid by the optionee in the initial purchase thereof.

For the purposes of the Stock Option Plan, "change of control" is defined as (a) the completion of a "take-over bid" (as defined in the *Securities Act* (Alberta), as amended, or any successor legislation thereto) pursuant to which the "offeror" (as defined in the *Securities Act* (Alberta)) beneficially acquires Common Shares pursuant to the take-over bid and, when taken together with any other Common Shares held by the offeror, owns in excess of 50% of the issued and outstanding Common Shares; (b) the issuance to or acquisition by any person, or group of persons acting in concert, directly or indirectly, including through an arrangement, amalgamation, merger or other form of reorganization, of Common Shares which in the aggregate with all other Common Shares held by such person or group of persons acting in concert,

directly or indirectly, constitutes 50% or more of the then issued and outstanding Common Shares; (c) an arrangement, amalgamation, merger or other form of reorganization of the Corporation where the holders of the outstanding voting securities or interests of the Corporation immediately prior to the completion of the reorganization will hold 50% or less of the outstanding voting securities or interests of the continuing entity upon completion of the arrangement, amalgamation, merger or other form of reorganization; (d) the sale of all or substantially all of the assets of the Corporation; or (e) the liquidation, winding-up, insolvency or dissolution of the Corporation.

A full copy of the Stock Option Plan is attached hereto as Schedule "D".

At the Meeting, the Shareholders will be asked to consider and, if deemed appropriate, pass the following ordinary authorizing resolution (the "**Stock Option Plan Resolution**") to approve the Corporation's Stock Option Plan:

"BE IT RESOLVED as an ordinary resolution of the Shareholders of the Corporation that:

1. the Stock Option Plan of the Corporation effective June 11, 2009 in the form attached as Schedule "D" to the accompanying Information Circular, which provides for the rolling grant of options to acquire up to 10% of the number of issued and outstanding Common Shares of the Corporation, be and is hereby adopted, confirmed and approved;
2. any one director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing;
3. notwithstanding that this ordinary resolution has been duly passed by the holders of the Common Shares of the Corporation, the directors of the Corporation may in their sole discretion revoke this ordinary resolution in whole or in part at any time prior to its being given effect without further notice to, or approval of, the holders of the Common Shares of the Corporation; and
4. any one director or officer of the Corporation be and the same is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, whether under corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing."

The board of directors of the Corporation recommends that the Shareholders vote in favour of the Stock Option Plan Resolution. To be effective, the Stock Option Plan Resolution must be approved by a simple majority of the votes cast by the shareholders of the Corporation who vote in person or by proxy at the Meeting on the Stock Option Plan Resolution. In the absence of a contrary instruction, the persons designated by management of the Corporation in the enclosed form of proxy intend to vote in favour of the Stock Option Plan Resolution.

5. *Amendment of Performance Warrants*

At the Meeting the Shareholders will be asked to approve a resolution amending existing performance warrants (the "**Performance Warrants**") that were approved by the Corporation's Shareholders at a meeting which took place on June 11, 2009 (the "**2009 AGM**"). In connection with the addition of a new management team for the Corporation, approximately 4.2 million Performance Warrants were granted. The purpose of the Performance Warrants is to provide an incentive to management and employees of the Corporation and to link a certain portion of management's compensation to the medium and long term success of the Corporation.

In order to maintain consistency among the Corporation's existing equity based compensation plans, such that fair and appropriate incentives are provided to participants, the board of directors of the Corporation has determined it to be desirable to amend the terms of the Performance Warrants. The terms of the Performance Warrants are to be amended such that the Performance Warrants will vest upon a "change of control" of the Corporation. For these purposes a "change of control" has the same meaning as is set forth in the Stock Option Plan and described in the section of this Information Circular titled: *Approval of Stock Option Plan*. The amendment to the Performance Warrants is proposed as follows:

Section 7 of the Performance Warrant under the heading "Change of Control" be deleted and replaced by the following section:

"7. CHANGE OF CONTROL AND CERTAIN ADJUSTMENTS

Notwithstanding any other provision herein, if, during the term of a Warrant, there takes place a Change of Control, the Corporation shall give notice of such Change of Control to all holders of Warrants at least 14 days before the effective date of such Change of Control. Each holder of Warrants shall have the right, whether or not such notice is given to it by the Corporation, to exercise all Warrants granted to them (whether vested or unvested) which have not previously been exercised in accordance with the terms of the Warrants. All Warrants not exercised prior to the effective time of the Change of Control shall be and shall be deemed to be, cancelled and shall be of no further force or effect. If for any reason such Change of Control is not effected, any such Common Shares issued upon such exercise shall be, and be deemed to be, cancelled and returned to the treasury of the Corporation, added back to the number of Warrants, if any, remaining unexercised and upon presentation to the Corporation of the Common Share certificates representing such Common Shares properly endorsed for transfer back to the Corporation, the Corporation shall refund the Holder all consideration paid by the Holder in the initial exercise thereof. For greater certainty, upon the consideration being refunded to the Holder and the Warrants being added back to the number of unexercised Warrants, the provisions of Section 4 shall continue to apply as if such Change of Control had not taken place."

The amendment to the terms of the Performance Warrants has been conditionally approved by the TSX Venture Exchange, such approval conditional on the reception of evidence of Disinterested Shareholder (as defined below) approval.

At the Meeting, Shareholders other than those who have been issued Performance Warrants ("**Disinterested Shareholders**") will be asked to consider and, if determined appropriate, pass the following ordinary resolution (the "**Performance Warrant Amendment Resolution**") to approve the amendment to the terms of the Performance Warrants:

"BE IT RESOLVED as an ordinary resolution of the Disinterested Shareholders of the Corporation that:

1. the terms of the Performance Warrants be amended as described in the accompanying Information Circular, such that the Performance Warrants will vest upon a Change of Control of the Corporation, be and is hereby adopted, confirmed and approved;
2. any one director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing;
3. notwithstanding that this ordinary resolution has been duly passed by the Disinterested Shareholders, the directors of the Corporation may in their sole discretion revoke this ordinary resolution in whole or in part at any time prior to its being given effect without further notice to, or approval of, the holders of the Common Shares of the Corporation; and
4. any one director or officer of the Corporation be and the same is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, whether under corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing."

The board of directors of the Corporation recommends that all Disinterest Shareholders vote in favour of the Performance Warrant Amendment Resolution. The approval of the amendment of the terms of the Performance Warrants must be approved by a majority of the votes cast by the Disinterested Shareholders present or represented by proxy at the Meeting who vote in respect of the resolution. In the absence of a contrary instruction, the persons designated by management of the Corporation in the enclosed form of proxy intend to vote in favour of the Performance Warrant Amendment Resolution.

6. *Reduction of Stated Capital*

General

At the Meeting, the Shareholders will be asked to consider and, if deemed appropriate, adopt with or without amendments, a special resolution to reduce the stated capital of the Corporation from \$156,531,431, as at December 31, 2009, to \$68,977,493. The amount of the proposed reduction, being \$87,553,938, is equal to the amount of the accumulated deficit of the Corporation as of December 31, 2009 calculated in accordance with the Canadian GAAP.

Background and Reasons for the Reduction of Stated Capital

Under the *Business Corporations Act* (Alberta) (the "Act"), a corporation is prohibited from taking certain actions, including purchasing its own shares and declaring or paying dividends on its shares, if, among other things, there are reasonable grounds for believing that the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes of shares.

At a meeting of the board of directors of the Corporation held on April 22, 2010, the realizable value of the Corporation's assets, its liabilities and its stated capital were discussed. In order to give the board of directors of the Corporation flexibility in managing the Corporation's capital structure going forward, the Board has decided to submit a special resolution to the Shareholders for their approval of the reduction of the stated capital to address limitations which result from the historically high stated capital amount of the Common Shares.

Limitation on Reduction of Stated Capital under the Act

The Act provides that a corporation may not reduce its stated capital if there are reasonable grounds for believing that, after giving effect to the reduction in the stated capital accounts for Common Shares, the corporation's assets will be less than the aggregate amount of its liabilities. Management of the Corporation is of the view that the Corporation does not have reasonable grounds to believe that after giving effect to such reduction, the Corporation will be unable to pay its liabilities as they become due or that the realizable value of the Corporation's assets will thereby be less than the aggregate amount of its liabilities.

Vote Required and Recommendation of the Board of Directors

The text of the special resolution, which will be submitted to Shareholders at the Meeting, is set forth below. For the reasons indicated above, the board of directors of the Corporation believes that the proposed reduction of stated capital of the Corporation is in the best interests of the Corporation and its Shareholders and, accordingly, recommends that Shareholders vote **FOR** the special resolution. The special resolution must be approved by not less than two-thirds of the votes cast by the Shareholders present in person or represented by proxy at the Meeting to be effective. **Except where a Shareholder who has given the proxy directs that his or her Common Shares be voted against such resolution, the appointees named in the accompanying Form of Proxy will vote the Common Shares represented by such proxy FOR such resolution.**

"**WHEREAS** there are no reasonable grounds for believing that the Corporation, after the reduction of its stated capital from \$156,531,431 to \$68,977,493, will be unable to pay its liabilities as they become due or that the realizable value of the Corporation's assets will thereby be less than the aggregate of its liabilities.

BE IT RESOLVED as a special resolution of the Shareholders of the Corporation that:

1. the stated capital account maintained in respect of the common shares of the Corporation is hereby reduced from \$156,531,431 to \$68,977,493; and
2. any director or officer of the Corporation be and each of them is hereby authorized to do such things and to execute and deliver all such documents that such director or officer may, in his discretion, determine to be necessary or useful in order to give full effect to the intent and purpose of this resolution. "

7. ***Other Business***

The directors and officers of the Corporation are not aware of any matters, other than those indicated in this Information Circular, which may be submitted to the Meeting for action. However, if any other

matters should properly be brought before the Meeting, the enclosed proxy confers discretionary authority to vote on such other matters according to the best judgment of the person holding the proxy at the Meeting.

CORPORATE GOVERNANCE AND AUDIT COMMITTEE DISCLOSURE

See Schedule "A" - Corporate Governance Disclosure, Schedule "B" - Audit Committee Disclosure and Schedule "C" - Audit Committee Charter attached to this Information Circular.

EXECUTIVE COMPENSATION

The following disclosure of compensation earned by certain executive officers and directors of the Corporation in connection with their office or employment with the Corporation is made in accordance with the requirements of National Instrument 51-102. Disclosure is required to be made in relation to Named Executive Officers, being those individuals who served as the Chief Executive Officer; Chief Financial Officer; and each of the Corporation's three most highly compensated executive officers, other than the Chief Executive Officer and Chief Financial Officer, whose total compensation was, individually, more than \$150,000 for the financial year.

Compensation Discussion and Analysis

The Corporation's executive compensation program is designed to create an appropriate balance between competitive compensation and shareholder value. The objectives of the compensation program are as follows:

- to provide competitive compensation which is comparable to similar companies and to ensure the retention of senior executives;
- to ensure that the executives are rewarded on an incentive basis which is aligned with the long-term interests of shareholders; and
- to provide long-term incentives through options in order to align the interests of senior officers with those of shareholders.

Base Salary

The base salary of the Corporation's officers is determined based on a comparative analysis of other public companies which are operating in the energy sector. The Compensation Committee attempts to take a balanced approach to executive compensation by providing both short and long-term incentive plans tied to performance. With respect to long-term incentives such as the stock option plan of the Corporation (the "**Stock Option Plan**"), the Compensation Committee evaluates past performance relative to the position held. Each executive position is reviewed annually in terms of salary, bonus, long-term incentives (such as options) and actual performance. After the review, the Compensation Committee makes a formal recommendation to the board of directors.

Long-Term Incentives

A critical component of the Corporation's compensation strategy is a long-term incentive plan. The Stock Option Plan provides employees, including the senior officers, with an opportunity to participate in the growth in market value of Common Shares. The granting of options is based on both position and performance. The goal of the Stock Option Plan is to align the interests of officers and employees with those of shareholders. The Stock Option Plan is also considered an important element in the recruitment and retention of key personnel.

Additionally, the Performance Warrants provide officers with an opportunity to participate in the operational growth of Novus. The granting of the Performance Warrants was a one time event and was undertaken to provide additional inducement to the new management team to join the Corporation. The goal of the Performance Warrants is to align the interests of Novus' officers with those of Novus' shareholders, being to continually grow the underlying value of the Corporation. The Performance Warrants were considered a key element in the recruitment and retention of the new management team.

Bonuses

Annual discretionary performance bonuses are based upon meeting certain targets relating to operational and financial performance, as measured primarily by production growth and funds flow from operations, and personal performance objectives. All bonuses are approved by the Compensation Committee and the board of directors. For the year ended December 31, 2009, the bonuses granted (as described below) to the Named Executive Officers were discretionary and primarily based on general financial and acquisition accomplishments.

Compensation of the Chief Executive Officer

The Compensation Committee reviews and approves the use of corporate goals and objectives relevant to the total compensation package of the Chief Executive Officer of the Corporation, recommends a performance evaluation process for the Chief Executive Officer, evaluates the performance of the Chief Executive Officer in light of these goals and objectives and, using this process, and, either as a committee or together with the other independent directors (as directed by the board of directors), presents and recommends to the board of directors for approval, a compensation package for the Chief Executive Officer based on this evaluation.

In determining to recommend to the board of directors the long-term incentive component of the compensation of the Chief Executive Officer, the Compensation Committee considers the Corporation's performance and relative shareholder return, the value of similar incentive awards to chief executive officers at comparable companies and the awards given to the Chief Executive Officer in past years.

The incentive levels, as well as annual compensation, are reviewed annually by the Compensation Committee and compared to the compensation of chief executive officers in the energy sector.

Compensation is based on fixed salary and bonuses are based on financial performance of the Corporation and the Chief Executive Officer's personal performance relative to the Corporation's performance. The at-risk compensation in the form of bonuses, Performance Warrants, and stock options may represent greater than 50% of the total compensation of the Chief Executive Officer.

Compensation of Executive Officers

During the fifteen months ended December 31, 2009, financial performance, production growth and asset valuations were taken into account in determining each Executive Officer's compensation. During the period of the new management team from April 1, 2009 to December 31, 2009, the Chief Executive Officer's compensation consisted of \$90,000 in salary and \$60,000 in performance bonus; the compensation for each of the Chief Financial Officer, Vice President, Exploration and Vice President, Operations consisted of \$90,000 in salary and \$40,000 in performance bonus; and, the compensation for the Vice President, Business Development consisted of \$84,231 in salary and \$40,000 in performance bonus. During the period from September 30, 2008 to March 31, 2009, with respect to the old management team, the Chief Executive Officer's compensation consisted of \$87,697 in salary and \$nil in performance bonus and the Chief Financial Officer's compensation consisted of \$75,721 in salary and \$nil in performance bonus.

Composition of Compensation Committee

The Compensation Committee is made entirely of non-management directors of the Corporation. As of the date hereof, the members of the Compensation Committee are Harry Knutson and Larry Mah.

Summary Compensation Table

The following table sets forth the compensation awarded or paid to the Corporation's Named Executive Officers during the year ended December 31, 2009.

Name and Principal Position	Year	Salary (\$)	Share based awards (\$)	Option-based awards ⁽⁵⁾ (\$)	Non-equity incentive plan compensation (\$)			All Other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans ⁽⁴⁾	Long-term incentive plans	Pension value (\$)		
Hugh G. Ross President and Chief Executive Officer	2009 ⁽¹⁾	90,000	nil	1,000,000 performance warrants (nil) 400,000 options (\$145,991)	60,000	nil	nil	nil	295,991
Curtis Hartzler President and Chief Executive Officer	2009 ⁽¹⁾	87,697	nil	nil	nil	nil	nil	172,864 ⁽³⁾	260,561
Ketan Panchmatia Vice-President, Finance, Chief Financial Officer and Corporate Secretary	2009 ⁽²⁾	90,000	nil	800,000 performance warrants (nil) 300,000 options (\$109,494)	40,000	nil	nil	nil	239,494
Derek Batorowski Vice-President, Finance and Chief Financial Officer	2009 ⁽²⁾	75,721	nil	nil	nil	nil	nil	163,800 ⁽³⁾	239,521

Name and Principal Position	Year	Salary (\$)	Share based awards (\$)	Option-based awards ⁽⁵⁾ (\$)	Non-equity incentive plan compensation (\$)			All Other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans ⁽⁴⁾	Long-term incentive plans	Pension value (\$)		
Greg Groten Vice-President, Exploration	2009 ⁽⁶⁾	90,000	nil	800,000 performance warrants (nil) 300,000 options (\$109,494)	40,000	nil	nil	nil	239,494
Jack Lane Vice-President, Operations	2009 ⁽⁷⁾	90,000	nil	800,000 performance warrants (nil) 300,000 options (\$109,494)	40,000	nil	nil	nil	239,494
Julian Din Vice-President, Business Development	2009 ⁽⁸⁾	84,231	nil	800,000 performance warrants (nil) 300,000 options (\$109,494)	40,000	nil	nil	nil	233,725

Notes:

- (1) Mr. Hartzler served as President and Chief Executive Officer from July 10, 2008 until his resignation on March 31, 2009. Mr. Ross has served as President and Chief Executive Officer from March 31, 2009 to present.
- (2) Mr. Batorowski served as Vice President, Finance and Chief Financial Officer from July 10, 2008 until his resignation on March 31, 2009. Mr. Panchmatia has served as Vice President, Finance, Chief Financial Officer, and Corporate Secretary from March 31, 2009 to present.
- (3) For Mr. Hartzler and Mr. Batorowski, these amounts represent payments on termination of employment.
- (4) These represent one-time cash performance bonuses paid for the year ended December 31, 2009.
- (5) These amounts represents the fair value, on the date of grant, of awards made under the Novus Stock Option Plan or of grants of Novus Performance Warrants, in either case, for the year ended December 31, 2009. The grant date fair value has been calculated using the Black-Scholes model according to Section 3870 of the CICA Handbook. The key assumptions and estimates used for the calculation of the grant date fair value under this model include: the risk-free interest rate (2.3% for the Options and 1.2% for the Novus Performance Warrants), expected stock price volatility (88% for the Options and 96% for the Novus Performance Warrants), expected life (4.5 years for the Options and 2.8 years for the Novus Performance Warrants), and expected dividend yield (0% for both the Options and the Novus Performance Warrants), and in the case of the Novus Performance Warrants, the probability of vesting not being more likely than not. The Black-Scholes Model is used by the Corporation because it is an industry-accepted valuation method. However, as of the date of this Information Circular, the vesting criteria for the Novus Performance Warrants have not been met. See "*Novus Performance Warrants*".
- (6) Greg Groten has served as Vice-President, Exploration from March 31, 2009 to present.
- (7) Jack Lane has served as Vice-President, Operations from March 31, 2009 to present.
- (8) Julian Din has served as Vice-President, Business Development from April 23, 2009 to present.

Incentive Plan Awards

Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth all awards outstanding as at December 31, 2009 under the Stock Option Plan.

Outstanding Option-Based Awards and Share-Based Awards

Name	Option-Based Awards			Share-Based Awards		
	Number of Common Shares underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options ⁽¹⁾ (\$)	Number of Common Shares that have not vested (#)	Market or payout value of Share-based awards that have not vested (\$)
Hugh G. Ross	400,000	\$0.60	Sep. 4, 2014	132,000	N/A	N/A
Ketan Panchmatia	300,000	\$0.60	Sep. 4, 2014	99,000	N/A	N/A
Curtis Hartzler	nil	N/A	N/A	N/A	N/A	N/A
Derek Batorowski	nil	N/A	N/A	N/A	N/A	N/A
Greg Groten	300,000	\$0.60	Sep. 4, 2014	99,000	N/A	N/A
Jack Lane	300,000	\$0.60	Sep. 4, 2014	99,000	N/A	N/A
Julian Din	300,000	\$0.60	Sep. 4, 2014	99,000	N/A	N/A

Note:

(1) Calculated based on the difference between the exercise price and the closing price of the Novus Shares on December 31, 2009. One-quarter of these Options have vested as of the date of this Information Circular.

In addition to the option grants above, Messrs. Ross, Panchmatia, Groten, Lane and Din also received performance warrants on September 4, 2009. Mr. Ross received 1,000,000 Novus Performance Warrants on September 4, 2009 with an exercise price of \$0.56 and an expiry date of September 4, 2012. Messrs. Panchmatia, Groten, Lane and Din each received 800,000 Novus Performance Warrants on September 4, 2009 with an exercise price of \$0.56 and an expiry date of September 4, 2012. The value of the unexercised Novus Performance Warrants cannot currently be determined, because as of the date of this Information Circular, the vesting criteria have not been met. See "*Novus Performance Warrants*" for further details regarding the Novus Performance Warrants, including the vesting provisions.

Novus Performance Warrants

On September 4, 2009, Novus granted a total of 4,275,000 Novus Performance Warrants as a one-time grant. Each Novus Performance Warrant entitles the holder thereof to receive one Common Share, subject to the completion of certain performance criteria, and has an exercise price of \$0.56. Each Novus Performance Warrant has an expiry date of three years from the date of grant. All Novus Performance Warrants are non-transferable and non-assignable.

The Novus Performance Warrants will vest upon Novus achieving certain targets for growth in net asset value per fully diluted share outstanding ("**NAV per share**"). With reference to the initial NAV per share calculated as \$1.10, 1/3 of the Novus Performance Warrants granted shall vest upon an increase in NAV per share of 25%, 2/3 of the Novus Performance Warrants granted shall vest upon an increase in NAV per

share of 33⅓%, and all of the Novus Performance Warrants granted shall vest upon an increase in NAV per share of 50%. For this purpose, NAV per share is calculated as:

- the net present value of the total proved (developed producing, developed non-producing and undeveloped) plus probable reserves of Novus (before income taxes) discounted at 10% per year using forecast prices and costs as shown in the applicable Reserve Report (as defined below); plus
- the value of the net acres of all lands in which Novus has an interest except the spacing units on which a well has been drilled and not abandoned, valued at \$150 per net acre; plus
- Novus' current assets as set forth in the applicable annual financial statements, calculated in accordance with GAAP; less
- long term debt of Novus plus its current liabilities as set forth in the applicable annual financial statements, calculated in accordance with GAAP;

divided by:

- the total number of Common Shares outstanding (calculated on a fully diluted basis using the treasury stock method pursuant to GAAP).

For the purposes above, "**Reserve Report**" means an independent engineering report of Novus' oil and natural gas reserves as prepared from time to time by Novus' independent engineers, as such report may be updated or amended from time to time. Novus' most recent Reserve Report was prepared as of March 23, 2010 and is current as of December 31, 2009 a summary of which is included herein. For the purposes of determining whether there has been an increase in NAV per share such that some or all of the Novus Performance Warrants may vest, NAV per share will be calculated by the board of directors of the Corporation (the "**Board**") from time to time upon filing of Novus' annual financial statements and annual Reserve Report (and in any event within 120 days of Novus' financial year end).

If a holder of Novus Performance Warrants shall cease to be an officer or employee of Novus or of its subsidiaries, then all of such holder's unexercised Novus Performance Warrants shall terminate on terms set forth in the holder's Novus Performance Warrant certificate as summarized in this paragraph. If the holder of a Novus Performance Warrant resigns or retires, or is terminated by Novus (other than for cause) then such holder's Novus Performance Warrants which have vested and have not been exercised as of the termination date may be exercised within ninety (90) days following (i) the effective date of notice of such resignation or retirement or (ii) the date notice of termination of employment is given by Novus. In such case, all unvested Novus Performance Warrants shall immediately terminate on the termination date without any further action by Novus or the holder. If the holder of a Novus Performance Warrant is terminated for cause, the then unexercised Novus Performance Warrants of such holder (whether vested or unvested) shall expire and terminate immediately upon delivery to the holder by Novus of notice of termination of employment for cause. In the event of the death of the holder of a Novus Performance Warrant, the legal personal representative of the holder may, prior to the earlier of the expiry date of such Novus Performance Warrant and the date that is three hundred sixty five (365) days following the date of the death of the holder, exercise any vested and unexercised Novus Performance Warrants within such time period. In such case, all unvested Novus Performance Warrants shall immediately terminate on the termination date without any further action by Novus or the holder. In the event of the permanent disability of the holder of a Novus Performance Warrant, the holder or the legal personal representative of

the holder may, prior to the earlier of the expiry date of such Novus Performance Warrant and the date one hundred and ninety (190) days following the date of the permanent disability of the holder, exercise any vested and unexercised Novus Performance Warrants within such time period. In such case, all unvested Novus Performance Warrants shall immediately terminate on the termination date without any further action by Novus or the holder.

Upon a change of control of Novus, the Board shall, within 21 days before the effective date of the change of control, calculate net asset value (the "**Change of Control Net Asset Value**") in the manner set forth above with respect to NAV per share, except with reference to Novus' most recently filed interim financial statements, if such interim financial statements are more recent than Novus' most recently filed annual financial statements, and with reference to a Roll-up Reserve Report (as defined below) rather than Novus' most recently prepared Reserve Report. The Board shall then determine vesting rights of the Novus Performance Warrants based on the calculation of the Change of Control Net Asset Value and give notice of such change of control and such additional vesting rights, if applicable, to holders of Novus Performance Warrants at least 14 days before the effective date of such change of control. Holders of Novus Performance Warrants shall then have the right to exercise all vested Novus Performance Warrants which have not previously been exercised. Any Novus Performance Warrants which have vested but are not exercised prior to the effective date of the change of control shall be and shall be deemed to have been cancelled. In addition, all unvested Novus Performance Warrants shall immediately terminate on the effective date of the change of control with no further action of Novus or the holder of a Novus Performance Warrant. For the purposes of this paragraph, "**Roll-up Reserve Report**" means the Reserve Report mechanically looked ahead to an analysis date as at the Change of Control NAV Date (as defined below) prepared by the same independent engineers who prepared the Reserve Report for the immediately preceding year end and which utilizes the price deck used by such engineers and which is in effect at the Change of Control NAV Date. "**Change of Control NAV Date**" means the last day of the month for which interim quarterly financial statements of Novus have been released or the last day of the year end for which financial statements of Novus have been released, whichever is the most recent.

For the purposes of the Novus Performance Warrants, "**change of control**" means: (a) the completion of a "take-over bid" (as defined in the *Securities Act* (Alberta), as amended, or any successor legislation thereto) pursuant to which the "offeror" (as defined in the *Securities Act* (Alberta)) beneficially acquires Common Shares pursuant to the take-over bid and, when taken together with any other Common Shares held by the offeror, owns in excess of 50% of the issued and outstanding Common Shares; (b) the issuance to or acquisition by any person, or group of persons acting in concert, directly or indirectly, including through an arrangement, amalgamation, merger or other form of reorganization, of Common Shares which in the aggregate with all other Common Shares held by such person or group of persons acting in concert, directly or indirectly, constitutes 50% or more of the then issued and outstanding Common Shares; (c) an arrangement, amalgamation, merger or other form of reorganization of Novus where the holders of the outstanding voting securities or interests of Novus immediately prior to the completion of the reorganization will hold 50% or less of the outstanding voting securities or interests of the continuing entity upon completion of the arrangement, amalgamation, merger or other form of reorganization; (d) the sale of all or substantially all of the assets of Novus; or (e) the liquidation, winding-up, insolvency or dissolution of Novus.

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 under the Stock Option Plan in 2009 as well as the non-equity incentive plan compensation earned during the year.

Incentive Plan Awards – Value Vested or 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 (\$)
Hugh G. Ross	nil	N/A	60,000 ⁽¹⁾
Ketan Panchmatia	nil	N/A	40,000 ⁽¹⁾
Curtis Hartzler	nil	N/A	nil
Derek Batorowski	nil	N/A	nil
Greg Groten	nil	N/A	40,000 ⁽¹⁾
Jack Lane	nil	N/A	40,000 ⁽¹⁾
Julian Din	nil	N/A	40,000 ⁽¹⁾

Note:

(1) These amounts represent one-time cash performance bonuses paid for the year ended December 31, 2009.

Termination and Change of Control Benefits

As at the date of this Information Circular, Novus had entered into employment contracts with its current five Named Executive Officers (Hugh G. Ross, Ketan Panchmatia, Greg Groten, Jack Lane and Julian Din). Each employment contract provides for an indefinite term of employment, which is, however, subject to termination in certain circumstances. Each employment contract may be terminated by the executive upon 30 days' notice to Novus, in which case the executive is not entitled to any further incremental or further compensation from the date of termination. Each employment contract may also be terminated for just cause, in which case the executive is not entitled to any further incremental or further compensation from the date of termination. If the employment contract is terminated by Novus without just cause the executive is entitled to notice of termination or a lump sum payment equivalent to 12 times the executive's monthly salary and benefits, plus one month per year of service from March 31, 2009, up to a maximum of 18 months, as well as a bonus severance amount. The bonus severance amount is calculated as the average of the last two years' bonus awards, unless the executive is terminated prior to April 1, 2011, in which case it shall be 30% of base salary. The agreements do not contain separate change of control provisions. As of the date of this Information Circular, no discretionary bonuses have been granted by the board of directors of the Corporation to the current Named Executive Officers under the employment agreements other than \$60,000 paid to Mr. Ross in December 2009 and \$40,000 paid to Messrs. Panchmatia, Groten, Lane and Din in December 2009.

Mr. Curtis Hartzler resigned as President and Chief Executive Officer and was replaced by Mr. Hugh G. Ross on March 31, 2009. Mr. Derek Batorowski resigned as Chief Financial Officer and was replaced by Mr. Ketan Panchmatia on March 31, 2009. See the Summary Compensation Table above for further details regarding severance payments made to these two Named Executive Officers.

Pursuant to the Novus Stock Option Plan, an optionee may exercise all options, whether vested or not upon a change of control. See "*Executive Compensation – The Stock Option Plan*" for further details.

Other than as set forth above, there is no plan or arrangement in respect of compensation received or that may be received by any Named Executive Officer(s) in the most recently completed financial year with a view to compensating the Named Executive Officer in the event of the resignation, retirement or any other termination of the employment of the Named Executive Officer with the Corporation and its subsidiaries or from a change of control of the Corporation or any subsidiary of the Corporation or any change of the Named Executive Officer's responsibilities following a change in control.

Estimated Payments Upon Termination of Employment Events

**Estimated Incremental Payments as of December 31, 2009
Following Termination without Just Cause**

Name	Salary (\$)	Annual Incentive Bonus (\$)	Stock Option Plan (\$)	Benefits and Perquisites (\$)	Total (\$)
Hugh G. Ross	120,000	36,000	132,000 ⁽¹⁾	nil	288,000
Ketan Panchmatia	120,000	36,000	99,000 ⁽¹⁾	nil	255,000
Greg Groten	120,000	36,000	99,000 ⁽¹⁾	nil	255,000
Jack Lane	120,000	36,000	99,000 ⁽¹⁾	nil	255,000
Julian Din	120,000	36,000	99,000 ⁽¹⁾	nil	255,000

Note:

(1) This amount represents the value of options that would vest on a change of control (based on the difference between the option exercise price of \$0.60 and the December 31, 2009 closing price of the Novus Shares of \$0.93).

DIRECTOR COMPENSATION

Director Compensation Table

The following table summarizes the compensation paid, payable, awarded or granted for 2009 to each of the non-management directors of the Corporation for 2009.

2009 Directors Summary Compensation Table

Name	Fees earned (\$)	Share-based awards (\$)	Option- based awards (\$)	Non-equity incentive plan compen- sation (\$)	Pension Value (\$)	All other compen- sation (\$)	Total (\$)
Larry C. Mah	6,000	N/A	91,245 ⁽¹⁾	nil	nil	nil	97,245
A. Bruce Macdonald	6,000	N/A	91,245 ⁽¹⁾	nil	nil	nil	97,245
Michael Halvorson	6,000	N/A	91,245 ⁽¹⁾	nil	nil	nil	97,245
Harry Knutson	6,000	N/A	91,245 ⁽¹⁾	nil	nil	nil	97,245
Al Kroontje	6,000	N/A	91,245 ⁽¹⁾	nil	nil	nil	97,245
Richard M. Wlodarczak ⁽²⁾	nil	N/A	nil	nil	nil	nil	nil
Hugh Mogensen ⁽³⁾	nil	N/A	nil	nil	nil	nil	nil
Jake Pronk ⁽³⁾	nil	N/A	nil	nil	nil	nil	nil

Notes:

- (1) Each of the five non-management directors appointed at the Corporation's 2009 annual general meeting received 250,000 stock options on September 4, 2009. The value of these options in the above table is calculated using the Black-Scholes Model, using the same key assumptions as set forth in Note 5 to the Summary Compensation Table.
- (2) Mr. Wlodarczak did not stand for re-election at the Corporation's June 11, 2009 annual general meeting.
- (3) Messrs. Mogensen and Pronk resigned March 31, 2009.

Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth all outstanding awards held by the directors of the Corporation as at December 31, 2009 under the Stock Option Plan.

Outstanding Option-Based Awards and Share-Based Awards

Name	Option-Based Awards				Share-Based Awards	
	Number of Common Shares underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the- money Options (\$)	Number of Common Shares that have not vested (#)	Market or payout value of Share- based awards that have not vested (\$)
Larry C. Mah	250,000	0.60	September 4, 2014	82,500 ⁽¹⁾	N/A	N/A
A. Bruce Macdonald	250,000	0.60	September 4, 2014	82,500 ⁽¹⁾	N/A	N/A
Michael Halvorson	250,000	0.60	September 4, 2014	82,500 ⁽¹⁾	N/A	N/A

Name	Option-Based Awards			Share-Based Awards		
	Number of Common Shares underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options (\$)	Number of Common Shares that have not vested (#)	Market or payout value of Share-based awards that have not vested (\$)
Harry Knutson	250,000	0.60	September 4, 2014	82,500 ⁽¹⁾	N/A	N/A
	66,500	2.00	July 16, 2013	Nil ⁽²⁾	N/A	N/A
	12,500	3.00	February 12, 2012	Nil ⁽²⁾	N/A	N/A
Al Kroontje	250,000	0.60	September 4, 2014	82,500 ⁽¹⁾	N/A	N/A
	66,500	2.00	July 16, 2013	Nil ⁽²⁾	N/A	N/A
	12,500	3.00	February 12, 2012	Nil ⁽²⁾	N/A	N/A

Notes:

- (1) Calculated based on the difference between the exercise price and the closing price of Novus Shares on December 31, 2009. One-quarter of these Options have vested as of the date of this Information Circular.
- (2) All of these Options were out of the money on the date of vesting.

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 under the Stock Option Plan in 2009 as well as the non-equity incentive plan compensation earned during the year.

Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option-based awards - Value vested during the year ⁽¹⁾⁽²⁾ (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Larry C. Mah	nil	N/A	Nil
A. Bruce Macdonald	nil	N/A	Nil
Michael Halvorson	nil	N/A	Nil
Harry Knutson	nil	N/A	Nil
Al Kroontje	nil	N/A	Nil
Richard M. Wlodarczak ⁽³⁾	nil	N/A	Nil
Hugh Mogensen ⁽⁴⁾	nil	N/A	Nil
Jake Pronk ⁽⁴⁾	nil	N/A	Nil

Notes:

- (1) Value vested is calculated on the dollar value that would have been realized had the option been exercised on the date it was vested less the related exercise price multiplied by the number of vesting shares.
- (2) All vested options were out of the money on the date of vesting.
- (3) Mr. Wlodarczak did not stand for re-election at the Corporation's June 11, 2009 annual general meeting.
- (4) Messrs. Mogensen and Pronk resigned March 31, 2009.

REGULATORY MATTERS AND BANKRUPTCIES AND INSOLVENCIES

Except as disclosed below, no nominee for director of the Corporation is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director or executive officer of any company that, while that person was acting in that capacity, (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days, (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, or (iii) 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.

Mr. Knutson was a director and officer of, Donner Petroleum Ltd. ("**Donner**") from August 2005 to November 2006. Donner was issued a cease trade order ("**cease trade order**") by the British Columbia Securities Commission in July 2005 for failure to file financial statements. The cease trade order was revoked in October 2006, following the filing of the financial statements. Mr. Knutson has been a director of Canadian Phoenix Resources Corp. ("**Canadian Phoenix**") since November 18, 2008. Canadian Phoenix was issued a Management Cease Trade Order ("**MCTO**") by the Alberta Securities Commission on December 3, 2008 for failure to file financial statements due to complications associated with accounting for three acquisitions completed by Canadian Phoenix during the three month period ended September 30, 2008. The MCTO expired on December 17, 2008, following the filing of the financial statements on December 15, 2008.

Mr. Knutson and Mr. Kroontje were both directors of Kasten Chase Applied Research Limited ("**Kasten**") during the time in which the company was subject to cease trade orders from the ASC, the BCSC, the Manitoba Securities Commission, the OSC and the Autorité Des Marchés Financiers for failure to file its unaudited financial statements for the periods ending June 30, 2006 and September 30, 2006. Mr. Knutson and Mr. Kroontje were both appointed as directors of Kasten on February 19, 2007 in order to seek restructuring alternatives for Kasten and were not involved with the failure to file the required interim financial statements and corresponding cease trade orders. The cease trade orders were subsequently revoked in March 2008 as a result of their restructuring initiatives.

No nominee for director of the Corporation 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 creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

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

To the knowledge of the directors and executive officers of the Corporation, none of the directors, proposed directors or executive officers of the Corporation or anyone who has held such offices since October 1, 2007, or any affiliate or associate of any of the foregoing, has any material interest, direct or indirect, in any matter to be acted upon at the meeting, except as otherwise disclosed herein.

ADDITIONAL INFORMATION AND AVAILABILITY OF FINANCIAL STATEMENTS

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information concerning the Corporation is provided in its financial statements for the 15 month fiscal period ending December 31, 2009 and the accompanying management's discussion and analysis, all of which can be accessed under the Corporation's profile on SEDAR at www.sedar.com or by contacting Ketan Panchmatia, the Vice President, Finance and Chief Financial Officer of the Corporation at (403) 263-4310.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Corporation, nominee for director of the Corporation, nor any affiliate or associate of any informed person or nominee for director, had any material interest, direct or indirect, in any transaction or proposed transaction which has materially affected or would material affect the Corporation since the beginning of the financial year ended December 31, 2009.

For the purposes of this Information Circular, an "informed person" includes (i) a director or executive officer of the Corporation, (ii) a director or executive officer of a person or company that is itself an informed person, or (iii) any person or company who beneficially owns, directly or indirectly, and/or exercises control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attaching to all outstanding voting securities of the Corporation.

AUDITORS OF THE CORPORATION

The auditors of the Corporation are Collins Barrow Calgary LLP, Chartered Accountants, Calgary, Alberta, 1400, 777 – 8th Avenue SW Calgary, Alberta T2P 3R5. Collins Barrow Calgary LLP were appointed auditors on June 11, 2009.

DIRECTORS' APPROVAL

The contents and the sending of this Information Circular have been approved by the directors.

DATED the 3rd day of May, 2010.

SCHEDULE "A"

CORPORATE GOVERNANCE DISCLOSURE

Board of Directors

The directors of the Corporation (the "**Board**") believe that good corporate governance improves corporate performance and benefits all Shareholders. The Canadian Securities Administrators (the "**CSA**") have adopted National Policy 58-201 *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Corporation. In addition, the CSA have implemented National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), which prescribes certain disclosure by the Corporation of its corporate governance practices. This disclosure is presented below.

Independent Directors – The independent members of the Board as of the date of this Information Circular are Harry L. Knutson, Al J. Kroontje, Michael H. Halvorson, Larry C. Mah and A. Bruce Macdonald.

Non-independent Directors – The non-independent director as of the date of the Circular is Hugh G. Ross (President and Chief Executive Officer). Mr. Ross has been determined to be non-independent by virtue of serving as President and Chief Executive Officer of the Corporation from March 31, 2009 to present.

Involvement in Other Reporting Issuers – The following directors hold directorships in other reporting issuers:

Name	Issuer
Al J. Kroontje	Kasten Energy Inc, Deepwell Energy Services Trust Galleria Opportunities Inc. E.G. Capital Inc. Cobalt Coal Corp. Kierland Capital Corporation Sentinel Rock Oil Corporation Polar Star Mining Corporation
Harry L. Knutson	AgriMarine Holdings Inc. Bonavista Energy Trust Canadian Phoenix Resources Corp. Pure Energy Services Ltd. Marble Point Energy Ltd. Serrano Energy Ltd.

Michael H. Halvorson	Pediment Gold Corp. Strathmore Minerals Corp. Orezone Gold Corporation Esperanza Silver Corporation
Larry C. Mah	Twoco Petroleums Ltd.

Orientation and Continuing Education of Board Members – New Board members receive an orientation package which includes reports on operations and results and public disclosure filings by the Corporation. Board meetings are combined where necessary with presentations by the Corporation's management to give the directors additional insight into the Corporation's business. In addition, management of the Corporation makes itself available throughout the year for discussion with all Board members.

Measures to Encourage Ethical Business Conduct – The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Nomination of Board Members – The Board considers its size each year when it considers the number of directors to recommend to the Shareholders for election at the annual meeting of Shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience. The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Corporation, this policy will be reviewed.

Determination of Compensation of Directors and Officers – The Board's mandate includes reviewing, approving and establishing compensation for the directors and officers of the Corporation to ensure it reflects the responsibilities and risks of being a director and/or officer of a public company.

Other Board Committees – The Corporation's Board has in place an Audit Committee, Reserves Committee, Corporate Governance Committee and Compensation Committee. The Board has developed a mandate for the Audit Committee and reviews such mandate annually. The mandate of the Audit Committee is described in Schedule "B" to this Information Circular.

Assessment of Directors, the Board and Board Committees – The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

SCHEDULE "B"

AUDIT COMMITTEE DISCLOSURE

The audit committee (the "**Audit Committee**") is a committee of the Board established for the purpose of overseeing the accounting and financial reporting process of Novus and annual external audits of the financial statements. The Audit Committee has set out its responsibilities and composition requirements in fulfilling its oversight in relation to Novus' internal accounting standards and practices, financial information, accounting systems and procedures, which procedures are set out below in Novus' audit committee mandate.

The Board has developed a written audit committee charter (the "**Charter**"). A copy of the Charter is attached hereto as Schedule "C" to this Annual Information Form.

Composition of the Audit Committee

The Audit Committee currently consists of Larry Mah, Harry Knutson, and Al Kroontje. All Audit Committee members are considered to be financially literate within the meaning of Multilateral Instrument 52-110 ("**MI 52-110**") of the CSA. All members of the Audit Committee are considered to be independent with the meaning of MI 52-110.

Relevant Education and Experience of Audit Committee Members

Harry Knutson, Director

Mr. Knutson has been a director of Novus since January 2006. Mr. Knutson has been Chairman and Chief Executive Officer of Nova Bancorp Group (Canada) Ltd. since 1982. Mr. Knutson is a Canadian Chartered Director (2006 from The Directors College, McMaster University). He is currently a director of Bonavista Energy Trust, Pure Energy Services Ltd., Canadian Phoenix Resources Corp., Serrano Energy Ltd., Marble Point Energy Ltd. and AgriMarine Holdings Inc. From August 2005 to November 2006, he was President, Chief Executive Officer and Chairman of Donner Petroleum Ltd. From July 2004 to September 2008, he was Chairman of Velo Energy Inc. From October 2003 to February 2006 he was Chairman and Chief Executive Officer of Canadian Sub-Surface Energy Services Corp. (now Pure Energy Services Ltd.). From April 2005 to May 2006, he was a director of Drilcorp Energy Ltd. From February 2004 to February 2006, he was Secretary and a director of Twin Butte Energy Ltd. From 1998 to 2002, he was Chairman, Chief Executive Officer and President of StrategicNova Inc. Prior to 1982, Mr. Knutson was President of a mid-sized trust company, Chief Executive Officer and Director of a real estate investment trust and a President of a conglomerate active in food, sports and real estate industries. Mr. Knutson's experience has afforded him the opportunity to become knowledgeable with respect to financial and accounting matters in the oil and gas industry.

Larry C. Mah, Director

Mr. Mah is a chartered accountant and formerly a senior partner with Collins Barrow Calgary LLP, Chartered Accountants, where he was the partner in charge of the oil and gas practice group. Mr. Mah has served on the audit committee of Gentry Resources Ltd., a former TSX listed company, and currently

serves as a director and member of the audit committee of Twoco Petroleum Ltd., a TSXV listed company, and as a member of the audit committee of the Heritage Park Society.

Al Kroontje, Director

Mr. Kroontje is a director and audit committee member of Novus. Mr. Kroontje currently and in the past has served on the audit committee of numerous publicly traded companies which are or were listed on the TSX or TSXV exchanges principally in the oil and gas production/exploration sector but also in the oil and gas services sector and also in the mining sector. He has been actively involved in private and public company start-ups, going public transactions, corporate restructurings and corporate financings. This involvement, since 1986, has afforded Mr. Kroontje the opportunity to become knowledgeable with respect to financial and accounting matters in the oil and gas industry.

Audit Committee Oversight

At no time since the commencement of Novus' fiscal year ended December 31, 2009 was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board.

External Auditor Service Fees (By Category)

The following table provides information about the fees billed to Novus for professional services rendered by its auditors, during fiscal 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Audit Fees	\$50,450	\$123,443
Audit-Related Fees	48,500	-
Tax Fees	8,470	28,322
All other Fees ⁽¹⁾	-	70,080
Total:	<u>\$107,420</u>	<u>\$221,845</u>

Note:

(1) Fees pursuant to services rendered in conjunction with the G2 Arrangement.

Reliance on Certain Exemptions

As Novus is a TSXV issuer, it relies on the exemptions provided by section 6.1 of MI 52-110 with respect to certain audit committee matters.

SCHEDULE "C"

AUDIT COMMITTEE CHARTER

OVERALL ROLE AND RESPONSIBILITY

The Audit Committee shall:

- 1.1 assist the Board of Directors in its oversight role with respect to:
 - (a) the quality and integrity of financial information;
 - (b) the independent auditor's performance, qualifications and independence;
 - (c) the performance of the Corporation's internal audit function, if applicable; and
 - (d) the Corporation's compliance with legal and regulatory requirements and
- 1.2 prepare such reports of the Audit Committee required to be included in the information/proxy circular of the Corporation in accordance with applicable laws or the rules of applicable securities regulatory authorities.

MEMBERSHIP AND MEETINGS

The Audit Committee shall consist of three or more Directors appointed by the Board of Directors, the majority of whom shall not be officers or employees of the Corporation or any of the Corporation's affiliates. Each of the members of the Audit Committee shall satisfy the applicable independence and experience requirements of the laws governing the Corporation, and applicable securities regulatory authorities.

The Board of Directors shall designate one member of the Audit Committee as the Committee Chair. Each member of the Audit Committee shall be financially literate as such qualification is interpreted by the Board of Directors in its business judgment. The Board of Directors shall determine whether and how many members of the Audit Committee qualify as a financial expert as defined by applicable law.

STRUCTURE AND OPERATIONS

The affirmative vote of a majority of the members of the Audit Committee participating in any meeting of the Audit Committee is necessary for the adoption of any resolution.

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall report to the Board of Directors on its activities after each of its meetings at which time minutes of the prior Committee meeting shall be tabled for the Board.

The Audit Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board of Directors for its approval.

The Audit Committee is expected to establish and maintain free and open communication with management and the independent auditor and shall periodically meet separately with each of them.

SPECIFIC DUTIES

Oversight of the Independent Auditor

- Make recommendations to the board for the appointment and replacement of the independent auditor.
- Responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.
- Authority to pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.
- Evaluate the qualifications, performance and independence of the independent auditor, including (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Corporation, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted nonaudit services is compatible with maintaining the auditor's independence.
- Obtain from the independent auditor and review the independent auditor's report regarding the management internal control report of the Corporation to be included in the Corporation's annual information/proxy circular, as required by applicable law.
- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law (currently at least every 5 years).

Financial Reporting

- Review and discuss with management and the independent auditor:
 - prior to the annual audit the scope, planning and staffing of the annual audit,
 - the annual audited financial statements,
 - the Corporation's annual and quarterly disclosures made in management's discussion and analysis,
 - approve any reports for inclusion in the Corporation's Annual Report, as required by applicable legislation,
 - the Corporation's quarterly financial statements, including the results of the independent auditor's review of the quarterly financial statements and any matters required to be communicated by the independent auditor under applicable review standards,
 - significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements,

- any significant changes in the Corporation's selection or application of accounting principles,
 - any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies, and
 - other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
- Discuss with the independent auditor matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.

AUDIT COMMITTEE'S ROLE

The Audit Committee has the oversight role set out in this Charter. Management, the Board of Directors, the independent auditor and the internal auditor all play important roles in respect of compliance and the preparation and presentation of financial information. Management is responsible for compliance and the preparation of financial statements and periodic reports. Management is responsible for ensuring the Corporation's financial statements and disclosures are complete, accurate, in accordance with generally accepted accounting principles and applicable laws. The Board of Directors in its oversight role is responsible for ensuring that management fulfills its responsibilities. The independent auditor, following the completion of its annual audit, opines on the presentation, in all material respects, of the financial position and results of operations of the Corporation in accordance with Canadian generally accepted accounting principles.

FUNDING FOR THE INDEPENDENT AUDITOR AND RETENTION OF OTHER INDEPENDENT ADVISORS

The Corporation shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Audit Committee. The Audit Committee shall also have the authority to retain such other independent advisors as it may from time to time deem necessary or advisable for its purposes and the payment of compensation therefor shall also be funded by the Corporation.

APPROVAL OF AUDIT AND REMITTED NON-AUDIT SERVICES PROVIDED BY EEXTERNAL AUDITORS

Over the course of any year there will be two levels of approvals that will be provided. The first is the existing annual Audit Committee approval of the audit engagement and identifiable permitted non-audit services for the coming year. The second is in-year Audit Committee pre-approvals of proposed audit and permitted non-audit services as they arise.

Any proposed audit and permitted non-audit services to be provided by the External Auditor to the Corporation or its subsidiaries must receive prior approval from the Audit Committee, in accordance with this protocol. The CFO shall act as the primary contact to receive and assess any proposed engagements from the External Auditor. Following receipt and initial review for eligibility by the primary contacts, a

proposal would then be forwarded to the Audit Committee for review and confirmation that a proposed engagement is permitted.

In the majority of such instances, proposals may be received and considered by the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority to approve audit and permitted nonaudit services), for approval of the proposal on behalf of the Audit Committee. The Audit Committee Chair will then inform the Audit Committee of any approvals granted at the next scheduled meeting.

AUDIT COMMITTEE "WHISTLE-BLOWER" PROCEDURES POLICY

MI 52-110 Requirement

Pursuant to Multilateral Instrument 52-110, the Corporation's Audit Committee is required to establish procedures for:

- (a) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

This procedures policy is designed to achieve this purpose.

The Corporation's Procedure

Employees having concerns regarding questionable accounting or auditing matters are encouraged to submit such concerns (the "**Accounting Related Complaint**") to the Chair of the Corporation's Audit Committee.

Any employee who wishes to make an Accounting Related Complaint may do so anonymously or in confidence by directing such Accounting Related Complaint in writing directly to the Chair of the Audit Committee. Delivery may be made directly to the Chairman or to the Chairman care of the Corporation and marked personal and confidential.

Upon receiving an Accounting Related Complaint, the Chair of the Audit Committee will, depending upon the apparent urgency of the matter, call a meeting of the Audit Committee or add the Accounting Related Complaint to the agenda for consideration at the next regularly scheduled meeting of the Audit Committee.

The Audit Committee shall review and discuss, on a preliminary basis, the nature of the Accounting Related Complaint and the accounting, internal accounting controls or auditing matters that are called into question. In conducting this review, the Audit Committee will hold an *in camera* session, and then may request the attendance, at its discretion, of the Chief Executive Officer, the Chief Financial Officer, the Corporation's auditor and/or the person making the Accounting Related Complaint (if known and if such person is amenable) and/or such other persons as it deems necessary. The purpose of the meeting and the

nature of the Accounting Related Complaint shall have been communicated to all such attendees by notice prior to the meeting.

If the Audit Committee is satisfied upon a preliminary review that the Accounting Related Complaint has merit, the Audit Committee shall authorize the Chair of the Audit Committee to retain and consult with an appropriately qualified: (1) law firm; and (2) a registered public accounting firm, within the meaning of applicable securities legislation, other than the independent auditor, in order to review the Accounting Related Complaint.

Following the conclusion of its inquiries, the Audit Committee shall meet to determine the merit of the Accounting Related Complaint. Minutes of such meeting shall be kept in the normal course in order to ensure a record of the nature and treatment of the Accounting Related Complaint. Upon reaching such determination, the Audit Committee will communicate its findings and recommendations to the Board. The Board shall consider and implement such recommendations, as it deems advisable, to rectify any deficiencies identified in the Accounting Related Complaint and shall communicate same to management.

The Audit Committee shall ensure that confidentiality will be maintained throughout the investigatory process to the extent practicable and appropriate under the circumstances; and the person who makes the Accounting Related Complaint (if known) shall receive a written summary of the final determination.

The Audit Committee shall retain all documentation regarding the Accounting Related Complaint, its preliminary review, any investigation, determination and implementation of recommendations for a period of no less than ten (10) years.

Administration

The Corporation, through the Chief Executive Officer shall be responsible for the dissemination of this Policy to all Employees.

No Retaliation

The Corporation will not allow or pursue retaliation of any kind in respect of an Accounting Related Complaint, or for assistance or information provided to applicable authorities in connection with an investigation of breaches of applicable securities law, where such are made or provided in good faith. In addition, no employee may be adversely affected because the employee refused to carry out a directive which, in fact, constitutes corporate fraud, is a violation of this Procedure, a violation of the law or presents a substantial and specific danger to the public's health and safety. Any retaliatory action should immediately be reported to the Chairman or any other member of the Corporation's Board of Directors.

SCHEDULE "D"

NOVUS ENERGY INC.

STOCK OPTION PLAN

Effective June 11, 2009

1. PURPOSE OF PLAN

- 1.1 The purpose of the Plan is to assist directors, officers, consultants and employees of Novus Energy Inc. (the "**Corporation**") and its subsidiaries to participate in the growth and development of the Corporation by providing such persons with the opportunity, through options to acquire common shares of the Corporation ("**Common Shares**"), to acquire an increased proprietary interest in the Corporation that will be aligned with the interests of the shareholders of the Corporation.

2. DEFINED TERMS

In the Plan, the following terms shall have the following meanings, respectively:

- 2.1 "**affiliate**" has the same meaning as "affiliation" as found in the ASA.
- 2.2 "**ASA**" means the *Securities Act (Alberta)*, as amended from time to time, including the regulations promulgated thereunder.
- 2.3 "**associate**" has the same meaning as found in the ASA.
- 2.4 "**Blackout Expiry Date**" has the meaning ascribed thereto in Section 5.10.
- 2.5 "**Blackout Period**" means a period of time during which the Optionee cannot exercise an Option, or sell the Common Shares issuable pursuant to an exercise of Options, due to applicable policies of the Corporation in respect of insider trading.
- 2.6 "**Board**" means the board of directors of the Corporation, or, if established and duly authorized to act with respect to this Plan, any committee of the board of directors of the Corporation.
- 2.7 "**Business Day**" means any day, other than a Saturday, Sunday or a statutory holiday, on which Canadian chartered banks are open for business in Calgary, Alberta, and, if the Common Shares are listed on an Exchange, the Exchange is open for trading.
- 2.8 "**Change of Control**" means:
- (a) the completion of a "take-over bid" (as defined in the ASA, as amended, or any successor legislation thereto) pursuant to which the "offeror" (as defined in the ASA) beneficially acquires Common Shares pursuant to the take-over bid and, when taken together with any other Common Shares held by the offeror, owns in excess of 50% of the issued and outstanding Common Shares;

- (b) the issuance to or acquisition by any person, or group of persons acting in concert, directly or indirectly, including through an arrangement, amalgamation, merger or other form of reorganization, of Common Shares which in the aggregate with all other Common Shares held by such person or group of persons acting in concert, directly or indirectly, constitutes 50% or more of the then issued and outstanding Common Shares;
 - (c) an arrangement, amalgamation, merger or other form of reorganization of the Corporation where the holders of the outstanding voting securities or interests of the Corporation immediately prior to the completion of the reorganization will hold 50% or less of the outstanding voting securities or interests of the continuing entity upon completion of the arrangement, amalgamation, merger or other form of reorganization;
 - (d) the sale of all or substantially all of the assets of the Corporation; or
 - (e) the liquidation, winding-up, insolvency or dissolution of the Corporation;
- 2.9 "**Common Shares**" means the common shares in the capital of the Corporation, or, in the event of an adjustment contemplated by Article 8, such other securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment.
- 2.10 "**Consultant**" has the meaning ascribed to this term for the purposes of the Exchange rules relating to Incentive Stock Options.
- 2.11 "**Corporation**" means Novus Energy Inc. and any successor thereof.
- 2.12 "**Disinterested Shareholders**" means the Shareholders, but excluding (i) Insiders to whom Options may be granted under the Plan and (ii) associates of persons referred to in (i), and "**Disinterested Shareholder**" means any one of them.
- 2.13 "**Eligible Person**" means any director, officer, *bona fide* Consultant or Employee of the Corporation and its affiliates.
- 2.14 "**Employee**" has the meaning ascribed to this term for the purposes of the TSX Venture Exchange rules relating to Incentive Stock Options.
- 2.15 "**Exchange**" means the TSX Venture Exchange and, where the context permits, any other stock exchange on which the Common Shares are or may be listed from time to time.
- 2.16 "**Exercise Price**" means the price per Common Share at which a Common Share may be purchased under an Option, as the same may be adjusted from time to time in accordance with Article 8.
- 2.17 "**Insider**" has the meaning ascribed to this term for the purposes of the TSX Venture Exchange rules relating to Incentive Stock Options.
- 2.18 "**Investor Relations Activities**" has the meaning ascribed to this term for the purposes of the Exchange rules relating to Incentive Stock Options.

- 2.19 "**Market Price**" at any date in respect of the Common Shares shall be either:
- (a) the closing price of the Common Shares on the Exchange on the last Business Day preceding the date on which the Option is granted; or
 - (b) in the discretion of the Board, such price as may be determined by any mechanism for establishing the market value of the Common Shares granted and satisfactory to the Exchange, provided that in any event such price cannot be less than the closing price of the Common Shares on the Exchange on the last Business Day preceding the date on which the Option is approved by the Board;
- 2.20 "**Option**" means an option to purchase Common Shares granted under the Plan.
- 2.21 "**Optionee**" means an Eligible Person to whom an Option has been granted.
- 2.22 "**Performance Warrant**" means a warrant entitling the holder thereof to acquire Common Shares upon the Corporation meeting certain criteria as disclosed in the Corporation's management information circular dated May 7, 2009.
- 2.23 "**Plan**" means this Stock Option Plan, as amended from time to time.
- 2.24 "**Registrar**" means the registrar and transfer agent of the Common Shares appointed from time to time which, at the effective date of this Plan, is Olympia Trust Company.
- 2.25 "**Security Based Compensation Arrangement**" means a stock option, stock option plan, employee stock purchase plan where the Corporation or its subsidiaries provide any financial assistance or matching mechanism, stock appreciation right, issuance of Performance Warrants, or any other compensation or incentive mechanism involving the issuance or potential issuance of securities from the Corporation's treasury, including a Common Share purchase from treasury which is financially assisted by the Corporation or its subsidiaries by way of a loan guarantee or otherwise, but for greater certainty does not involve compensation arrangements which do not involve the issuance or potential issuance of securities from the Corporation's treasury.
- 2.26 "**Shareholders**" means the holders of Common Shares, from time to time, and "**Shareholder**" means any one of them.
- 2.27 "**subsidiary**" has the meaning ascribed to it in the Securities Act and also includes those issuers that are similarly related, whether or not any of the issuers are corporations, companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities.

3. ADMINISTRATION OF THE PLAN

- 3.1 The Plan shall be administered by the Board.

- 3.2 The Board shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan, to:
- (a) establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan;
 - (b) interpret and construe the Plan and to determine all questions arising out of the Plan and any Option granted pursuant to the Plan, and any such interpretation, construction or determination made by the Board shall be final, binding and conclusive for all purposes on the Corporation and the Optionee;
 - (c) grant Options;
 - (d) determine which Eligible Persons are granted Options;
 - (e) determine the number of Common Shares issuable on the exercise of each Option;
 - (f) determine the Exercise Price;
 - (g) determine the time or times when Options will be granted and exercisable;
 - (h) determine if the Common Shares that are subject to an Option will be subject to any restrictions upon the exercise of such Option, including vesting provisions; and
 - (i) prescribe the form of documents relating to the grant, exercise and other terms of Options.

4. COMMON SHARES SUBJECT TO PLAN

- 4.1 Options may be granted in respect of authorized and unissued Common Shares; provided that, the aggregate number of Common Shares reserved for issuance under this Plan, subject to adjustment or increase of such number pursuant to the provisions of Article 8, shall not exceed 10% of the issued and outstanding Common Shares on the date such Option is granted.
- 4.2 If any Option is terminated, cancelled or has expired without being fully exercised, any unissued Common Shares which have been reserved to be issued upon the exercise of the Option shall become available to be issued upon the exercise of Options subsequently granted under the Plan. No fractional Common Shares may be purchased or issued under the Plan.

5. ELIGIBILITY, GRANT AND TERMS OF OPTIONS

- 5.1 Options may be granted to Eligible Persons as the Board may determine.
- 5.2 Subject to, and except as herein and as otherwise specifically provided for in this Plan, the number of Common Shares issuable on the exercise of each Option, the Exercise Price, the expiration date of each Option, the extent to which each Option vests and is

exercisable from time to time during the term of the Option and other terms and conditions relating to each such Option shall be determined by the Board; provided, however, that:

- (a) the period during which an Option shall be exercisable shall end not later than ten calendar years following the date on which the Option is granted to the Optionee;
- (b) except as may be approved by the Exchange, the Exercise Price of Common Shares that are subject to any Option shall not be lower than the Market Price of the Common Shares; and
- (c) unless the Board shall otherwise determine at the time of making the grant, one quarter of the Options granted to an Optionee shall vest six months following the date of grant, one quarter of the Options shall vest 12 months following the date of grant, one quarter of the Options shall vest 18 months following the date of grant, and one quarter of the Options shall vest 24 months following the date of grant.

Subject to Sections 6.2 and 8.2, the terms of any Option granted may restrict the exercise of the Option prior to the expiry of any designated period and may limit the number of Common Shares in respect of which the Option may be exercised (or the proportion of the Common Shares subject to the Option in respect of which the Option may be exercised) on or before a specified date or specified dates.

- 5.3 Unless the Board shall otherwise determine, no separate agreement between the Corporation and the Optionee shall be necessary to create and grant any Option, and the Board may, by resolution, create and grant Options and stipulate such additional terms as are consistent with this Plan.
- 5.4 Unless the Board obtains the requisite Disinterested Shareholder approval prescribed by the Exchange rules relating to Incentive Stock Options, the total number of Common Shares that may be issued to any one Optionee within a one year period under this Plan and all other Security Based Compensation Arrangements shall not exceed 5% of the Common Shares outstanding at the date of the grant of the Option (on a non-diluted basis).
- 5.5 The maximum number of Common Shares that may be granted to any one Consultant under the Plan within a one year period shall not exceed 2% of the issued and outstanding Common Shares, calculated at the date the Option was granted to the Consultant.
- 5.6 The maximum number of Common Shares that may be granted to an Eligible Person conducting Investor Relations Activities under the Plan within a one year period shall not exceed 2% of the issued Common Shares, calculated at the date the Option was granted to such employee. Notwithstanding any other provisions contained herein, any Option granted to a Consultant conducting Investor Relations Activities shall vest in stages over a one year period with no more than one quarter (1/4) of the Options vesting in any three month period.
- 5.7 The maximum number of Common Shares that may be reserved for issuance to Insiders under the Plan shall be 10% of the Common Shares outstanding at the date of the grant of

the Option (on a non-diluted basis), less the aggregate number of Common Shares reserved for issuance to Insiders under any other Security Based Compensation Arrangement, excluding any Common Shares reserved for issuance pursuant to Performance Warrants.

- 5.8 The maximum number of Common Shares that may be issued to Insiders, in the aggregate, under the Plan and all other Security Based Compensation Arrangements (excluding Common Shares issued pursuant to Performance Warrants) within a one year period shall be 10% of the Common Shares outstanding at the time of the issuance (on a non-diluted basis), excluding Common Shares issued under the Plan or any other Security Based Compensation Arrangements (excluding Common Shares issued pursuant to Performance Warrants) over the preceding one year period. The maximum number of Common Shares which may be issued to any one Insider under the Plan within a one year period shall be 5% of the Common Shares outstanding at the time of the issuance (on a non-diluted basis), excluding Common Shares issued to such Insider under the Plan over the preceding one year period.
- 5.9 An Option is personal to the Optionee and is non-transferable and non-assignable.
- 5.10 Notwithstanding anything else contained herein, if the expiration date for an Option occurs during a Blackout Period applicable to the relevant Optionee, or within 10 business days after the expiry of a Blackout Period applicable to the relevant Optionee, then the expiration date for that Option (the "**Blackout Expiry Date**") shall be the date that is the tenth business day after the expiry date of the Blackout Period. This section 5.10 applies to all Options outstanding under this Plan. The Blackout Expiry Date for an Option may not be amended by the Board without the approval of the holders of Common Shares in accordance with Section 9.1(a) of the Plan.

6. TERMINATION OF EMPLOYMENT

- 6.1 Subject to Sections 6.2 and 6.3 and to any express resolution passed by the Board (and pre-cleared by the Exchange with respect to an Option, if required), an Option, and all rights to purchase Common Shares pursuant thereto, shall expire and terminate immediately upon the Optionee ceasing to be a director, officer, Consultant or employee of the Corporation or its affiliates.
- 6.2 Notwithstanding Section 6.1, if, for any reason whatsoever (other than termination of an employee or Consultant by the Corporation for cause) before the expiry (in accordance with the terms thereof) of an Option held by an Optionee who is a director, officer, Consultant or employee, such Optionee ceases to be at least one of a director, officer, Consultant or employee, including termination by reason of the death of the Optionee, such Option may, subject to the terms thereof and any other terms of the Plan, be exercised by the Optionee, or, if the Optionee is deceased, by the legal personal representative(s) of the estate of the Optionee, as follows:
- (a) during the first 365 days following the date of death of the Optionee, if the Optionee dies;
 - (b) at any time within 90 days from the date notice of termination of the employment (or consulting arrangement) of the Optionee is given to the Optionee by the

Corporation if the Corporation is terminating the Optionee's employment (or consulting arrangement); or

- (c) at any time within 90 days from the date notice of termination of the employment (or consulting arrangement) of the Optionee is given to the Corporation by the Optionee if the Optionee is terminating his employment (or consulting arrangement),

but in all cases, prior to the expiry of the Option in accordance with the terms thereof. For the purposes of this Section 6.2, no unvested Option shall vest following the date of death of an Optionee or the date notice is provided in accordance with Subsections 6.2(b) or 6.2(c). For the purposes of Sections 6.2 and 6.3, directors, officers and Consultants shall be deemed to be employed by the Corporation.

- 6.3 Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be one of a director, officer, Consultant or employee where the Optionee continues to be a director, officer, Consultant or employee of the Corporation.

7. EXERCISE OF OPTIONS

- 7.1 Subject to the provisions of the Plan, an Optionee must provide written notice of the Optionee's intent to exercise an Option, in whole or in part, to the Corporation at its head office. The notice must specify the number of Common Shares which the Optionee intends to purchase and payment in full to the Corporation of the Exercise Price of the Common Shares to be purchased. Certificates for such Common Shares shall be issued and delivered to the Optionee within five Business Days following the receipt of such notice and payment. Notwithstanding the foregoing provisions of this Section 7.1, an Option may be exercised and Common Shares may be issued upon the exercise of such Option in such other manner as may be acceptable to the Corporation and the Optionee.
- 7.2 Provided that the Common Shares are listed on the Toronto Stock Exchange ("TSX") and that the Corporation is in compliance with applicable TSX requirements, or provided that the Corporation is a Tier 1 Issuer (as defined in applicable policies of the TSX Venture Exchange) and obtains approval from the TSX Venture Exchange, Options granted pursuant to this Plan may be exercised by an Optionee on a "cashless basis", whereby the Optionee, instead of making a cash payment for the aggregate Exercise Price, shall be entitled to be issued such number of Common Shares equal to the number which results when: (i) the difference between the aggregate Market Price of the Common Shares underlying the Option and the aggregate Exercise Price of such Option is divided by (ii) the Market Price of each Common Share.
- 7.3 Notwithstanding any of the provisions contained in the Plan or in any Option, the Corporation's obligation to issue Common Shares to an Optionee pursuant to the exercise of an Option shall be subject to:
 - (a) completion of such registration or other qualification of such Common Shares or obtaining approval of such regulatory or governmental authority as the Board shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;

- (b) the listing of such Common Shares on the Exchange (if applicable); and
- (c) the receipt from the Optionee of such representations, agreements and undertakings, including as to future dealings in such Common Shares, as the Corporation or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In connection with the foregoing, the Corporation shall, to the extent necessary, take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Common Shares in compliance with applicable securities laws and for the listing of such Common Shares on any Exchange on which the Common Shares are then listed.

8. CHANGE OF CONTROL AND CERTAIN ADJUSTMENTS

- 8.1 Subject to the provisions of Section 8.2 and Section 8.3, if, during the term of an Option, the Corporation shall merge into or amalgamate or otherwise combine with any other entity, or if the Corporation shall sell all or substantially all of its assets and undertaking for consideration consisting of securities of another corporation, trust or other person, cash, or some combination thereof, the Corporation will make provision that, upon the exercise of any Option during its unexpired period after the effective date of such merger, amalgamation, combination or sale, the Optionee shall receive such number of securities of the other, continuing or successor corporation, trust or other person, resulting from such merger, amalgamation or combination or of the securities of the purchasing corporation, trust or other person, or such other consideration offered by the acquiror in such sale, as he or she would have received as a result of such merger, amalgamation, combination or sale if the Optionee had purchased Common Shares immediately prior thereto for the same consideration paid on the exercise of the Option and had held such Common Shares on the effective date of such merger, amalgamation, combination or sale.
- 8.2 Notwithstanding any other provision in this Plan, if, during the term of an Option, there takes place a Change of Control, the Corporation shall give notice of such Change of Control to all Optionees at least 14 days before the effective date of such Change of Control. Each Optionee shall have the right, whether or not such notice is given to it by the Corporation, to exercise all Options to purchase all of the Common Shares optioned to them (whether vested or unvested) which have not previously been purchased in accordance with the Plan. All Options not exercised prior to the effective time of the Change of Control shall be and shall be deemed to have been cancelled and shall be of no further force or effect. If for any reason such Change of Control is not effected, any such Common Shares so purchased by an Optionee shall be, and shall be deemed to be, cancelled and returned to the treasury of the Corporation, shall be added back to the number of Options, if any, remaining unexercised and upon presentation to the Corporation of Common Share certificates representing such Common Shares properly endorsed for transfer back to the Corporation, the Corporation shall refund the Optionee all consideration paid by the Optionee in the initial purchase thereof.
- 8.3 Appropriate adjustments as regards Options granted or to be granted, in the number of Common Shares optioned and in the Exercise Price shall be made by the Board to give effect to adjustments in the number of Common Shares resulting from subdivisions,

consolidations or reclassifications of the Common Shares, or other relevant changes in the Corporation. The appropriate adjustment in any particular circumstance shall be conclusively determined by the Board in its sole discretion, subject to approval by the Shareholders and to acceptance by the Exchange, respectively, if applicable.

9. AMENDMENT OR DISCONTINUANCE OF PLAN

9.1 The Board may amend, suspend or discontinue the Plan or amend Options granted under the Plan at any time without shareholder approval; provided, however, that:

- (a) approval by a majority of the votes cast by shareholders present and voting in person or by proxy at a meeting of shareholders of the Corporation shall be obtained for any amendment which:
 - (i) increases the number of Common Shares issuable pursuant to the Plan;
 - (ii) would reduce the Exercise Price of an outstanding Option, including a cancellation of an Option and re-grant of an Option in conjunction therewith, constituting a reduction of the Exercise Price of the Option;
 - (iii) would reduce the Exercise Price of an outstanding Option held by an Insider at the time of the proposed amendment, including a cancellation of an Option and re-grant of an Option in conjunction therewith, constituting a reduction of the Exercise Price of the Option, provided further that any amendment pursuant to this subsection (iii) also requires approval by a majority of the votes cast by Disinterested Shareholders present and voting in person or by proxy at a meeting of shareholders of the Corporation;
 - (iv) would extend the term of any Option granted under this Plan beyond the expiration date of the Option;
 - (v) amends or deletes Section 5.2(a) to allow for a maximum term of an Option to be greater than ten years as set forth therein;
 - (vi) expands the authority of the Corporation to permit assignability of Options beyond that contemplated by Section 5.9;
 - (vii) adds to the categories of participants who may be designated for participation in the Plan beyond those included in the definition of Eligible Person;
 - (viii) amends the Plan to provide for other types of compensation through equity issuance;

unless the change to the Plan or an Option results from the application of Article 8; and

- (b) the consent of the Optionee is obtained for any amendment which alters or impairs any Option previously granted to an Optionee under the Plan.

9.2 No amendment, suspension or discontinuance of the Plan may contravene the requirements of the Exchange or any securities commission or regulatory body to which the Plan or the Corporation is now or may hereafter be subject.

10. ACCOUNTS AND STATEMENTS

10.1 The Corporation shall maintain records of the details of each Option granted to each Optionee under the Plan. Upon request therefor from an Optionee and at such other times as the Corporation shall determine, the Corporation shall furnish the Optionee with a statement setting forth details of his or her Options. Such statement shall be deemed to have been accepted by the Optionee as correct unless written notice to the contrary is given to the Corporation within ten days after such statement is given to the Optionee.

11. NOTICES

11.1 Any payment, notice, statement, certificate or other instrument required or permitted to be given to an Optionee or any person claiming or deriving any rights through him or her shall be given by:

- (a) delivering it personally to the Optionee or the person claiming or deriving rights through him or her, as the case may be; or
- (b) mailing it, postage paid (provided that the postal service is then in operation) or delivering it to the address which is maintained for the Optionee in the Corporation's personnel or corporate records.

11.2 Any payment, notice, statement, certificate or instrument required or permitted to be given to the Corporation shall be given by facsimile, or by mailing it, postage prepaid (provided that the postal service is then in operation) or delivering it to the Corporation at the following address:

Novus Energy Inc.
1200, 520 – 5th Avenue S.W.
Calgary, Alberta T2P 3R7
Attention: Chief Financial Officer
Facsimile: (403) 263-4368

11.3 Any payment, notice, statement, certificate or instrument referred to in Sections 11.1 or 11.2, if delivered, shall be deemed to have been given or delivered, on the date on which it was delivered or, if mailed (provided that the postal service is then in operation), shall be deemed to have been given or delivered on the second Business Day following the date on which it was mailed.

12. SHAREHOLDER AND REGULATORY APPROVAL

12.1 The Plan (and any amendments thereto as required from time to time under Article 9) shall be subject to such future approvals of the Shareholders of the Corporation and of the

Exchange (if the Common Shares are listed on an Exchange) as may be required under the Plan or by the Exchange, as applicable, from time to time. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance is given.

13. MISCELLANEOUS

- 13.1 An Optionee shall not have any rights as a Shareholder with respect to any of the Common Shares covered by an Option until such Optionee shall have exercised such Option in accordance with the terms of the Plan and the issuance of the Common Shares by the Corporation.
- 13.2 Nothing in the Plan or any Option shall confer upon any Optionee any right to continue in the employ of the Corporation or affect in any way the right of the Corporation to terminate his or her employment at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation to extend the employment of any Optionee beyond the time that he or she would normally be retired pursuant to the provisions of any present or future retirement plan or policy of the Corporation, or beyond the time at which he or she would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation.
- 13.3 To the extent required by law or regulatory policy or necessary to allow Common Shares issued on exercise of an Option to be free of resale restrictions, the Corporation shall report the grant, exercise or termination of the Option to the Exchange (if the Common Shares are listed on an Exchange) and the appropriate securities regulatory authorities.
- 13.4 This Plan shall be construed and interpreted in accordance with the laws of Alberta.
- 13.5 When adopted by the Corporation's shareholders, this Plan will supersede and replace all previous stock option plans and all unexercised stock options heretofore granted and still in effect will become subject to this Plan.
- 13.6 If any provision of this Plan is determined to be void, the remaining provisions shall be binding as though the void parts were deleted.