ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2012

APRIL 24, 2013

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PRESENTATION OF NOVUS' OIL AND GAS RESERVES

Note to Reader Regarding Oil and Gas Information, Definitions and National Instrument 51-101

The oil and gas reserves and operational information of Novus contained in this Annual Information Form (as defined herein) contains the information required to be included in the Statement of Reserves Data and Other Oil and Gas Information pursuant to NI 51-101 (as defined herein) adopted by the Canadian securities regulatory authorities. Readers should also refer to the Report on Reserves Data by Independent Qualified Reserves Evaluator attached hereto as Schedule "A" and the Report of Management and Directors on Novus' Reserves Data and Other Information attached hereto as Schedule "B". The effective date for the Statement of Reserves Data and Other Oil and Gas Information contained in this Annual Information Form is December 31, 2012 and the information contained in this Annual Information Form has been prepared as of April 24, 2013, unless otherwise noted.

Certain of the following definitions and guidelines are contained in the Glossary to NI 51-101 contained in Canadian Securities Administrators Staff Notice 51-324 ("**CSA Notice 51-324**"), which incorporates certain definitions from the COGE Handbook (as such term is defined in CSA Notice 51-324). Readers should consult CSA Notice 51-324 and the COGE Handbook for additional explanation and guidance.

Disclosure of Reserves and Production Information

Novus' actual oil and natural gas reserves and future production may be greater than or less than the estimates provided in this Annual Information Form. The estimated future net revenue from the production of such oil and natural gas reserves does not represent the fair market value of such reserves.

Barrels of Oil Equivalent ("BOE")

Novus has adopted the standard of 6 Mcf:1 BOE when converting natural gas to BOEs. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf:1 BOE is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Interests in Reserves, Production, Wells and Properties

In addition to the terms having defined meanings set forth in CSA Notice 51-324, the terms set forth below have the following meanings when used in this Annual Information Form:

"**gross**" means:

(i) in relation to Novus' interest in production or reserves, its working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of Novus;

(ii) in relation to wells, the total number of wells in which Novus has an interest; and

(iii) in relation to properties, the total area of properties in which Novus has an interest.

"**net**" means:

(i) in relation to Novus' interest in production or reserves, its working interest (operating or non-operating) share after deduction of royalty obligations, plus Novus' royalty interests in production or reserves;

(ii) in relation to Novus' interest in wells, the number of wells obtained by aggregating Novus' working interest in each of its gross wells; and

(iii) in relation to Novus' interest in a property, the total area in which Novus has an interest multiplied by the working interest owned by Novus.

Reserves Categories and Levels of Certainty for Reported Reserves

"**Reserves**" are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on: analysis of drilling, geological, geophysical and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed. Reserves may be divided into proved and probable categories (as well as possible reserves, which Novus does not report) according to the degree of certainty associated with the estimates.

"**Proved Reserves**" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated Proved Reserves.

"**Probable Reserves**" are those additional reserves that are less certain to be recovered than Proved Reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated Proved plus Probable Reserves.

The qualitative certainty levels referred to in the definitions above are applicable to individual reserves entities (which refers to the lowest level at which reserves calculations are performed) and to reported reserves (which refers to the highest-level sum of individual entity estimates for which reserves estimates are presented). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated Proved Reserves; and

- at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated Proved plus Probable Reserves.

Development and Production Status

Each of the reserves categories reported by Novus (Proved and Probable) may be divided into developed and undeveloped categories:

"**Undeveloped Reserves**" are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (Proved or Probable) to which they are assigned.

Description of Price and Cost Assumptions

"**Forecast prices and costs**" means future prices and costs that are:

(i) generally accepted as being a reasonable outlook of the future; and

(ii) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which Novus is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices or costs referred to in paragraph (i).

FORWARD LOOKING INFORMATION AND STATEMENTS

Certain statements contained in this Annual Information Form, including statements incorporated by reference herein, constitute forward looking statements and are based on Novus' beliefs and assumptions based on information available at the time the assumption was made. By their nature, such forward looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking statements. Novus believes the expectations reflected in those forward looking statements are reasonable insofar as they relate to Novus, but no assurance can be given that these expectations will prove to be correct and such forward looking statements should not be unduly relied upon. These statements are effective only as of the date of this Annual Information Form.

Certain statements contained in this Annual Information Form contain words such as "could", "intend", "should", "can", "estimate", "anticipate", "expect", "believe", "will", "may", "projected", "sustain", "continues", "strategy", "potential", "projects", "grow", "take advantage", "estimate", "well positioned" and similar expressions and statements relating to matters that are not historical facts constitute "forward looking information" within the meaning of applicable Canadian securities legislation.

The following are examples of references to forward looking information contained in this Annual Information Form:

- the views of Management of Novus and of Novus' Board of Directors respecting Novus' business prospects, current and anticipated market conditions, commodity prices and exchange rates;
- the special committee of Novus' Board of Directors review of a broad range of options to optimize shareholder value (the "**Value Realization process**")
- the quantity of, and future net revenues from, Novus' reserves (including projected production values);
- estimations of the Corporation's funds flow from operations and year end debt forecasts;
- the life of Novus' reserves;
- schedules for and timing of certain projects and Novus' strategy for growth;
- volume and product mix of Novus' oil and gas production;
- future oil and gas prices, exchange rates and interest rates;
- Novus' business plan and strategy and planned acquisition and development strategy;
- Novus' challenge to attract and retain sufficient employees;
- descriptions of proposed environmental legislation and the timing associated therewith;
- Novus' view regarding trends towards stricter standards in environmental legislation and the related impact on Novus;

- Novus' expectations regarding the prices charged by various service suppliers and trends in respect of such prices in the future;
- the amount and timing of future asset retirement obligations;
- future liquidity, creditworthiness and financial capacity;
- the Corporation's intention to focus on the Dodsland, Saskatchewan area over the next 24 months by drilling high working interest horizontal oil wells;
- the allocation of the Corporation's 2013 capital program;
- Novus' ability to fund the 2013 capital program through a mixture of internally generated cash flow, Common Share issuances and credit facilities;
- future abandonment and reclamation costs;
- supply and demand for oil, NGLs (as defined herein) and natural gas;
- future results from operations and operating metrics;
- expectations regarding Novus' ability to raise capital, and to continually add to reserves through acquisitions and development;
- the 2013 capital expenditure budget and future development, drilling activity, exploration and other expenditures;
- Novus' beliefs regarding its competitive position in regards to similar issuers;
- intentions of Novus to continue certain expiring leases;
- future intentions of Novus regarding payment of dividends;
- future costs, expenses and royalty rates; and
- Novus' tax pools, and the time at which Novus may incur certain income or other taxes.

This disclosure contains certain forward looking estimates that involve substantial known and unknown risks and uncertainties, certain of which are beyond Novus' control. Therefore, Novus' actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward looking estimates and if such actual results, performance or achievements transpire or occur, or if any of them fail to do so, there can be no certainty as to what benefits Novus will derive therefrom.

By their nature, such forward looking statements are subject to a number of risks, uncertainties and assumptions, which could cause actual results or other expectations to differ materially from those anticipated, including those material risks discussed in this Annual Information Form under "*Risk Factors*". Novus is exposed to several operational risks inherent in exploiting, developing, producing and marketing crude oil and natural gas. These risks include but are not limited to:

- failure of Novus to undertake a sale of all or a portion of the assets of Novus, a merger or other business combination of Novus with another entity, a sale of Novus as a whole or any combination thereof pursuant to the Value Realization process;
- economic risk of finding and producing reserves at a reasonable cost;
- reliance on reserve estimates for the year as well as for acquisitions;
- Novus' success in regards to the acquisition, exploration and development of reserves;
- failure to realize the benefits of acquisitions;
- the continued availability of adequate debt and equity financing and cash flow to fund planned expenditures;
- cost of capital risk to carry out Novus' operations;
- stock market volatility;
- creditworthiness of counterparties;
- fluctuations in commodity prices, foreign exchange and interest rates;
- general economic, market and business conditions in Canada, North America, and worldwide;
- financial risk of marketing reserves at an acceptable price given market conditions;
- liabilities and unexpected events inherent in oil and gas operations, including geological, technical, drilling and processing risks;
- delays in business operations, pipeline restrictions or blowouts;
- operational matters related to non-operated properties;
- increased competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- the ability of suppliers to meet commitments;
- competitive action by other companies;
- loss of key personnel;
- operational hazards and availability of insurance;
- industry conditions including changes in laws and regulations including the adoption of new environmental and tax laws and regulations and changes in how they are interpreted and enforced;
- changes to royalty rates in the jurisdictions in which Novus operates;
- the risk of carrying out operations with minimal environmental impact;
- uncertainty of government policy changes;

- obtaining required approvals of regulatory authorities;
- unforeseen title defects; and
- aboriginal land claims.

The reader is further cautioned that the preparation of financial statements in accordance with GAAP requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. Estimating reserves is also critical to several accounting estimates and requires judgements and decisions based on available geological, geophysical, engineering and economic data. These estimates may change, having either a negative or positive effect as further information becomes available, and as the economic environment changes. Furthermore, statements relating to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions that the reserves described can be profitable in the future. The assumptions relating to the reserves of Novus are discussed under "*Oil and Natural Gas Reserves*" and "*Risk Factors – Reserve Estimates*".

With respect to forward looking statements contained in this Annual Information Form, Novus has also made assumptions regarding among other things: no material disruption in production; no material variations in anticipated hydrocarbon sales volumes; future oil and gas prices or cost of products sold; ability to obtain required capital to finance exploration, development and operations; the timely receipt of any required regulatory approvals; ability to obtain drilling success consistent with expectations; the ability of Novus to secure adequate product transportation; no material variations in the current tax and regulatory environments; and the ability to obtain equipment, services, supplies and personnel in a timely manner to carry out its activities. Forward-looking statements and other information contained herein concerning the oil and gas industry and Novus' general expectations concerning this industry are based on estimates prepared by management of Novus, using data from publicly available industry sources as well as from reserve reports, market research and industry analysis and on assumptions based on data and knowledge of this industry, which Novus believes to be reasonable. Although this data is generally indicative of relative market positions, market shares and performance characteristics, it is inherently imprecise. While Novus is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

Management has included the above summary of assumptions and risks related to forward looking information provided in this Annual Information Form in order to provide Shareholders with a more complete perspective of Novus' current operations and Novus' future operations and such information may not be appropriate for other purposes.

Additional information on these and other factors that could affect Novus' operations or financial results is included in Novus' reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR web-site (www.sedar.com). Readers are cautioned not to place undue reliance on this forward looking information, which is given as of the date it is expressed herein or otherwise.

The factors outlined above should not be construed as exhaustive. Unless required by applicable law, Novus undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

NON-GAAP MEASURES AND ADDITIONAL GAAP MEASURES

Novus' financial statements referred to in this Annual Information Form have been prepared in accordance with Canadian generally accepted accounting principles, which are within the framework of IFRS and are referred to herein as GAAP, as applied to its financial statements.

This Annual Information Form makes reference to the terms "funds flow from operations" and "netbacks". As these measures do not have a standardized meaning prescribed by GAAP, the Corporation's use of these terms may not be comparable to similarly defined measures presented by other companies.

Funds flow from operations is cash provided by operating activities prior to changes in non-cash working capital items and decommissioning expenditures, and is a non-GAAP measure because it is not presented in the 2012 annual financial statements. The Corporation considers funds flow from operations to be a key measure as it demonstrates the Corporation's ability to generate the cash necessary to repay debt and to fund future growth through capital investment.

Netbacks are calculated by deducting royalties, field operations and transportation and marketing expenses from production revenue, and is a non-GAAP measure because it is not presented in the 2012 annual financial statements. Netbacks are used by management to assess operating results between periods and between peer companies as they provide an indication of the results generated by the Corporation's principal business activities before the consideration of how these activities are financed or how the results are taxed.

ABBREVIATIONS

In this Annual Information Form, the abbreviations set forth below have the following meanings:

Oil and Natural Gas Liquids		Natural Gas	
Bbl	Barrel	Mcf	Thousand cubic feet
Bbls	Barrels	MMcf	Million cubic feet
Mbbls	Thousand barrels	Mcf/d	Thousand cubic feet per day
Bbls/d	barrels per day	MMBtu	Million British Thermal Units
NGLs	natural gas liquids		

Other

API	American Petroleum Institute
°API	an indication of the specific gravity of crude oil measured on the API gravity scale. Liquid petroleum with a specified gravity of 28° API or higher is generally referred to as light crude oil
BOE	barrel of oil equivalent of natural gas and crude oil on the basis of 1 BOE for 6 Mcf of natural gas
BOE/d	barrel of oil equivalent per day
m^3	cubic metres
$M	thousands of dollars
WTI	West Texas Intermediate

CONVERSION

The following table sets forth certain standard conversions from Standard Imperial Units to the International System of Units (or metric units).

To Convert From	To	Multiply By
Mcf	Cubic metres	28.174
Cubic metres	Cubic feet	35.494
bbls	Cubic metres	0.159
Cubic metres	Bbls	6.293
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometres	1.609
Kilometres	Miles	0.621
Acres	Hectares	0.405
Hectares	Acres	2.471

DEFINITIONS

In this Annual Information Form, the capitalized terms set forth below have the following meanings:

"**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;

"**affiliate**" when used to indicate a relationship with a person or company, has the same meaning as set forth in the *Securities Act* R.S.A. 2000, c. S-4;

"**Annual Information Form**" or "**AIF**" means this annual information form of Novus for the financial year ended December 31, 2012 and dated April 24, 2013;

"**Board**" or "**Board of Directors**" means the board of directors of Novus;

"**Common Shares**" means the common shares in the capital of Novus;

"**GAAP**" means generally accepted accounting principles, consistently applied in Canada, which are within the framework of IFRS;

"**IFRS**" means International Financial Reporting Standards;

"**Insider**" means any insider as such term is defined in the *Securities Act* R.S.A. 2000, c. S-4, as amended;

"**Management**" means the executive officers and senior officers of Novus;

"**NI 51-101**" means National Instrument 51-101 – "Standards of Disclosure for Oil and Gas Activities" of the Canadian Securities Administrators;

"**NI 51-102**" means National Instrument 51-102 – "Continuous Disclosure Obligations" of the Canadian Securities Administrators;

"**NI 52-110**" means National Instrument 52-110 – "Audit Committees" of the Canadian Securities Administrators;

"**Novus**" or the "**Corporation**" means Novus Energy Inc., a corporation amalgamated under the ABCA;

"**Novus Performance Warrants**" means 4,200,000 performance warrants granted to certain members of Management on September 4, 2009, and subsequently amended on May 24, 2012;

"**person**" includes any individual, partnership, joint venture, venture capital fund, association, firm, trust, trustee, executor, administrator, legal personal representative, estate group, body corporate, government, governmental entity, agency or instrumentality, unincorporated body of persons or association, syndicate or other entity, whether or not having legal status;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

"**Shareholders**" means the holders of Common Shares from time to time;

"**Sproule**" means Sproule Associates Limited;

"**Sproule Report**" means the independent engineering evaluation dated April 10, 2013 in respect of Novus' oil, NGLs and natural gas reserves prepared for Novus by Sproule effective December 31, 2012;

"**Stock Option Plan**" means the amended and restated stock option plan of Novus dated effective June 16, 2011;

"**Subsidiary**" means a subsidiary as defined in the ABCA;

"**TSX**" means the Toronto Stock Exchange;

"**TSXV**" means the TSX Venture Exchange;

"**U.S.**" or "**United States**" means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia; and

"**working interest**" means the percentage of undivided interest held by Novus in the oil and/or natural gas or mineral lease granted by the mineral owner, Crown or freehold, which interest gives Novus the right to "work" the property (lease) to explore for, develop, produce and market the leased substances.

Words importing the singular number include the plural, and vice versa, and words importing any gender include all genders.

In this Annual Information Form, references to "**$**", "**Cdn$**", "**dollars**" and "**Canadian dollars**" are to Canadian dollars and references to "**US$**", and "**U.S. dollars**" are to United States dollars. Amounts are stated in Canadian dollars unless otherwise indicated.

CORPORATE STRUCTURE

Name, Address and Incorporation

The principal and head office of Novus Energy Inc. is located at Suite 5200, 150 – 6th Avenue S.W., Calgary, Alberta T2P 3Y7. The registered office of Novus is located at 3500, 855 – 2nd Street S.W., Calgary, Alberta T2P 4J8.

Novus was incorporated pursuant to the *Canada Business Corporations Act* (Canada) on August 7, 1998 as "3519309 Canada Incorporated". On September 4, 1998, the Corporation changed its name to "SiberCore Technologies Incorporated". On September 28, 2002, the Corporation amalgamated with 3548228 Canada Inc., 3548236 Canada Inc., and 3548244 Canada Inc., and the amalgamated entity continued under the name, SiberCore Technologies Incorporated ("**SiberCore**"). SiberCore was a semiconductor company developing high value-added standard chips for intelligent hardware based switching and routing platforms. The shareholders of SiberCore approved a change of business direction on December 17, 2004 that resulted in: (i) the distribution of cash and technology assets to shareholders as a return of capital; (ii) the consolidation of the common shares of SiberCore on the basis of one (1) for 30,000; (iii) conversion of the preferred shares of SiberCore on the basis of 0.012 common shares for each preferred share; and (iv) a change in name from SiberCore to Azeri Capital Inc. ("**Azeri**").

On December 31, 2005, Azeri acquired, by way of a plan of arrangement (the "**Azeri Arrangement**"), all of the issued and outstanding shares of Regal Energy Corp. ("**Regal Corp**"), a public company listed on the TSXV, and changed Azeri's name to Regal Energy Ltd. ("**Regal**"). Pursuant to the Azeri Arrangement, Regal reorganized its share capital whereby the issued and outstanding shares were split on a 7.37 for one basis. Shareholders of Regal Corp received one (1) share of Regal for each five (5) shares of Regal Corp previously held. Regal was then continued under the ABCA.

On July 10, 2008, Regal acquired, by way of a plan of arrangement between G2 Resources Inc. ("**G2**"), the Corporation and 1389787 Alberta Ltd. (the "**G2 Arrangement**"), all of the issued and outstanding common shares of G2, a public company listed on the TSXV. The companies were amalgamated on October 1, 2008 and the amalgamated entity continued under the name "Regal Energy Ltd.".

On August 5, 2009, Regal changed its name to "Novus Energy Inc." and consolidated its common shares on the basis of one (1) common share for every ten (10) common shares outstanding (the "**2009 Share Consolidation**").

On December 11, 2009, Novus acquired, by way of a plan of arrangement between Ammonite Energy Ltd. ("**Ammonite**") and the Corporation (the "**Ammonite Arrangement**"), all of the issued and outstanding common shares of Ammonite, a public company listed on the TSXV. The companies were amalgamated on December 11, 2009 and the amalgamated entity continued under the name "Novus Energy Inc.".

On March 1, 2010, Novus, through its newly formed wholly owned Subsidiary, Novus Energy (Acquisition) Inc., acquired all of the issued and outstanding common shares of a private oil and gas company ("**PrivateCo**"). Novus Energy (Acquisition) Inc. and PrivateCo amalgamated on March 1, 2010 and the amalgamated entity continued under the name "Novus Energy (Acquisition) Inc.".

On March 4, 2010, Novus Energy (Acquisition) Inc. acquired all of the issued and outstanding common shares of a private oil and gas company, Coyote Resources Ltd. ("**Coyote**").

On April 7, 2010, Novus Energy (Acquisition) Inc. acquired all of the issued and outstanding common shares of a private oil and gas company, Titan Oilfield Services Inc. ("**Titan**").

On December 1, 2010, Novus Energy Inc., Novus Energy (Acquisition) Inc., Coyote and Titan amalgamated and the amalgamated entity continued under the name "Novus Energy Inc.".

Intercorporate Relationships

As a result of the December 1, 2010 amalgamation, Novus no longer has any Subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Novus is engaged in the business of acquiring, exploring for, developing, and producing crude oil and natural gas in Western Canada. The following is a general description of the development of Novus over the past three years.

Three-Year History of the Corporation

On January 18, 2010, the Corporation entered into two farm-in agreements whereby the Corporation issued 325,000 Common Shares for the right to farm-in on certain lands in the Dodsland area of Saskatchewan. Pursuant to the farm-in, the Corporation earned a 100% interest in the lands, subject to a royalty reserved to the farmor, by drilling three test wells on the lands before July 30, 2010.

On March 1, 2010, Novus, through its newly formed wholly owned Subsidiary, Novus Energy (Acquisition) Inc., acquired all of the issued and outstanding common shares of PrivateCo pursuant to the terms of an amalgamation agreement dated February 3, 2010 and later amended on February 8, 2010. Novus Energy (Acquisition) Inc. and PrivateCo amalgamated on March 1, 2010 and the amalgamated entity continued under the name "Novus Energy (Acquisition) Inc.". At the time of the acquisition, PrivateCo had approximately 214 BOE/d of production, 25.5 net sections of undeveloped land and $8 million of working capital. The core undeveloped properties acquired from PrivateCo were located within Novus' key operational area of Dodsland, Saskatchewan, with the producing assets acquired located in the Garrington and Provost areas of Alberta. As consideration for PrivateCo, Novus issued 18,666,211 Common Shares at an ascribed price of $0.91 per Common Share.

On March 4, 2010, Novus Energy (Acquisition) Inc. acquired all of the issued and outstanding common shares of Coyote. At the time of the acquisition, Coyote's key assets were two sections of land in the Dodsland area of Saskatchewan. As consideration for Coyote, Novus paid $702 thousand and assumed $222 thousand worth of debt.

On March 31, 2010, the Corporation purchased certain interests in the Dimsdale/Wembley area of Alberta at a cost of $950 thousand.

On April 7, 2010, Novus Energy (Acquisition) Inc. acquired all of the issued and outstanding common shares of Titan. At the time of the acquisition, Titan's key assets were 2.3 sections of land in the Dodsland area of Saskatchewan. As consideration for Titan, Novus paid $1.25 million.

On April 12, 2010, Novus acquired 3.4 sections of undeveloped land in the Dodsland area at a Saskatchewan Crown land sale for total consideration of $2.25 million.

On May 3, 2010, Novus entered into a farm-in agreement, which provided the Corporation with the right to farm-in on an estimated 16.25 sections of land in the greater Dodsland area. All 13 commitment wells have been drilled and the Corporation maintains a 100% working interest in each quarter section upon which a well was drilled, and has a rolling option to earn interests in the remainder of the lands through continued drilling until April 30, 2014.

On May 18, 2010, Novus completed an equity offering whereby the Corporation issued 22,730,000 Common Shares at a price of $1.10 per Common Share for gross proceeds of $25 million, pursuant to the terms of an underwriting agreement dated April 27, 2010. Proceeds of the financing were primarily used for the purposes of exploring and developing the Corporation's oil and natural gas assets, largely in the greater Dodsland area of Saskatchewan.

On May 26, 2010, Novus acquired 1.5 net sections of land in the greater Dodsland area of Saskatchewan. As consideration, the Corporation made a cash payment of $1 million.

On May 27, 2010, Novus acquired 7.5 net sections of land in the greater Dodsland area of Saskatchewan. As consideration, the Corporation made a cash payment of $1.3 million and issued 390,000 Common Shares at an ascribed value of $0.90 per Common Share.

On July 8, 2010, Novus acquired 6.5 net sections of land in the greater Dodsland area of Saskatchewan. As consideration, the Corporation issued 794,119 Common Shares at an ascribed value of $0.80 per Common Share.

On October 6, 2010, Novus entered into a farm-in agreement, which provided the Corporation with the right to farm-in on 5.25 sections of land in the greater Dodsland area. Both commitment wells have been drilled and the Corporation maintains a 70% working interest in the two sections that were drilled.

On December 1, 2010, Novus Energy Inc., Novus Energy (Acquisition) Inc., Coyote and Titan amalgamated and the amalgamated entity continued under the name "Novus Energy Inc.".

On December 9, 2010, the Corporation executed a new credit facilities agreement. The facilities were comprised of a $22 million revolving operating demand loan and a $6 million acquisition/development loan and replaced the previous $5 million revolving operating demand loan.

On December 30, 2010, Novus acquired 2.75 net sections of land in the greater Dodsland area of Saskatchewan pursuant to two separate agreements. As consideration, the Corporation made a cash payment of $50 thousand and issued 622,730 Common Shares at an ascribed value of $1.12 per Common Share.

In the second quarter of 2011, Novus acquired a 100% working interest in approximately 55 net sections of land with rights in the oil bearing Birdbear formation of southwestern Saskatchewan. The lands are located in the immediate vicinity of Novus' Dodsland Viking lands.

In the third quarter of 2011, the Corporation consolidated certain interests in certain Dodsland properties. Novus entered into two separate purchase and sale agreements, whereby the Corporation boosted its interests in various leases to 100% and sold 50% non-operated interests in other leases.

Throughout 2011, the Corporation's focus on acquisitions expanded to include exploiting and developing its acquired Dodsland holdings. Of the 59 wells (57.9 net) drilled by Novus in 2011, 52 (51.8 net) were located in the greater Dodsland area.

To cope with increased production, Novus upgraded its facilities at Whiteside and Avon Hills, and constructed a sales gas line and an emulsion line from the Whiteside facility to a meter station.

To fund Novus' the capital programs, the Corporation's credit facilities were increased as events and reserves warranted, and Novus ended 2011 with a $60 million revolving operating demand loan.

In 2012, the Corporation continued to focus its efforts in the greater Dodsland area of Saskatchewan. In the first quarter, the Corporation drilled 13 wells (13.0 net) and completed eight (8.0 net). Novus also placed in service a series of oil and effluent pipelines to gather increased oil production and conserve gas. In addition, the Corporation also received $16.6 million from the exercise of 22,176,730 share purchase warrants to assist with future development programs.

The second quarter of 2012 saw 13 wells (13.0 net) drilled and eight (8.0 net) completed. In the third quarter, the Corporation drilled 22 wells (22.0 net) and completed 20 (20.0 net). Enhanced oil processing facilities and additional tanks were also placed at the Corporation's Dodsland oil battery.

Throughout the first three quarters of 2012, the Corporation acquired a land base for prospective Viking oil in the Provost region of Alberta. The lands are proximate to historical vertical Viking production and recent successful drilling activity of both sides of the Alberta/Saskatchewan border. At the conclusion of these various acquisitions, Novus controlled a total of 58 sections of land in the area and increased the Corporation's future drilling and development inventory.

Operationally, the Corporation closed out the fourth quarter of 2012 by drilling a further 24 wells (24.0 net) and completing 32 (32.0 net), as well as acquiring a further 35 net sections of land in the Provost area of Alberta. Based on field estimates, the Corporation exited 2012 with production of 4,234 boe/d in the last week of December. As a result of successful drilling programs, the Corporation ended the year with credit facilities of $105 million, consisting of a $95 million revolving operating demand loan and a $10 million acquisition/development demand loan.

In November 2012, the Corporation announced that due to the quality of Novus' asset base and the amount of industry interest and activity in the Viking oil play at Dodsland, Saskatchewan, the Corporation was undertaking a Value Realization process. The Board of Directors struck a Special Committee of the Board to consider how to optimize shareholder value. Such options may include, but are not limited to, a sale of all or a portion of the assets of the Corporation, a merger or other business combination of the Corporation with another entity, a sale of the Corporation as a whole or any combination thereof.

Significant Acquisitions

There were no acquisitions that Novus completed during its financial year ended December 31, 2012 that were significant acquisitions for the purposes of Part 8 of NI 51-102.

Recent Developments

In January 2013, if furtherance of the Value Realization process, the Corporation opened a data room for interested and qualified parties who have entered into a confidentiality agreement with Novus. The Corporation announced that it had not established a definitive schedule to complete its review and consideration of options to optimize shareholder value, and does not intend to disclose developments with respect to the process unless and until the Board of Directors has approved a specific transaction or otherwise determined that disclosure is appropriate. This Value Realization process is ongoing.

BUSINESS OF THE CORPORATION

General

Novus is a Calgary-based oil and natural gas company engaged in the acquisition, exploration, development and production of crude oil and natural gas within its primary core area of southwest Saskatchewan, and other areas in central and northwest Alberta and northeast British Columbia. As of the date hereof, Novus has approximately 4,000 BOE/d of production, weighted 80% to oil and NGLs and 20% to natural gas, and approximately 166 thousand net acres of undeveloped land. Novus' principal areas of operation are: the Dodsland area of southwest Saskatchewan; the Wembley area of northwest Alberta; and the Provost area of east central Alberta. Of these areas, Novus' primary focus is at Dodsland.

Stated Business Objective

The business plan of Novus is to create value on a production and reserve per share basis in the oil and natural gas industry in Western Canada. To accomplish this, Novus is pursuing an integrated growth strategy including focused exploration, exploitation and strategic acquisitions within its geographic areas in the Western Canadian Sedimentary Basin, where it assembles and exploits large blocks of land close to crude oil processing facilities and natural gas infrastructure.

Competitive Conditions in the Marketplace

The petroleum and natural gas industry is competitive in all its phases. Novus must compete in all aspects of its operations with a substantial number of other corporations, many of which have greater technical and financial resources. However, Novus is staffed with a technical team who are experienced at competing in this environment. Participants in the petroleum industry must also manage risks beyond their direct control. Among these are risks associated with exploration, the environment, commodity prices, foreign exchange and interest rates. Novus believes that its competitive position is equivalent to that of other oil and gas issuers of similar size and at a similar stage of development. See "*Risk Factors*".

Components

Novus sources its materials and equipment such as drilling rigs, acid for fracture, fracture equipment and crews, steel pipes and pump jacks from a variety of suppliers located mostly in Canada. More than one supplier exists for Novus' main materials and equipment. In the past, the source, supply and price of materials and equipment has been consistent, although in periods of high industry activity there may be shortages of certain materials and equipment. To mitigate this risk, Novus maintains relationships with a number of suppliers and where necessary identifies alternate sources of supply.

Specialized Skill and Knowledge

Operations in the oil and natural gas industry mean that Novus requires professionals with skills and knowledge in diverse fields of expertise. In the course of its exploration, development and production, Novus utilizes the expertise of geophysicists, geologists, petroleum engineers and landmen. Novus is based in Calgary, Alberta, which is the center of Canada's energy industry and, as such, is a costly labour market. Novus faces the challenge of attracting and retaining sufficient employees to meet its needs. See "*Risk Factors*".

Personnel

As at the year ended December 31, 2012, Novus had 22 employees and four consultants. As of the date of this AIF, Novus has 22 employees and three consultants.

Seasonal Factors

The exploration for, and development of, oil and natural gas reserves is dependent on access to areas where exploration and production activities are to be conducted. Seasonal weather variations, including freeze-up and break-up, affect access in certain circumstances. See "*Risk Factors*".

Environmental Protection and Regulation

Additional provincial and federal environmental legislation has recently come into effect for the oil and natural gas industry. Compliance with such legislation can require significant expenditures and operational restrictions. Breach of such requirements may result in the suspension or revocation of necessary licenses and authorizations, civil liability for pollution damage and the imposition of material fines and penalties, all of which have the potential for negatively impacting earnings and corporate growth. Novus did not incur any material expenditure in the past year as a result of environmental protection requirements, nor does it anticipate environmental protection requirements to have any material financial or operational effects on the capital expenditures, earnings or competitive position of Novus in 2013. See "*Risk Factors*".

Industry Conditions

In addition to the risk factors mentioned in the "*Risk Factors*" section of this Annual Information Form, there are other risks inherent to the oil and natural gas industry, which is subject to extensive controls and regulations imposed by various levels of government. Outlined below are some of the more significant aspects of the legislation, regulations and agreements governing the oil and natural gas industry. All current legislation is a matter of public record and Novus is unable to predict what additional legislation or amendments may be enacted.

Canadian Government Regulation

The oil and natural gas industry is subject to extensive controls and regulations imposed by various levels of government. It is not expected that any of these controls or regulations will affect the operations of Novus in a manner materially different than they would affect other oil and natural gas companies of a similar size.

Pricing and Marketing of Oil

In Canada, producers of oil negotiate sales contracts directly with oil purchasers, with the result that the market determines the price of oil. The price depends in part on oil quality, prices of competing fuels, distance to market, the value of refined products, the supply/demand balance and other contractual terms, as well as the world price of oil. Oil exports may be made pursuant to export contracts with terms not exceeding one year in the case of oil, other than heavy crude oil, and not exceeding two years in the case of heavy crude oil, provided that an order approving any such export has been obtained from the National Energy Board of Canada (the "**NEB**"). Any oil export to be made pursuant to a contract of longer duration (to a maximum of 25 years) requires an exporter to obtain an export licence from the NEB and the issuance of such a licence requires the approval of the Governor in Council.

Pricing and Marketing of Natural Gas

In Canada, the price of natural gas sold in interprovincial and international trade is determined by negotiation between buyers and sellers. The price depends, in part, on natural gas quality, prices of competing natural gas and other fuels, distance to market, access to downstream transportation, length of contract term, seasonal factors, weather conditions, the value of refined products, the supply/demand balance and other contractual terms. Natural gas exported from Canada is subject to regulation by the NEB and the Government of Canada. Exporters are free to negotiate prices and other terms with purchasers, provided that the export contracts continue to meet certain criteria prescribed by the NEB and the Government of Canada. Natural gas (other than propane, butanes and ethane) exports for a term of less than two years or for a term of two to 20 years (in quantities of not more than 30,000 m^3/day), must be made pursuant to a NEB order. Natural gas may be exported for a term of no more than one year in respect to propane and butane, and no more than two years in respect to ethane, all exports requiring an order of the NEB. Any natural gas export to be made pursuant to a contract of longer duration (to a maximum of 25 years) or a larger quantity requires an exporter to obtain an export licence from the NEB and the issue of such a licence requires the approval of the Governor in Council. Governments in the Canadian provinces where Novus operates also regulate the volume of natural gas that may be removed from each province for consumption elsewhere based on such factors as reserve availability, transportation arrangements and market considerations.

The North American Free Trade Agreement ("NAFTA")

On January 1, 1994, NAFTA became effective among the Governments of Canada, the U.S. and Mexico. In the context of energy resources, Canada continues to remain free to determine whether exports to the U.S. or Mexico will be allowed, provided that any export restrictions do not: (i) reduce the proportion of energy resource exported relative to domestic use (based upon the proportion prevailing in the most recent 36-month period); (ii) impose an export price higher than the domestic price; and (iii) disrupt normal channels of supply. All three countries are prohibited from imposing minimum export or import price requirements.

NAFTA contemplates the reduction of Mexican restrictive trade practices in the energy sector and prohibits discriminatory border restrictions and export taxes. NAFTA also contemplates clearer disciplines on regulators to ensure fair implementation of any regulatory changes and to minimize disruption of contractual arrangements, which is important for Canadian natural gas exports.

Royalties and Incentives

In addition to federal regulations, each province in Canada has legislation and regulations that govern oil and gas holdings and land tenure, royalties, production rates, environmental protection and other matters. In all Canadian jurisdictions, producers of oil and natural gas are required to pay annual rental payments in respect of Crown leases, and royalties and freehold production taxes in respect of oil and natural gas produced from Crown and freehold lands, respectively. The royalty and production tax regime is a significant factor in the profitability of oil and natural gas production. Royalties payable on production from lands other than Crown-owned lands in Canada are determined by negotiations between the freehold mineral owner and the lessee. Crown royalties in Canada are determined by government regulation and are generally calculated as a percentage of the value of the gross production. The rate of royalties payable generally depends in part on prescribed reference prices, well productivity, geographical location, field discovery date and the type or quality of the petroleum product produced. Other royalties and royalty-like interests are from time to time carved out of the working interest owner's interest through non-public transactions. These are often referred to as overriding royalties, gross overriding royalties or net profits or net carried interests.

From time to time, the federal and provincial governments in Canada have established incentive programs which have included royalty rate or production tax reductions (including for specific wells), royalty holidays and tax credits for the purpose of encouraging oil and natural gas exploration or enhanced planning projects. If applicable, oil and natural gas royalty holidays, reductions and tax credits would effectively reduce the amount of royalties paid by oil and gas producers to the applicable governmental entities.

Land Tenure

Crude oil and natural gas located in the western provinces is owned predominantly by the respective provincial governments. Provincial governments grant rights to explore for and produce oil and natural gas pursuant to leases, licences and permits for varying terms from two years and on conditions set forth in provincial legislation including requirements to perform specific work or make payments. Oil and natural gas located in such provinces can also be privately owned and rights to explore for and produce such oil and natural gas are granted by lease on such terms and conditions as may be negotiated.

Canadian Environmental Regulation

The oil and natural gas industry is subject to environmental regulation pursuant to federal, provincial/state and local legislation. This legislation provides for environmental protection and applies restrictions and prohibitions regarding disturbances and releases or emissions of various substances produced or utilized in association with oil and gas industry operations. In addition, legislation requires that well, pipeline and facility sites are abandoned and reclaimed to the satisfaction of the applicable authorities. Environmental laws may impose remediation obligations with respect to a property designated as a contaminated site upon certain responsible persons, which include persons responsible for the substance causing the contamination, persons who caused release of the substance and any past or present owner, tenant or other person in possession of the site. Compliance with such legislation can require significant expenditures. A breach of such legislation may result in the imposition of material fines and penalties, the suspension or revocation of necessary licenses and authorizations, civil liability for pollution damage or the issuance of clean-up orders.

In British Columbia, energy projects may be subject to review pursuant to the provisions of the *Environmental Assessment Act* (British Columbia), which rolls the previous processes for the review of major energy projects into a single environmental assessment process that contemplates public participation in the environmental review. Other environmental protection and management measures, including reclamation, are governed by the *Oil and Gas Activities Act* (British Columbia) and the *Environmental Management Act* (British Columbia). In Alberta, environmental compliance is governed by the *Environmental Protection and Enhancement Act* (Alberta) and the *Oil and Gas Conservation Act* (Alberta), both of which impose environmental responsibilities on oil and natural gas operators and working interest holders in Alberta and impose penalties, which may be significant, for violations. In Saskatchewan, environmental compliance is governed by the *Environmental Management and Protection Act* (Saskatchewan) and the *Oil and Gas Conservation Act* (Saskatchewan).

In 2008, the Province of British Columbia instituted a carbon tax that applies to all fuel users and producers in the province as well as the *Cap and Trade Act* (British Columbia) (the "**BCCTA**") that requires third party verified greenhouse gas emissions to be reported annually. The Province of British Columbia is in discussions with stakeholders and partners of the Western Climate Initiative to develop an Emissions Trading Regulation and an Offsets Regulation under the BCCTA in order to price carbon and to reduce greenhouse gas emissions of regulated emitters through a regional cap and trade program. Novus is unable to estimate the future potential compliance costs of these pending regulations without a carbon price or an allocation of emission allowances. However, given its current hydrocarbon production levels in British Columbia and a current price of carbon offsets in the marketplace of approximately $15 per tonne of carbon dioxide equivalent, Novus does not expect such costs to be material.

The Province of Alberta has instituted emission reduction targets for large emitters (e.g., 100,000 tonnes of carbon dioxide per year at a single facility), which could result in increased capital expenditures and operating costs. Currently, Novus does not operate any facility classed within this large emitter category. In 2010, the Alberta provincial government and the Canadian federal government aligned in support of regulations that require the reporting of greenhouse gas emissions at facilities that meet or exceed a 50,000 tonne per year carbon dioxide equivalent emissions threshold. Currently, Novus does not operate any facility classed within this category. Additionally, it is expected that the Province of Saskatchewan will proclaim the *Management and Reduction of Greenhouse Gases Act* (Saskatchewan) during 2013, which would require regulated emitters to report and reduce their greenhouse gas emissions below a prescribed amount below their individual baseline emission level. Novus does not operate any facility classed within the regulated emitter category in Saskatchewan based on the 50,000 tonne per year carbon dioxide equivalent emissions threshold.

In 1994, the United Nations Framework Convention on Climate Change came into force, and three years later participating countries agreed to the only legally binding international agreement to reduce greenhouse gas emissions under the Kyoto Protocol. Upon ratification, participating countries are to reduce their emissions of carbon dioxide and other greenhouse gases 6% below 1990 levels during the four years between 2008 and 2012. Canada ratified the Kyoto Protocol in late 2002. However, in late 2011, the Government of Canada formally withdrew from the Kyoto Protocol, opting to keep in line with U.S. action and pursuing a regulatory approach that would impose sector by sector rules. Subsequent to the International Climate Change meeting in Copenhagen in December 2009, the governments of the United States and Canada committed to a 17% reduction in greenhouse gas emissions by 2020 relative to a 2005 baseline. The Government of Canada is working towards this target on a sector by sector basis but has yet to finalize regulations pertaining to the oil and gas sector. A report from the National Roundtable on the Environment and Economy (2011) has recommended short-term actions for Canada to develop a national cap and trade program and to eventually link with a North American cap and trade system if the U.S. eventually develops and implements its own cap and trade system. However, as the Canadian federal government continues to seek to align its greenhouse gas regulations with those of the United States, it is unclear whether the Canadian federal government will pursue any short-term actions and therefore its regulations remain pending. See "*Risk Factors*".

Novus believes that it is, and intends to continue to be, in material compliance with applicable environmental laws and regulations and is committed to meeting its responsibilities to protect the environment wherever it operates or holds working interests. Novus anticipates that this compliance may result in increased expenditures of both a capital and expense nature, as a result of increasingly stringent laws relating to the protection of the environment. Novus believes that it is reasonably likely that the trend in environmental legislation and regulation will continue toward stricter standards. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not currently possible to predict either the nature of those requirements or the impact on Novus and its operations and financial condition at this time.

OIL AND NATURAL GAS RESERVES

In accordance with NI 51-101, the Sproule Report was prepared by Sproule on April 10, 2013. The Sproule Report evaluated the oil, NGL and natural gas reserves attributable to Novus effective as at December 31, 2012.

The tables below are a summary of the oil, NGL and natural gas reserves attributable to Novus and the net present value of future net revenue attributable to such reserves as evaluated in the Sproule Report, based on forecast price and cost assumptions. The tables summarize the data contained in the Sproule Report and, as a result, may contain slightly different numbers than contained in the Sproule Report due to rounding. Also due to rounding, certain columns may not add exactly. Readers should review the definitions and information contained in "*Presentation of Novus' Oil and Gas Reserves*", "*Abbreviations*" and "*Conversion*" in this Annual Information Form in conjunction with the following table and notes.

The Report on Reserves Data by Independent Qualified Reserves Evaluator (Form 51-101F2) is attached to this Annual Information Form as Schedule "A". The Report of Management and Directors on Oil and Gas Disclosure (Form 51-101F3) is attached to this Annual Information Form as Schedule "B".

The net present value of future net revenue attributable to reserves is stated without provision for interest costs and general and administrative costs, but after providing for estimated royalties, production costs, development costs, other income, future capital expenditures, and well abandonment costs for only those wells assigned reserves by Sproule. The undiscounted or discounted net present value of future net revenue attributable to reserves estimated by Sproule do not represent the fair market value of those reserves. Other assumptions and qualifications relating to costs, prices for future production and other matters are summarized herein. The recovery and reserve estimates of oil, NGL and natural gas reserves provided herein are estimates only. Actual reserves may be greater than or less than the estimates provided herein.

The values shown for income taxes and future net revenue after income taxes were calculated on a stand-alone basis in the Sproule Report. The values shown may not be representative of future income tax obligations, applicable tax horizon or after-tax valuation.

The Sproule Report is based on certain factual data supplied by Novus and incorporates Sproule's opinion of reasonable practice in the industry. The extent and character of ownership and all factual data pertaining to petroleum properties and contracts (except for certain information residing in the public domain) were supplied by Novus to Sproule. Sproule accepted this data as presented and neither title searches nor field inspections were conducted.

Summary of Oil and Gas Reserves – Forecast Prices and Costs

	Light & Medium Oil		Heavy Oil		Natural Gas: Non-Associated Gas		Natural Gas: Solution Gas		Natural Gas Liquids	
Reserves Category	**Gross (Mbbls)**	**Net (Mbbls)**	**Gross (Mbbls)**	**Net (Mbbls)**	**Gross (MMcf)**	**Net (MMcf)**	**Gross (MMcf)**	**Net (MMcf)**	**Gross (Mbbls)**	**Net (Mbbls)**
Proved										
Developed Producing	3,501.0	3,107.7	11.4	9.4	1,756	1,514	5,209	4,619	65.3	44.3
Developed Non-Producing	68.9	59.5	-	-	41	32	83	72	0.9	0.8
Undeveloped	8,424.2	7,604.4	-	-	349	265	9,136	8,386	19.7	16.3
Total Proved	**11,994.1**	**10,771.6**	**11.4**	**9.4**	**2,146**	**1,810**	**14,428**	**13,078**	**85.9**	**61.3**
Probable	6,427.9	5,802.2	33.7	25.8	1,279	1,134	6,814	6,173	52.2	37.9
Total Proved + Probable	**18,422.0**	**16,573.8**	**45.1**	**35.2**	**3,425**	**2,945**	**21,241**	**19,251**	**138.1**	**99.3**

Net Present Value of Future Net Revenue – Forecast Prices and Costs

	Net Present Value of Future Net Revenue[1]: Before Income Taxes – Discounted at (%/yr)					After Income Taxes – Discounted at (%/yr)[2]					
Reserves Category	**0 ($M)**	**5 ($M)**	**10 ($M)**	**15 ($M)**	**20 ($M)**	**0 ($M)**	**5 ($M)**	**10 ($M)**	**15 ($M)**	**20 ($M)**	**Unit Value Before Tax Net Value 10%/yr[3] ($/BOE)**
Proved											
Developed Producing	182,823	154,829	134,577	119,431	107,760	182,786	154,814	134,570	119,427	107,759	32.17
Developed Non-Producing	1,998	1,550	1,214	956	753	1,998	1,550	1,214	956	753	15.63
Undeveloped	239,703	156,922	103,133	67,153	42,444	193,623	126,088	81,779	51,926	31,312	11.38
Total Proved	**424,524**	**313,301**	**238,923**	**187,539**	**150,957**	**378,406**	**282,452**	**217,562**	**172,309**	**139,824**	**17.93**
Probable	318,009	203,435	138,202	98,773	73,626	232,783	148,044	99,905	71,005	52,737	19.51
Total Proved + Probable	**742,533**	**516,736**	**377,125**	**286,313**	**224,583**	**611,189**	**430,496**	**317,467**	**243,314**	**192,561**	**18.48**

Notes:

(1) Net present value of future net revenue includes all resource income: sale of oil, gas, by-product reserves; processing of third party reserves; and other income.
(2) Income taxes include all resource income, appropriate income tax calculations and prior tax pools.
(3) Unit values are based on net reserve volumes.

Total Future Net Revenue Undiscounted – Forecast Prices and Costs

Reserves Category	**Revenue ($M)**	**Royalties ($M)**	**Operating Costs ($M)**	**Development Costs ($M)**	**Well Abandonment/ Other Costs ($M)**	**Future Net Revenue Before Income Taxes ($M)**	**Income Taxes ($M)**	**Future Net Revenue After Income Taxes ($M)**
Proved	1,218,861	139,520	375,815	260,945	18,057	424,524	46,117	378,406
Total Proved + Probable	1,929,118	217,833	599,739	345,869	23,145	742,533	131,344	611,189

Future Net Revenue by Production Group – Forecast Prices and Costs

Reserves Category	Production Group	Future Net Revenue Before Income Taxes (Discounted at 10%/Yr) ($M)	Unit Value Before Income Taxes (Discounted at 10%/Yr) ($/BOE)[2]
Proved	Light & medium crude oil (including solution gas and associated by-products)	234,914	18.12
	Heavy oil (including solution gas and associated by-products)	65	6.88
	Natural gas (including associated by-products)[1]	3,944	11.35
Proved + Probable	Light & medium crude oil (including solution gas and associated by-products)	370,501	18.71
	Heavy oil (including solution gas and associated by-products)	318	9.04
	Natural gas (including associated by-products)[1]	6,306	11.16

Notes:

(1) Includes corporate capital gas cost allowance.
(2) Unit values are based on net reserve volumes.

Pricing Assumptions – Forecast Prices and Costs[1]

Sproule employed the following pricing, exchange rate and inflation rate assumptions as of December 31, 2012, in the Sproule Report in estimating reserves data using forecast prices and costs.

Year	WTI Cushing Oklahoma (US$/bbl)	Edmonton Par Price 40° API (Cdn$/bbl)	Cromer Medium 29.3° API (Cdn$/bbl)	Natural GasAECO Gas Prices (Cdn$/MMBtu)	Pentanes F.O.B. Field Gate (Cdn$/bbl)	Butanes F.O.B. Field Gate (Cdn$/bbl)	Inflation Rate[2] (%)	Exchange Rate[3] (US$/Cdn$)
Historical								
2008	99.59	102.85	93.05	8.15	104.70	75.09	1.1	0.943
2009	61.63	66.20	62.77	4.19	68.13	49.34	2.0	0.880
2010	79.43	77.81	73.66	4.16	84.21	57.99	1.2	0.971
2011	95.00	95.16	87.86	3.72	104.12	70.93	1.6	1.012
2012	94.19	86.53	80.95	2.43	100.76	64.48	1.3	1.001
Forecast								
2013	89.63	84.55	77.79	3.31	90.53	63.02	1.5	1.001
2014	89.93	89.84	82.66	3.72	96.19	66.96	1.5	1.001
2015	88.29	88.21	81.15	3.91	94.44	65.74	1.5	1.001
2016	95.52	95.43	88.75	4.70	102.18	71.13	1.5	1.001
2017	96.96	96.87	90.09	5.32	103.71	72.20	1.5	1.001
2018	98.41	98.32	91.44	5.40	105.27	73.28	1.5	1.001
2019	99.89	99.79	92.81	5.49	106.85	74.38	1.5	1.001
2020	101.38	101.29	94.20	5.58	108.45	75.50	1.5	1.001
2021	102.91	102.81	95.61	5.67	110.08	76.63	1.5	1.001
2022	104.45	104.35	97.05	5.76	111.73	77.78	1.5	1.001
2023	106.02	105.92	98.50	5.85	113.40	78.95	1.5	1.001

Thereafter an escalation rate of 1.5%

Notes:

(1) This summary table identifies benchmark reference pricing schedules that might apply to a reporting issuer.
(2) Inflation rates for forecasting prices and costs.
(3) Exchange rates used to generate the benchmark reference prices in this table.
(4) Product sale prices will reflect these reference prices with further adjustments for quality and transportation to point of sale.

Novus' weighted average oil and liquids price realized in the 2012 calendar year was $82.94/Bbl, while the realized natural gas price was $2.64/Mcf.

Reconciliation of Corporation Gross Reserves[(1)] (Before Royalty) by Principal Product Type – Forecast Prices and Costs

The following table summarizes the changes in reserves from December 31, 2011 to December 31, 2012:

	Light & Medium Oil (Mbbls)			Heavy Oil (Mbbls)			Associated, Non-Associated and Solution Gas (MMcf)			Natural Gas Liquids (Mbbls)			BOE (Mbbl)		
	Proved	**Probable**	**P+P**	**Proved**	**Probable**	**P+P**	**Proved**	**Probable**	**P+P**	**Proved**	**Probable**	**P+P**	**Gross Proved**	**Gross Probable**	**Gross Proved Plus Probable**
December 31, 2011	7,040.9	4,533.4	11,574.3	61.7	108.6	170.3	9,779	6,084	15,863	112.2	56.2	168.4	8,844.6	5,712.2	14,556.8
Extensions	2,162.2	1,988.6	4,150.8	-	-	-	2,847	2,067	4,914	0.5	1.8	2.3	2,637.2	2,334.9	4,972.1
Infill Drilling	3,953.5	1,786.8	5,740.3	-	-	-	3,801	1,616	5,417	7.4	3.0	10.4	4,594.4	2,059.1	6,653.5
Improved Recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical Revisions	(245.2)	(1,933.7)	(2,178.9)	(13.5)	(29.9)	(43.4)	1,775	(1,660)	115	(16.0)	(8.8)	(24.8)	21.4	(2,249.3)	(2,227.9)
Discoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dispositions	(1.9)	(0.8)	(2.7)	(25.0)	(45.0)	(70.0)	(1)	-	(1)	(0.1)	(0.1)	(0.2)	(27.2)	(45.9)	(73.1)
Economic Factors	(75.3)	53.6	(21.7)	(2.2)	-	(2.2)	(117)	(14)	(131)	(0.2)	0.1	(0.1)	(97.2)	51.4	(45.8)
Production	(840.1)	-	(840.1)	(9.6)	-	(9.6)	(1,511)	-	(1,511)	(17.9)	-	(17.9)	(1,119.5)	-	(1,119.5)
December 31, 2012	11,994.1	6,427.9	18,422.0	11.4	33.7	45.1	16,573	8,093	24,666	85.9	52.2	138.1	14,853.7	7,862.4	22,716.1

Note:

(1) Gross Reserves means the Corporation's working interest reserves before calculation of royalties, and before consideration of the Corporation's royalty interests.

Undeveloped Reserves Vintage by Principal Product Type – Forecast Prices and Costs

The following discussion generally describes the basis on which Novus attributes proved and probable undeveloped reserves and the anticipated plans for developing those undeveloped reserves. Additional information concerning the exploration and development plans for the ensuing year is provided below under the heading "*Other Oil and Gas Information for the Properties*".

	Light and Medium Oil		**Heavy Oil**		**Natural Gas**		**Natural Gas Liquids**	
	First Attributed Gross Mbbls	**Booked Gross Mbbls**	**First Attributed Gross Mbbls**	**Booked Gross Mbbls**	**First Attributed Gross MMcf**	**Booked Gross MMcf**	**First Attributed Gross Mbbls**	**Booked Gross Mbbls**
Proved Undeveloped								
Prior to December 31, 2009	115.0	115.0	46.0	46.0	417	417	13.0	13.0
December 31, 2009	452.5	452.5	-	24.5	788	788	-	-
December 31, 2010	2,228.4	2,583.8	39.2	63.7	1,528	1,774	7.0	8.2
December 31, 2011	2,718.4	4,817.0	-	25.0	2,282	5,470	4.3	16.4
December 31, 2012	5,387.0	8,424.2	-	-	5,955	9,485	6.8	19.7
Probable Undeveloped								
Prior to December 31, 2009	181.0	181.0	31.0	31.0	534	534	39.0	39.0
December 31, 2009	340.9	435.7	-	34.3	398	454	4.7	11.1
December 31, 2010	2,849.4	3,093.7	88.2	132.3	1,814	1,915	10.3	11.0
December 31, 2011	1,186.3	3,778.1	-	85.0	1,140	4,379	-	13.2
December 31, 2012	3,584.6	5,547.0	-	28.8	3,480	5,911	4.4	20.3

Novus currently has ongoing drilling operations in its core area of Dodsland, Saskatchewan. This area, which accounts for over 90% of the total proved undeveloped reserves as at December 31, 2012, is anticipated to be the Corporation's focus over the next 18-24 months.

Over 90% of the Corporation's probable undeveloped reserves are in the greater Dodsland area. The Corporation is actively drilling and surveying wells at Dodsland, and plans on developing these reserves over the next few years.

Significant Factors or Uncertainties Affecting Reserves Data

The process of estimating reserves is complex. It requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change. The reserve estimates contained herein are based on current production forecasts, prices and economic conditions.

As circumstances change and additional data become available, reserve estimates also change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and governmental restrictions.

Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. As a result, the subjective decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserve estimates can arise from changes in year-end oil and gas prices, and reservoir performance. Such revisions can be either positive or negative.

Future Development Costs[1]

The table below sets out the total development costs deducted in the estimation of future net revenue attributable to proved reserves and proved plus probable reserves (using forecast prices and costs).

	Forecast Prices & Costs	
	Proved Reserves ($M)	Proved Plus Probable Reserves ($M)
Year		
2013	55,208	60,604
2014	56,332	63,499
2015	63,499	79,256
2016	61,628	76,290
2017	24,223	66,164
Total for First 5 Years	260,889	345,813
Thereafter	56	56
Total Undiscounted	260,945	345,869
Total Discounted at 10%/Yr	210,897	272,395

Note:

(1) Future development costs shown are associated with booked reserves in the Sproule Report and do not necessarily represent Novus' full exploration and development budget.

Novus has three sources of funding available to finance its capital expenditure programs: internally generated cash flow from operations; debt financing when appropriate and the proceeds from Common Share issuances. Novus expects to fund the above future development costs through a mixture of internally generated cash-flow and debt financing. Novus believes that the costs associated with funding the future development costs of the existing assets would not make any of the existing properties uneconomic.

Other Oil and Gas Information for the Properties

The following is a description of Novus' principal oil and natural gas properties as of December 31, 2012.

Saskatchewan

Dodsland

The largest core area for Novus is located in the greater Dodsland area of Southwest Saskatchewan. This area is centered by Kindersley and ranges from Flaxcombe/Whiteside in the West; Prairiedale and Kerrobert in the North; and Plato and Forgan in the South and East. Novus has focused on light Viking crude oil, which has depths of approximately 750 metres and can be found throughout the greater Dodsland area. Novus first ventured into the area in October 2009 and has subsequently acquired additional lands from corporate acquisitions, asset purchases, farm-ins and land sales, resulting in the Corporation controlling 118 net sections of land across the Dodsland area. In 2012, Novus operated the drilling of 72 (72.0 net) horizontal Viking oil wells, and the Corporation now owns working interests varying from 5% to 100% in 262 producing wells. Novus' share of production in 2012 was: 2,201 Bbls/d of light/medium oil; 2,334 Mcf/d of gas; and 1 Bbls/d of NGLs. The majority of the capital program for 2013 is allocated to the greater Dodsland area for the drilling of high working interest horizontal oil wells.

Alberta

Wembley

The Wembley property is located in northwest Alberta, approximately 3 kilometres northwest of Grande Prairie. Drilling targets are mainly oil at depths varying up to 2,200 metres. Novus owns a 100% working interest in three producing oil wells. Novus' share of production in 2012 was: 44 Bbls/d of oil; 137 Mcf/d of gas; and 12 Bbls/d of NGLs.

Provost

The Provost area is located in east central Alberta, and encompasses Novus' properties within the area from Twp 29 Rge 1 W4M in the southeast corner to Twp 38 Rge 20 W4M in the northwest corner. Drilling targets are mainly natural gas at depths varying up to 1,000 metres. Novus owns working interests varying from 1% to 100% in 39 producing wells. Novus' share of production during 2012 was: 555 Mcf/d of gas and 5 Bbls/d of NGLs.

Summary of production from the Principal Producing Properties

During the year ended December 31, 2012, approximately 86% of Novus' production was derived from Saskatchewan, 13% from Alberta and 1% from British Columbia. The following table indicates Novus' average daily production from its principal producing properties for the year ended December 31, 2012.

	Light & Medium Oil (bbls/d)	Heavy Oil (bbls/d)	Natural Gas (Mcf/d)	Natural Gas Liquids (bbls/d)	Oil Equivalent (BOE/d)
Saskatchewan					
Dodsland	2,201	-	2,334	1	2,591
Other	7	26	-	-	33
Alberta					
Wembley	44	-	137	12	79
Provost	-	-	555	5	98
Other (1)	43	-	909	28	222
British Columbia					
Other (1)	-	-	194	4	36
Total	**2,295**	**26**	**4,129**	**50**	**3,059**

Note:

(1) No individual property grouped in "Other" makes up more than 5% of Novus' annual production.

Oil and Gas Wells

The following table sets forth the number and status of wells as at December 31, 2012, in which Novus has a working interest.

	Producing Wells				Non-Producing Wells			
	Oil		Natural Gas		Oil		Natural Gas	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Alberta	14	8.2	68	32.8	14	6.5	69	42.0
Saskatchewan	270	252.2	1	1.0	24	20.4	3	3.0
British Columbia	-	-	1	0.4	-	-	2	1.6
Total	**284**	**260.4**	**70**	**34.2**	**38**	**26.9**	**74**	**46.6**

Properties with no Attributed Reserves

The following table summarizes Novus' proved and unproved acreage as at December 31, 2012. This does not include lands in which Novus has a right to acquire or earn an interest in pursuant to farm-in agreements.

	Developed Acreage		Undeveloped Acreage		Total Acreage	
	Gross	**Net**	**Gross**	**Net**	**Gross**	**Net**
Alberta	68,878	35,618	83,200	73,667	152,078	109,285
Saskatchewan	23,686	18,143	96,997	89,502	120,683	107,645
Other	1,943	1,347	1,943	932	3,886	2,279
Western Canada Total	**94,507**	**55,108**	**182,140**	**164,101**	**276,647**	**219,209**

Novus expects that rights to 14,662 net undeveloped acres will be subject to potential expiry by December 31, 2013. Novus continually assesses which properties it will retain and where Novus deems appropriate, it intends to continue certain leases by either making the necessary applications or performing the necessary work.

In the current natural gas price environment Novus may delay certain natural gas exploration and development investment decisions in order to maximize the value of the properties with no attributed reserves but retaining the mineral rights for future development. Oil exploration and development investment decisions will also be made throughout 2013 based upon factors present at that time.

Other than oil and natural gas prices, there are no significant economic factors in relation to the lands referenced above that affect anticipated development or production.

Exploration and Development Activity

The following table sets forth the gross and net exploratory and development wells drilled on Novus' properties during the financial year ended December 31, 2012.

	Exploratory Wells		Development Wells		Total Wells	
	Gross	**Net**	**Gross**	**Net**	**Gross**	**Net**
Oil	3	3.0	69	69.0	72	72.0
Gas	-	-	-	-	-	-
Service	-	-	-	-	-	-
Stratigraphic Test	-	-	-	-	-	-
Dry	-	-	-	-	-	-
Total:	**3**	**3.0**	**69**	**69.0**	**72**	**72.0**

Additional Information Concerning Abandonment and Reclamation Costs

The Corporation is liable for ongoing environmental obligations and for the ultimate abandonment and reclamation costs for its oil and natural gas properties (including surfaces leases, wells, facilities and pipelines) upon abandonment. The Corporation identifies obligations relating to oil and natural gas properties by estimating the present value of expected future costs to reclaim and abandon these properties and the timing of the costs to be incurred in future periods. These estimated costs are based on 368.1 net wells and 6.7 net facilities in respect of which the Corporation is liable for ongoing environmental obligations and for the ultimate abandonment and reclamation costs for its oil and natural gas properties (including surfaces leases, wells, facilities and pipelines) upon abandonment. The Corporation anticipates the total inflated amount of such costs to be approximately $18.9 million on an undiscounted basis and $7.0 million discounted at 10%. The undiscounted amount is approximately $0.8 million higher ($2.9 million discounted at 10%) than the abandonment figure used in the Sproule Report to calculate the future net revenue from proved reserves. The Corporation anticipates that approximately $2.8 million of abandonment and reclamation costs will be incurred in the next three financial years. Ongoing environmental obligations will generally be funded out of cash flow.

The estimates of total proved reserves associated with the Corporation's properties and the present worth of future net cash flows from such reserves contained in the Sproule Report (based on forecast prices and costs on an undiscounted basis) include expenditures of approximately $18.1 million ($4.1 million discounted at 10%) associated with the abandonment of all wells and locations that were assigned proved reserves but do not include any provision for surface lease reclamation or facility abandonment costs.

Costs Incurred

The following table summarizes capital expenditures incurred for the year ended December 31, 2012 with respect to the Corporation's properties.

	$M
Property acquisition costs – proved properties	-
Property acquisition costs – unproved properties	3,299
Exploration costs	3,021
Development costs	81,187
Other	29
Total	87,536

Production Estimates

The following table discloses for each product type, the average daily volume of production estimated by Sproule in the Sproule Report in the estimates of the gross proved reserves and gross probable reserves disclosed above, under the heading "*Oil and Natural Gas Reserves – Summary of Oil and Gas Reserves – Forecast Prices and Costs*".

	Estimated 2013 Daily Production	
By Product Type	**(Proved)**	**(Probable)**
Crude Oil		
Light and medium oil (Bbls/d)	2,960	315
Heavy oil (Bbls/d)	24	17
Total crude oil (Bbls/d)	2,984	332
Natural gas liquids (Bbls/d)	40	6
Total oil and liquids (Bbls/d)	3,024	338
Natural gas (Mcf/d)	4,985	573
Total company gross (BOE/d)	3,855	434

One field, Flaxcombe, accounts for 20% or more of the estimated 2013 daily production disclosed above. The estimated 2013 daily production from this field is as follows:

Flaxcombe Production Estimates

By Product Type	Estimated 2013 Daily Production (Proved)	(Probable)
Crude Oil		
Light and medium oil (Bbls/d)	1,602	175
Heavy oil (Bbls/d)	-	-
Total crude oil (Bbls/d)	1,602	175
Natural gas liquids (Bbls/d)	-	-
Total oil and liquids (Bbls/d)	1,602	175
Natural gas (Mcf/d)	1,921	211
Total company gross (BOE/d)	1,922	210

Production History

The following tables disclose, for the year ended December 31, 2012, certain information in respect of Novus' share of production, product prices received, royalties paid, operating and transportation expenses and the resulting netbacks for Novus' properties.

Novus' Average Daily Production Volume Before Deduction of Royalties

	Three Months Ended Mar 31, 2012	Jun 30, 2012	Sep 30, 2012	Dec 31, 2012	Year Ended Dec 31, 2012
Light & medium oil (Bbls/d)	2,127	2,077	2,363	2,610	2,296
Heavy oil (Bbls/d)	17	26	31	31	26
Total Crude oil (Bbls/d)	2,144	2,103	2,394	2,641	2,322
Natural gas liquids (Bbls/d)	59	50	45	42	49
Total oil and liquids (Bbls/d)	2,203	2,153	2,439	2,683	2,371
Natural gas (Mcf/d)	3,254	4,402	4,287	4,568	4,129
Total (BOE/d)	**2,745**	**2,887**	**3,154**	**3,444**	**3,059**

Production Volume by Field

Field	Light & Medium Oil (Bbls/d)	Heavy Oil (Bbls/d)	Natural Gas Liquids (Bbls/d)	Total Oil & Liquids (Bbls/d)	Natural Gas (Mcf/d)	Total (BOE/d)
Flaxcombe	953	-	-	953	865	1,097
Other	1,343	26	49	1,418	3,264	1,962
Total (BOE/d)	**2,296**	**26**	**49**	**2,371**	**4,129**	**3,059**

Prices Received, Royalties Paid, Production Costs, Transportation Costs and Netbacks for Novus

Light and Medium Crude Oil ($ per Bbl)

	Three Months Ended Mar 31, 2012	Jun 30, 2012	Sep 30, 2012	Dec 31, 2012	Year Ended Dec 31, 2012
Sales price	90.06	82.01	82.56	81.20	83.78
Royalties	(9.54)	(9.90)	(9.22)	(9.41)	(9.50)
Production costs[(1)]	(9.93)	(9.69)	(9.02)	(9.59)	(9.54)
Transportation costs[(2)]	(3.68)	(4.15)	(4.12)	(3.57)	(3.87)
Netback[(3)]	66.91	58.27	60.20	58.63	60.87

Heavy Oil ($ per Bbl)

	Three Months Ended Mar 31, 2012	Jun 30, 2012	Sep 30, 2012	Dec 31, 2012	Year Ended Dec 31, 2012
Sales price	76.36	69.01	67.31	65.16	68.52
Royalties	(24.94)	(15.49)	(2.30)	(13.24)	(12.39)
Production costs[(1)]	(143.36)	(32.01)	(25.07)	(16.29)	(42.83)
Transportation costs[(2)]	(5.73)	(6.05)	(3.05)	(3.77)	(4.43)
Netback[(3)]	(97.67)	15.46	36.89	31.86	8.87

Natural Gas ($ per Mcf)

	Three Months Ended				Year Ended
	Mar 31, 2012	**Jun 30, 2012**	**Sep 30, 2012**	**Dec 31, 2012**	**Dec 31, 2012**
Sales price	2.43	2.06	2.55	3.43	2.64
Royalties	0.27	(0.61)	(0.19)	(0.24)	(0.23)
Production costs(1)	(2.29)	(1.54)	(1.99)	(1.74)	(1.86)
Transportation costs(2)	(0.27)	(0.24)	(0.28)	(0.30)	(0.27)
Netback(3)	0.14	(0.33)	0.09	1.15	0.28

Natural Gas Liquids ($ per Bbl)

	Three Months Ended				Year Ended
	Mar 31, 2012	**Jun 30, 2012**	**Sep 30, 2012**	**Dec 31, 2012**	**Dec 31, 2012**
Sales price	51.64	53.42	49.15	51.12	51.41
Royalties	(19.08)	(10.89)	(12.98)	(28.68)	(17.65)
Production costs(1)	(18.15)	(19.99)	(16.88)	(9.32)	(16.43)
Transportation costs(2)	-	-	-	-	-
Netback(3)	14.41	22.54	19.29	13.12	17.33

Total ($ per BOE)

	Three Months Ended				Year Ended
	Mar 31, 2012	**Jun 30, 2012**	**Sep 30, 2012**	**Dec 31, 2012**	**Dec 31, 2012**
Sales price	74.23	63.70	66.70	67.29	67.84
Royalties	(7.63)	(8.38)	(7.38)	(7.91)	(7.82)
Production costs(1)	(11.66)	(9.96)	(9.95)	(9.84)	(10.30)
Transportation costs(2)	(3.21)	(3.41)	(3.50)	(3.13)	(3.31)
Netback(3)	51.73	41.95	45.87	46.41	46.41

Notes:

(1) For properties with multiple product types, production costs are pro-rated to the product type based on the property's production profile.
(2) Transportation costs for natural gas liquids are included with natural gas.
(3) Netback is a non-GAAP financial measure and does not have any standardized meaning prescribed by GAAP and therefore may not be comparable with the calculation of similar measures for other entities. Netbacks are calculated by deducting royalties, production costs and transportation costs from prices received. Novus uses netbacks to analyze financial and operating performance.

Tax Horizon

Based on an estimated $269 million in tax pools, Novus does not believe that it will be required to pay income taxes (other than the Saskatchewan Resource Surcharge, which is a tax charged by the province of Saskatchewan on production revenues from that province) within the next few years. Novus may pay income taxes in the future, depending on its production levels, capital expenditures, and commodity prices and costs.

DIRECTORS AND OFFICERS

As of the date of this Annual Information Form the name, municipality of residence, positions held with Novus and principal occupation during the preceding five years of each of the directors and officers of Novus are as follows:

Name and Municipally of Residence	Office / Date Appointed	Principal Occupation During the Past 5 Years
Hugh G. Ross Calgary, Alberta, Canada	President & Chief Executive Officer Director March 31, 2009	Currently the President and Chief Executive Officer of the Corporation. Prior thereto, President and Chief Executive Officer of Gentry Resources Ltd. until August 2008.
Michael H. Halvorson Edmonton, Alberta Canada	Director March 31, 2009	President of Halcorp Capital Ltd., a private investment corporation and director of Orezone Gold Corporation.

Name and Municipally of Residence	Office / Date Appointed	Principal Occupation During the Past 5 Years
Harry L. Knutson Vancouver, British Columbia, Canada	Director January 1, 2006	Chairman of Nova Bancorp Group (Canada) Ltd., a private investment company, since 1991 and certain other Nova Bancorp Group companies since 1982. Director of TSX listed Bonavista Energy Corporation, and certain other TSX and TSXV listed companies.
Al J. Kroontje Calgary, Alberta, Canada	Director December 22, 2004	President of Pellinore Holdings Energy Inc., a private investment 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.
Larry C. Mah Calgary, Alberta, Canada	Director June 11, 2009	President of Lawrence C. Mah Professional Corporation. Prior thereto, senior partner of Collins Barrow Calgary LLP, Chartered Accountants until January 1, 2008.
A. Bruce Macdonald Calgary, Alberta, Canada	Director June 11, 2009	Chairman of Jayhawk Resources Ltd., a private oil and gas exploration and production company. Chairman of Jayhawk Frontier Exploration Ltd., a private exploration company involved in the Northwest Territories. Prior thereto, director of Gentry Resources Ltd. until August 2008.
Ketan Panchmatia Calgary, Alberta, Canada	Chief Financial Officer, Vice-President Finance, and Corporate Secretary March 31, 2009	Currently the Chief Financial Officer, Vice-President Finance, and Corporate Secretary of the Corporation. Prior thereto, Chief Financial Officer, Vice-President, Finance, and Secretary/Treasurer of Gentry Resources Ltd. until August 2008.
Julian Din Calgary, Alberta, Canada	Vice-President, Business Development April 23, 2009	Currently the Vice-President, Business Development of the Corporation. Prior thereto, Associate Director, Wealth Management and Senior Wealth Advisor, Scotia McLeod until March 2009.
Greg Groten Calgary, Alberta, Canada	Vice-President, Exploration March 31, 2009	Currently the Vice-President, Exploration of the Corporation. Prior thereto, Vice-President, Exploration of Gentry Resources Ltd. until August 2008.
Jack M. Lane Calgary, Alberta, Canada	Vice-President, Operations March 31, 2009	Currently the Vice-President, Operations of the Corporation. Prior thereto, Vice-President, Operations of West Energy Ltd. until January 2008.
Mitch Huitema Calgary, Alberta, Canada	Vice-President, Accounting June 16, 2011	Currently the Vice-President, Accounting of the Corporation. Prior thereto, Controller of Berens Energy Ltd. until February, 2010. Controller of Novus Energy Inc. since March, 2010.

All directorships expire at the next annual general meeting of the Shareholders of the Corporation. All officers hold office at the pleasure of the Board of Directors.

As of the date hereof, the directors and executive officers of Novus, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 10,840,630 Common Shares constituting approximately 5.7 percent of the issued and outstanding Common Shares.

The Board currently has in place an audit committee (the "**Audit Committee**"), reserves committee, corporate governance and nominating committee and a compensation committee. The audit committee of the Corporation currently consists of Larry Mah, Harry Knutson and Al Kroontje. The reserves committee of the Corporation currently consists of Bruce Macdonald and Michael Halvorson. The corporate governance and nominating committee currently consists of Michael Halvorson and Al Kroontje. The compensation committee currently consists of Harry Knutson and Larry Mah.

No director, officer or shareholder holding a number of securities of Novus sufficient to materially affect the control of Novus, a personal holding company of any such person, or a company for which such person is or has acted as a director or executive officer that while such person was acting in that capacity, or within a year of the person ceasing to act in that capacity is or has, within the 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person, except as hereinafter set forth. See "*Corporate Cease Trade Orders or Bankruptcies*" and "*Personal Bankruptcies*".

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 Board has developed a written audit committee mandate (the "**Mandate**"). A copy of the Mandate 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 and independent within the meaning of NI 52-110.

Relevant Education and Experience of Audit Committee Members

Harry Knutson, Director

Mr. Knutson is a Canadian Chartered Director (2006 from the Directors College, McMaster University). He is currently a director of Bonavista Energy Corporation, Novus Energy Inc., Knol Resources Corp. and Petroforte International Ltd. 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 and Chairman of the National Professional Practice Committee. Mr. Mah has served on the audit committees of Gentry Resources Ltd., a former TSX listed company, and Twoco Petroleums Ltd., a TSXV listed company. Mr. Mah has also served as a member of the audit committees of the Heritage Park Society and the Parkinson's Society of Southern Alberta.

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 and exploration sector but also in the oil and gas services and mining sectors. 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, 2012 was a recommendation of the Audit 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 2012 and 2011:

	2012	**2011**
Audit Fees(1)	$ 134,500	$ 124,000
Audit-Related Fees(2)	2,500	28,500
Tax Fees(3)	9,000	17,000
All Other Fees(4)	-	-
Total:	$146,000	$ 169,500

Notes:

(1) Audit fees include fees necessary to perform the annual audit and quarterly reviews of the Corporation's financial statements. Audit fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements.

(2) Audit-related fees include services that are traditionally performed by the auditor. These audit-related services include audit or other attest services required by legislation or regulation such as comfort letters, consents, reviews of securities filings and statutory audits. Audit-related fees also include due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) Tax fees include fees for all tax services other than those included in audit fees and audit-related fees. This category includes fees for tax compliance, tax planning and tax advice.

(4) All other fees include fees for products and services provided by the auditor, other than the services reported above.

Reliance on Certain Exemptions

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

DESCRIPTION OF CAPITAL STRUCTURE

The Corporation is authorized to issue an unlimited number of Common Shares. A brief summary of the characteristics of the Common Shares is given below. Additionally, the Corporation has outstanding certain convertible securities to purchase Common Shares.

Common Shares

Novus 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, to one vote per Common Share at meetings of the Shareholders and, upon liquidation, to receive such assets of Novus as are distributable to the holders of the Common Shares. All Common Shares currently outstanding and to be outstanding upon exercise of outstanding options and Novus Performance Warrants are, or will be, fully paid and non-assessable. All options to purchase Common Shares have been granted pursuant to the Stock Option Plan, which is attached as Schedule "B" to the management information circular of the Corporation dated May 24, 2012, a copy of which has been filed on SEDAR (**www.sedar.com**). All Novus

Performance Warrants have been granted pursuant to Novus Performance Warrant agreements, which are described in the management information circular of the Corporation dated May 24, 2012, a copy of which has been filed on SEDAR (**www.sedar.com**).

As at the date of this Annual Information Form, there are 189,375,042 Common Shares of Novus outstanding. To the best of the knowledge of the directors and executive officers of Novus, as of the date of this Annual Information Form, no person or company beneficially owned, directly or indirectly, or exercised control or direction over 10% or more of the voting rights attached to the outstanding Common Shares.

DIVIDEND RECORD AND POLICY

Novus has not paid any dividends on the Common Shares and does not intend to pay dividends on the Common Shares in the foreseeable future. Any decision to pay dividends on the Common Shares will be made by the Board of Directors of Novus on the basis of Novus' earnings, financial requirements and other conditions existing at such future time.

MARKET FOR SECURITIES

Trading Price and Volume

As of the date of this Annual Information Form, Novus is a reporting issuer in all provinces of Canada. The outstanding Common Shares are listed for trading on the TSXV under the trading symbol "NVS". The table below sets forth the reported high and low sales prices (which are not necessarily the closing prices) and the trading volumes of Common Shares for each month of the financial year ended December 31, 2012.

	Price Range ($)		
Month	**High**	**Low**	**Monthly Volume**
January	1.01	0.76	17,930,326
February	1.13	0.93	37,095,840
March	1.12	1.01	51,782,307
April	1.06	0.87	16,578,776
May	0.94	0.73	10,997,556
June	0.76	0.60	12,088,192
July	0.76	0.62	7,248,216
August	0.77	0.69	8,709,907
September	0.89	0.72	11,450,264
October	0.93	0.84	12,314,821
November	1.10	0.82	27,673,614
December	1.10	1.01	11,299,728

Prior Sales

Outlined below is a summary of the securities that Novus issued during the financial year ended December 31, 2012, which are not listed or quoted on a marketplace.

Type of Security	Date Issued	Number of Securities	Conversion/Exercise Price
Stock Options	March 14, 2012	105,000	$1.06
Stock Options	April 20, 2012	1,850,000	$0.92

One quarter of the options vest every six months, with the first tranche vesting six months from the date of grant.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, Management is not aware of any material interest, direct or indirect, of any director or executive officer of Novus, any person or company beneficially owning or exercising control or direction over, directly or indirectly, more than ten percent of Novus' voting securities, or any associate or affiliate of such person or company in any transaction since January 1, 2010 that has materially affected or may reasonably be expected to materially affect the Corporation.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Olympia Trust Company at its office in Calgary, Alberta.

RISK FACTORS

The risks and uncertainties discussed below are not the only ones facing the Corporation. Additional risks and uncertainties not presently known to the Corporation or which the Corporation currently considers immaterial may also impair the business and operations of the Corporation and cause the value of the securities of the Corporation to decline. If any of the following risks actually occur, the Corporation's business may be harmed and the financial condition and results of operation of the Corporation may suffer significantly. In that event, the trading price of the Corporation's Common Shares could decline and shareholders may lose all or part of their investment. Prospective investors should review the risks with their legal and financial advisors and should consider, in addition to the matters set forth elsewhere in this AIF, the following risks. An investment in the securities of the Corporation is suitable only for purchasers who are aware of such risks and who have the ability and willingness to accept the risk of total loss of their invested capital.

An investment in Novus should be considered speculative due to the nature of its activities and the present stage of its development. Investors should carefully consider the risk factors set forth below.

Possible Failure to Realize Any Anticipated Benefits of Value Realization Process

Novus has struck a Special Committee of the Board of Directors to consider a broad array of options to optimize shareholder value. There is not an established definitive schedule to complete the review and consideration of options. Novus does not intend to disclose future developments with respect to the process unless and until the Board of Directors has approved a specific transaction or otherwise determines that disclosure is appropriate or required. Investors should not assume that the Company will be successful in entering into a transaction to optimize shareholder value as such a transaction would be conditional upon a broad array of factors.

Exploration, Development and Production Risks

An investment in the Common Shares is speculative due to the nature of Novus' involvement in the exploration, development and production of oil and natural gas and Novus' stage of development. Oil and natural gas exploration involves a high degree of risk and there is no assurance that expenditures made on future exploration by Novus will result in new discoveries of oil or natural gas in commercial quantities. It is difficult to project the costs of implementing an exploratory drilling program due to the inherent uncertainties of drilling in unknown formations, the costs associated with encountering various drilling conditions such as: over pressured zones; tools lost in the hole; changes in drilling plans and locations as a result of prior exploratory wells; or additional seismic data and interpretations thereof.

The long-term commercial success of Novus depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. No assurance can be given that Novus will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, Novus may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. Novus will have limited reserves and producing oil and gas properties.

Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While close well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees. In addition, oil and gas operations are subject to the risks of exploration, development and production of oil and natural gas properties, including encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, cratering, sour gas releases, fires and spills. Losses resulting from the occurrence of any of these risks could have a material adverse effect on future results of operations, liquidity and financial condition.

Volatility of Commodity Prices and Markets

Oil and natural gas prices are unstable and are subject to fluctuation. Any material decline in prices could result in a reduction of Novus' net production revenue. The economics of producing from some wells may change as a result of lower prices, which could result in a reduction in the volumes of Novus' reserves. Novus might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in Novus' net production revenue causing a reduction in its acquisition and development activities. In addition, bank borrowings available to Novus will in part be determined by Novus' borrowing base. A sustained material decline in prices from historical average prices could further reduce such borrowing base, therefore reducing the bank credit available and could require that a portion of any bank debt be repaid.

From time to time Novus may enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline; however, if commodity prices increase beyond the levels set in such agreements, Novus will not benefit from such increases.

Competition

The oil industry is intensely competitive. Competition is particularly intense in the acquisition of prospective oil properties and oil and gas reserves. The Corporation's competitive position depends on its geological, geophysical and engineering expertise, its financial resources, its ability to develop its properties and its ability to select, acquire and develop proved reserves. The Corporation competes with a substantial number of other companies having larger technical staff and greater financial and operational resources. Many such companies not only engage in the acquisition, exploration, development and production of oil reserves, but also carry on refining operations and market refined products. The Corporation also competes with major and independent oil companies and other industries supplying energy and fuel in the marketing and sale of oil to transporters, distributors and end users, including industrial, commercial and individual consumers. The Corporation also competes with other oil companies in attempting to secure drilling rigs and other equipment necessary for drilling and completion of wells. Such equipment may be in short supply from time to time. In addition, equipment and other materials necessary to construct production and transmission facilities may be in short supply from time to time. Finally, companies not previously invested in oil may choose to acquire reserves to establish a firm supply or simply as an investment. Such companies may also provide competition for the Corporation.

Industry and Environmental Matters

The petroleum industry is competitive in all its phases. Novus will compete with numerous other participants in the search for and the acquisition of oil and natural gas properties and in the marketing of oil and natural gas. Novus' competitors will include companies which have greater financial resources, staff and facilities than those of Novus. Novus' ability to increase reserves in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for exploratory drilling.

The marketability of oil and natural gas acquired or discovered will be affected by numerous factors beyond the control of Novus. These factors include reservoir characteristics, market fluctuations, the proximity and capacity of natural gas pipelines and processing equipment and government regulation. Oil and natural gas operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government which may be amended from time to time. Novus' oil and natural gas operations may also be subject to compliance with federal, provincial and local laws and regulations controlling the discharge of materials into the environment or otherwise relating to the protection of the environment.

Environmental Matters

The oil and natural gas industry is subject to extensive environmental regulation pursuant to local, provincial and federal legislation in Canada. A breach of that legislation may result in the imposition of fines or the issuance of "clean up" orders. Legislation regulating Novus' industry may be changed to impose higher standards and potentially more costly obligations, such as legislation that would require significant reductions in greenhouse gas emissions. See "*Business of the Corporation – Industry Conditions – Canadian Environmental Regulation*" for a summary of certain proposals. Although the actual form such legislation or regulation may take is largely unknown at this time, the implementation of more stringent environmental legislation or regulatory requirements may result in additional costs for oil and natural gas producers such as Novus, and such costs may be significant.

Novus is not fully insured against certain environmental risks, either because such insurance is not available or because of high premium costs. In particular, insurance against risks from environmental pollution occurring over time (as opposed to sudden and catastrophic damages) is not available on economically reasonable terms. Accordingly, Novus' properties may be subject to liability due to hazards that cannot be insured against, or that have not been insured against due to prohibitive premium costs or for other reasons.

Novus does not establish a separate reclamation fund for the purpose of funding its estimated future environmental and reclamation obligations. Novus cannot assure investors that it will be able to satisfy its future environmental and reclamation obligations. Any site reclamation or abandonment costs incurred in the ordinary course, in a specific period, will be funded out of cash flows and, therefore, will reduce the amounts that may be available to fund future capital programs. Should Novus be unable to fully fund the cost of remedying an environmental claim, Novus might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy.

Novus utilizes horizontal drilling, multi-stage hydraulic fracturing, specifically formulated drilling fluids and other technologies in connection with its drilling and completion activities. Recently there has been some public concern over the hydraulic fracturing process with regards to shale gas formations in the United States and eastern Canada. Most of these concerns have raised questions regarding the drilling fluids used in the fracturing process, their effect on fresh water aquifers, the use of water in connection with completion operations and the ability of such water to be recycled. Certain government and regulatory agencies in Canada have begun investigating the potential risks associated with the hydraulic fracturing process. It is anticipated that federal and provincial frameworks to address concerns related to hydraulic fracturing will continue to emerge. While Novus is unable to predict the impact of any potential regulations upon its business, the implementation of new regulations with respect to water usage or hydraulic fracturing generally could increase Novus' costs of compliance, operating costs, the risk of litigation and environmental liability, or negatively impact the Corporation's prospects, any of which may have a material adverse effect on Novus' business, financial condition, results of operations.

Royalties

Novus' production and related Crown royalty expense is generated from its properties within the provinces of Saskatchewan, Alberta, and British Columbia. Crown royalty rates are subject to change and a change may have a significant impact on Novus' cash provided by operating activities, which could impact the profitability of the Corporation and its ability to grow its asset base. For more information see "*Business of the Corporation – Royalties and Incentives*" in this AIF.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in Canada and the U.S. have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It is likely that the market price for the Common Shares will be subject to market trends generally, notwithstanding the financial and operational performance of the respective companies.

Possible Failure to Realize Anticipated Benefits of Acquisitions

Novus has completed and may in the future complete acquisitions to strengthen its position in the oil and natural gas industry and to create the opportunity to realize certain benefits including, among other things, potential cost savings. Achieving the benefits of these and any future acquisitions depends, in part, on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as Novus' ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with its own. The integration of acquired businesses requires the dedication of substantial management effort, time and resources which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business, customer and employee relationships that may adversely affect Novus' ability to achieve the anticipated benefits of these and future acquisitions.

Operational Risks

Oil and natural gas exploration operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts and cratering, each of which could result in substantial damage to wells, producing facilities, other property and the environment or in personal injury. In accordance with industry practice, Novus will not be fully insured against all of these risks, nor are all such risks insurable. Although Novus will maintain liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which event Novus could incur significant costs that could have a materially adverse effect upon its financial condition. Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including premature decline of reservoirs and the invasion of water into producing formations.

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to Novus and may delay exploration and development activities. To the extent Novus is not the operator of its properties, Novus will be dependent on such operators for the timing of activities related to such properties and will be largely unable to direct or control the activities of the operators.

Substantial Capital Requirements

Novus may have to make substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. If revenues or reserves decline, Novus may have limited ability to expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to Novus. Moreover, future activities may require Novus to alter its capitalization significantly. The inability of Novus to access sufficient capital for its operations could have a material adverse effect on its financial condition, results of operations or prospects.

Credit Facility Risk

The Corporation is required to comply with covenants under the Corporation's credit facilities. In the event that the Corporation does not comply with covenants under the Corporation's credit facilities, the Corporation's access to capital could be restricted. The Corporation routinely reviews the covenants based on actual and forecast results and has the ability to make changes to its development plans and/or dividend policy to comply with covenants under the credit facilities.

Renewal of Credit Facility

The amount of the Corporation's credit facilities may not be sufficient for future operations, or the credit facilities may not be renewed, or may not be renewed on attractive economic terms. Although it is expected that the credit facilities will be renewed, at or prior to that time, there can be no assurance that such a renewal will be available on favourable terms or that all of the current lenders under the facility will renew at their current commitment levels. If this occurs, the Corporation may need to obtain alternate financing. A failure to renew the credit facilities or to obtain replacement financing or financing on favourable terms may have an adverse effect on the ability of the Corporation to fund its operations in the future or otherwise have a material adverse effect on the Corporation.

Capital Markets

As evidenced during the uncertain global economic situation during the past few years, the Corporation, along with all other oil and gas entities, may have reduced access to capital and increased borrowing costs in the future. Although the Corporation's business and asset base have not changed, the lending capacity of all financial institutions has diminished and risk premiums may increase in the future. As future capital expenditures will be financed out of funds generated from operations, borrowings and possible future equity issuances, the Corporation's ability to do so is dependent on, among other factors, the overall state of capital markets and investor appetite for investments in the energy industry and the Corporation's securities in particular.

To the extent that external sources of capital become limited or unavailable or available on onerous terms, the Corporation's ability to make capital investments and maintain existing assets may be impaired, and its assets, liabilities, business, financial condition and results of operations may be materially and adversely affected as a result.

Based on expected funds generated from operations and existing credit facilities, the Corporation believes it has sufficient funds available to fund its projected capital expenditures. However, if funds generated from operations are lower than expected or capital costs for these projects exceed current estimates, or if the Corporation incurs major unanticipated expenses related to development or maintenance of its existing properties, it may be required to seek additional capital to maintain its capital expenditures at planned levels. Failure to obtain any financing necessary for the Corporation's capital expenditure plans may result in a delay in development or production on the Corporation's properties.

Dilution

Novus may make future acquisitions or enter into financings or other transactions involving the issuance of securities of Novus that may be dilutive. Furthermore, the Corporation may issue additional securities in the future to finance certain capital expenditure requirements or for other purposes, which may dilute a shareholder's equity position in the Corporation. The constating documents of the Corporation allow the Corporation to issue an unlimited number of Common Shares. Current shareholders will have no pre-emptive rights in connection with such additional issuances.

Reliance on Key Personnel

The success of Novus is dependent on the services of its directors, officers and key employees. The experience of these individuals is a factor contributing to Novus' continued success and growth. The ability of Novus to conduct its operations is also highly dependent on the availability of skilled workers. Novus does not have any key man insurance policies in effect, and therefore there would be a risk that the death or departure of any member of Management or any key employee would have a material adverse effect on Novus. Investors who are not prepared to rely on the Management of Novus should not invest in securities of Novus.

Project Risks

Novus manages a variety of small and large projects in the conduct of its business. Project delays may delay expected revenues from operations. Significant project cost over runs could make a project uneconomic. Novus' ability to execute projects and market oil and natural gas depends upon numerous factors beyond Novus' control, including:

- the availability of processing capacity;
- the availability and proximity of pipeline capacity;
- the availability of storage capacity;
- the supply of and demand for oil and natural gas;
- the availability of alternative fuel sources;

- the effects of inclement weather;
- the availability of drilling and related equipment;
- unexpected cost increases;
- accidental events;
- currency fluctuations;
- changes in regulations;
- the availability and productivity of skilled labour; and
- the regulation of the oil and natural gas industry by various levels of government and governmental agencies.

As a result of these factors, Novus may be unable to execute projects on time, on budget or at all, and may not be able to effectively market the oil and natural gas that it produces.

Reserve Estimates

There are numerous uncertainties inherent in estimating quantities of reserves and cash flows to be derived therefrom, including many factors beyond the control of Novus. The reserve and cash flow information set forth herein represent estimates only. These evaluations include a number of assumptions relating to factors such as initial production rates, production decline rates, ultimate recovery of reserves, timing and amount of capital expenditures, marketability of production, future prices of oil and natural gas, operating costs and royalties and other government levies that may be imposed over the producing life of the reserves. These assumptions were based on price forecasts in use at the date the relevant evaluations were prepared and many of these assumptions are subject to change and are beyond the control of Novus. Actual production and cash flows derived therefrom will vary from these evaluations, and such variations could be material. These evaluations are based in part on the assumed success of exploitation activities intended to be undertaken in future years. The reserves and estimated cash flows to be derived therefrom contained in such evaluations will be reduced to the extent that such exploitation activities do not achieve the level of success assumed in the evaluations.

Reserve Replacement

Novus' future oil and natural gas reserves, production and cash flows to be derived therefrom are highly dependent on successfully acquiring or discovering new reserves. Without the continual addition of new reserves, any existing reserves Novus may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in reserves will depend not only on Novus' ability to develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. There can be no assurance that Novus' future exploration and development efforts will result in the discovery and development of additional commercial accumulations of oil and natural gas.

Permits and Licenses

The operations of Novus may require licenses and permits from various governmental authorities. There can be no assurance that Novus will be able to obtain all necessary licenses and permits that may be required to carry out the exploration and development of its projects.

Title to Properties

Unforeseen title defects or litigation may result in a loss of entitlement to production, reserves and resources. From time to time, Novus conducts title reviews in accordance with industry practice prior to purchases of assets. However, if conducted, these reviews do not guarantee that an unforeseen defect in the chain of title will not arise and defeat Novus' title to the purchased assets. If this type of defect were to occur, Novus' entitlement to the production and reserves (and, if applicable, resources) from the purchased assets could be jeopardized. Furthermore, from time to time, Novus may have disputes with industry partners as to ownership rights of certain properties or resources.

Third Party Credit Risk

Novus is or may be exposed to third party credit risk through its contractual arrangements with its joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to Novus, such failures could have a material adverse effect on Novus and its operations. In addition, poor credit conditions in the industry and of joint venture partners may impact a joint venture partner's willingness to participate in Novus' ongoing capital program, potentially delaying the program and the result of such program until Novus finds a suitable alternative partner.

Issuance of Debt

From time to time Novus may enter into transactions to acquire assets or shares of other corporations. These transactions may be financed partially or wholly through debt, which may increase debt levels above industry standards. Novus may also incur debt for general corporate purposes. Novus' articles and by-laws do not limit the amount of indebtedness it may incur. The level of Novus' indebtedness from time to time could impair its ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Abandonment and Reclamation Costs

Novus will be responsible for compliance with terms and conditions of environmental and regulatory approvals and all laws and regulations regarding abandonment and reclamation in respect of its properties, which abandonment and reclamation costs may be substantial. A breach of such legislation or regulations may result in the imposition of fines and penalties, including an order for cessation of operations at the site until satisfactory remedies are made.

Availability of Drilling Equipment and Access Restrictions

Oil and natural gas exploration, exploitation, development and production activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to Novus and may delay exploration, exploitation, development and production activities.

Dividends

Novus has not paid any dividends and is unlikely to pay dividends in the immediate or foreseeable future. The future payment of dividends on the Common Shares will be dependent upon the financial requirements of Novus to finance future growth, the financial condition of Novus and other factors which the Board of Directors of Novus may consider appropriate in the circumstances.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of Novus may be subject in connection with the operations of Novus. Some of the directors and officers of Novus may be, or may become, engaged in other ventures in the oil and gas industry in which Novus may have an interest, and situations might arise where proposed directors and officers of Novus would be in direct conflict with Novus. Conflicts of interest would be subject to procedures under applicable corporate laws.

Management of Growth

Novus may be subject to growth-related risks, capacity constraints and pressure on its internal systems and controls, particularly given the early stage of Novus' development. The ability of Novus to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability to deal with this growth could have a material adverse impact on its business, operations and prospects.

Aboriginal Claims

Aboriginal peoples have claimed aboriginal title and rights to resources and various properties in western Canada. Such claims, in relation to any of Novus' lands, if successful, could have an adverse effect on its operations.

Hedging Activities

The Corporation continually evaluates the use of and may employ exchange-traded or over-the-counter derivative structures to hedge commodity, interest rate and foreign exchange risk. Risks associated with such products include, but are not limited to, counterparty risk, settlement risk, basis risk, liquidity risk and market risk which could impair or negate the Corporation's hedging strategy and result in a negative impact on its earnings and funds flow. Additionally, if crude oil, interest rates or exchange rates increase above or decrease below those levels specified in any future hedging agreements, such hedging arrangements may prevent the Corporation from realizing the full benefit of such increases or decreases.

Foreign Currency Exposure

From time to time, Novus may enter into agreements to fix the exchange rate of Canadian to U.S. dollars in order to offset the risk of revenue losses if the Canadian dollar increases in value compared to the U.S. dollar or the risk of increased repayments on U.S. dollar denominated debt if the Canadian dollar declines in value compared to the U.S. dollar. However, if the Canadian dollar declines in value compared to the U.S. dollar, Novus will not benefit from the fluctuating exchange rate.

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

Other than as set forth below, no director, officer or shareholder (or any personal holding company of any of the aforementioned persons) holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, within 10 years before the date of this Annual Information Form, has been a director or executive officer of any company that, while that person was acting in that capacity:

(a) 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;

(b) 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

(c) within a year of that person ceasing to act in such 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 of Donner Petroleum Ltd. ("**Donner**") from August 2005 to November 2006. Due to delays in receiving approval from Donner's auditors with respect to its audited financial statements and related management's discussion and analysis for the year ended February 28, 2006 (the "**Donner Annual Financials**"), each of the Ontario Securities Commission (the "**OSC**") and the British Columbia Securities Commission (the "**BCSC**"), on July 13, 2006 and July 17, 2006, respectively, issued a cease trade order against Donner for failure to file financial statements. The Donner Annual Financials were subsequently filed and the cease trade orders were revoked by the OSC on August 1, 2006 and by the BCSC on October 17, 2006.

Mr. Kroontje is a director of Cobalt Coal Ltd. A cease trade order was issued by the Alberta Securities Commission ("**ASC**") against Cobalt Coal Ltd. on October 5, 2012 as a result of the failure to file a technical report within the prescribed timeline and in accordance with the guidelines of National Instrument 43-101. The required technical report was subsequently prepared and filed such that the cease trade order was lifted on November 27, 2012.

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.

Mr. Knutson is currently an officer and a director of a number of private real estate holding companies. In 2010, as a result of the economic crisis, creditors of certain of these companies commenced foreclosure proceedings on properties forming a portion of the assets of the companies.

PERSONAL BANKRUPTCIES

Other than as set forth below, no director, officer or shareholder holding a sufficient number of securities of Novus to affect materially the control of Novus has within 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

In 2010, a creditor of Mr. Knutson commenced foreclosure proceedings on a personal property owned by Mr. Knutson. That action has since been settled.

PENALTIES OR SANCTIONS

No director, officer or shareholder (or any personal holding company of any of the aforementioned persons) holding a sufficient number of securities of Novus to affect materially the control of Novus has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

CONFLICTS OF INTEREST

Certain directors and officers of Novus and its subsidiaries are associated with other reporting issuers or other corporations which may give rise to conflicts of interest. In accordance with corporate laws, directors who have a material interest or any person who is a party to a material contract or a proposed material contract with Novus are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of Novus. Some of the directors of Novus have either other employment or other business or time restrictions placed on them and accordingly, these directors of Novus will only be able to devote part of their time to the affairs of Novus. In particular, certain of the directors and officers are involved in managerial and/or director positions with other oil and gas companies whose operations may, from time to time, provide financing to, or make equity investments in, competitors of Novus. Conflicts, if any, will be subject to the procedures and remedies available under the ABCA. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings material to Novus to which Novus is a party or of which any of its property is the subject and there are no such proceedings known to Novus to be contemplated. There are no penalties or sanctions imposed against Novus by a court relating to securities legislation or by a securities regulatory authority during the financial year ended December 31, 2012 that are material to Novus to which Novus is a party or of which any of its property is the subject matter, and there are no such proceedings known to Novus to be contemplated.

MATERIAL CONTRACTS

There are no material contracts entered into or proposed to be entered into by Novus in the financial year or entered into prior to the previous financial year, but still in effect, other than contracts in the ordinary course of business.

INTERESTS OF EXPERTS

Collins Barrow Calgary LLP has been the auditors of Novus since June 11, 2009 and are independent within the meaning of the rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

Certain information relating to Novus' reserves has been prepared by Sproule. As of the date hereof, none of the partners of Sproule beneficially own, directly or indirectly, any of the outstanding Common Shares.

ADDITIONAL INFORMATION

Additional information, including information as to directors' and officers' remuneration and indebtedness, principal holders of Novus' securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the management information circular of Novus prepared in connection with the most recent annual meeting of shareholders of Novus that involved the election of directors. Additional financial information is provided in Novus' financial statements and management discussion and analysis for Novus' financial year ended December 31, 2012. Additional information, including copies of the management information circular, Novus' financial statements and management discussion and analysis for Novus' financial year ended December 31, 2012 and any subsequent interim financial statements of Novus, can be accessed under Novus' profile on SEDAR at **www.sedar.com**.

SCHEDULE A

FORM 51-101F2 – REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATOR

Form 51-101F2

Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor

Report on Reserves Data

To the Board of Directors of Novus Energy Inc. (the "**Company**"):

1. We have evaluated the Company's reserves data as at December 31, 2012. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2012, estimated using forecast prices and costs.

2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

   We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "**COGE Handbook**"), prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

4. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us as of December 31, 2012, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company's management and Board of Directors:

Independent Qualified Reserves Evaluator or Auditor	Description and Preparation Date of Evaluation Report	Location of Reserves (Country)	Net Present Value of Future Net Revenue Before Income Taxes (10% Discount Rate)			
			Audited (M$)	**Evaluated (M$)**	**Reviewed (M$)**	**Total (M$)**
Sproule	Evaluation of the P&NG Reserves of Novus Energy Inc., as of December 31, 2012, prepared January to April 2013	Canada				
Total			**Nil**	**377,125**	**Nil**	**377,125**

5. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are presented in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.

6. We have no responsibility to update the report referred to in paragraph 4 for events and circumstances occurring after its preparation date.

7. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

Executed as to our report referred to above:

Sproule Associates Limited
Calgary, Alberta
April 10, 2013

Original signed by Steven J. Golko, P.Eng.

(signed) "Steven J. Golko"
Steven J. Golko, P.Eng.
Petroleum Engineer and Partner

Original signed by Maren Blair, P.Geol.

(signed) "Maren Blair"
Maren Blair, P.Geol.
Petroleum Geologist and Associate

Original signed by Harry J. Helwerda, P.Eng., FEC

(signed) "Harry J. Helwerda"
Harry J. Helwerda, P.Eng., FEC
Executive Vice-President and Director

SCHEDULE B

FORM 51-101F3 – REPORT OF MANAGEMENT AND DIRECTORS ON NOVUS' RESERVES DATA AND OTHER INFORMATION

Management of Novus Energy Inc. (the "**Corporation**") are responsible for the preparation and disclosure of information with respect to the Corporation's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2012, estimated using forecast prices and costs.

An independent qualified reserves evaluator has evaluated the Corporation's reserves data. The report of the independent qualified reserves evaluator will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of the board of directors of the Corporation has:

(a) reviewed the Corporation's procedures for providing information to the independent qualified reserves evaluator;

(b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and

(c) reviewed the reserves data with management and the independent qualified reserves evaluator.

The Reserves Committee of the board of directors has reviewed the Corporation's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has, on the recommendation of the Reserves Committee, approved

(a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;

(b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and

(c) the content and filing of this report.

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Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

(signed) "Hugh G. Ross"
Hugh G. Ross
President and Chief Executive Officer

(signed) "Ketan Panchmatia"
Ketan Panchmatia
Chief Financial Officer

(signed) "A. Bruce Macdonald"
A. Bruce Macdonald
Director

(signed) "Michael Halvorson"
Michael Halvorson
Director

April 24, 2013.

SCHEDULE C

AUDIT COMMITTEE MANDATE
(the "Mandate")

Dated Effective April 24, 2013

1. Introduction

The Audit Committee (the "**Committee**" or the "**Audit Committee**") of the board of directors (the "**Board of Directors**" or "**Board**") of Novus Energy Inc. ("**Novus**" or the "**Corporation**") shall oversee the accounting and financial reporting processes of the Corporation and the audits of the Corporation's financial statements and exercise the responsibilities and duties set out in this Mandate.

2. Membership

Number of Members

The Committee shall be composed of three or more members of the Board.

Independence of Members

Each member of the Committee must be independent. "Independent" shall have the meaning, as the context requires, given to it in National Instrument 52-110 – *Audit Committees*, as may be amended from time to time.

Chair

At the time of the annual appointment of the members of the Audit Committee, the Board shall appoint a chairperson of the Audit Committee (the "**Chair**"). The Chair shall be a member of the Audit Committee, preside over all Audit Committee meetings, coordinate the Audit Committee's compliance with this Mandate, work with management to develop the Audit Committee's annual work-plan and provide reports of the Audit Committee to the Board.

Financial Literacy of Members

At the time of his or her appointment to the Committee, each member of the Committee shall have, or shall acquire within a reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Term of Members

The members of the Committee shall be appointed by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

3. Meetings

Number of Meetings

The Committee may meet as many times per year as necessary to carry out its responsibilities, and, in any event, shall meet no less than four times per year.

Quorum

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to each other, shall constitute a quorum.

Calling of Meetings

The Chair, any member of the Audit Committee, any member of the Board, the external auditors, the chairman of the Board, the lead director of the Board (if applicable), the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Audit Committee by notifying the Corporation's corporate secretary (the "**Corporate Secretary**") who will notify the members of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a chair from their number for a meeting.

Minutes and Reporting to the Board

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the subject matter discussed and the results of those discussions. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

Attendance of Non-Members

The external auditors are entitled to attend and be heard at each Audit Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the Corporation, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

The Audit Committee shall have the authority to retain external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective compensation for these advisers without consulting or obtaining the approval of the Board or any officer of the Corporation. The Corporation shall provide appropriate funding, as determined by the Audit Committee, for the services of these advisors.

Meetings Without Management

The Committee shall hold unscheduled or regularly scheduled meetings, or portions of meetings, at which management is not present.

Procedure

The procedures for calling, providing notice, holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board.

Agenda

The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board of Directors and management of the Corporation. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.

Delegation

Subject to applicable law, the Committee shall have the power to delegate its authority and duties to subcommittees or individual members of the Committee as it considers appropriate.

Access to Management and Information

The Committee shall have unrestricted access to the Corporation's management and employees and the books and records of the Corporation.

4. Duties and Responsibilities

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the Corporation are traded, or any governmental or regulatory body exercising authority over the Corporation, as are in effect from time to time (collectively, the "**Applicable Requirements**").

Financial Reports

(a) **General**

The Audit Committee is responsible for overseeing the Corporation's financial statements and financial disclosure. Management is responsible for the preparation, presentation and integrity of the Corporation's financial statements and financial disclosure and for the appropriateness of the accounting principles and the reporting policies used by the Corporation. The auditors are responsible for auditing the Corporation's annual consolidated financial statements and may review the Corporation's unaudited interim financial statements, if requested by the Audit Committee.

(b) **Review of Annual Financial Reports**

The Audit Committee shall review the annual consolidated audited financial statements of the Corporation, the auditors' report thereon, the management's discussion and analysis of the Corporation's financial condition and results of operation ("**MD&A**") and any related press releases. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the annual financial statements, the related MD&A and any related press releases.

(c) **Review of Interim Financial Reports**

The Audit Committee shall review the interim consolidated financial statements of the Corporation, the auditors' review report thereon, the related MD&A and any related press releases. After completing its review, if advisable, the Audit Committee shall approve, on behalf of the Board, the interim financial statements, the related MD&A and any related press releases.

(d) **Review Considerations**

In conducting its review of the annual financial statements or the interim financial statements, the Audit Committee shall:

(i) meet with management and the auditors to discuss the financial statements and MD&A;

(ii) review the disclosure in the financial statements;

(iii) review the audit report or review report prepared by the auditors;

(iv) discuss with management, the auditors and internal legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements;

(v) review the accounting policies followed and critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;

(vi) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management, including requirements relating to complex or unusual transactions, significant changes to accounting principles and alternative treatments under Canadian generally accepted accounting principles;

(vii) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;

(viii) review management's report on the effectiveness of internal controls over financial reporting;

(ix) review the factors identified by management as factors that may affect future financial results;

(x) review results of the Corporation's audit committee whistleblower hotline program; and

(xi) review any other matters, related to the financial statements, that are brought forward by the auditors, management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or Applicable Requirements.

(e) **Approval of Other Financial Disclosure**

The Audit Committee shall review, and, if advisable, recommend for Board approval financial disclosure in a prospectus or other securities offering document of the Corporation.

Auditors

(f) **General**

The Audit Committee shall be responsible for oversight of the work of the auditors, including the auditors' work in preparing or issuing an audit report, performing other audit, review or attest services or any other related work. The auditors shall report directly to the Audit Committee in accordance with Applicable Requirements.

(g) **Nomination and Compensation**

The Audit Committee shall review and, if advisable, select and recommend for Board approval the external auditors to be nominated and the compensation of such external auditor. The Audit Committee shall have ultimate authority to approve all audit engagement terms and fees, including the auditors' audit plan.

(h) **Resolution of Disagreements**

The Audit Committee shall resolve any disagreements between management and the auditors as to financial reporting matters brought to its attention.

(i) **Discussions With Auditors**

At least annually, the Audit Committee shall discuss with the auditors such matters as are required by applicable auditing standards to be discussed by the auditors with the Audit Committee.

(j) **Audit Plan**

At least annually, the Audit Committee shall review a summary of the auditors' annual audit plan. The Audit Committee shall consider and review with the auditors any material changes to the scope of the plan.

(k) **Quarterly Review Report**

If the auditors reviewed the interim financial statements of the Corporation and prepared a report thereon, then the Audit Committee shall review that report.

(l) **Independence of Auditors**

At least annually, and before the auditors issue their report on the annual financial statements, the Audit Committee shall obtain from the auditors a formal written statement describing all relationships between the auditors and the Corporation; discuss with the auditors any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the auditors belong and other Applicable Requirements. The Audit Committee shall take appropriate action to oversee the independence of the auditors.

(m) **Evaluation and Rotation of Lead Partner**

At least annually, the Audit Committee shall review the qualifications and performance of the lead partner(s) of the auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external auditors.

(n) **Requirement for Pre-Approval of Non-Audit Services**

The Audit Committee shall approve in advance any retainer of the auditors to perform any non-audit service to the Corporation that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.

(o) **Approval of Hiring Policies**

The Audit Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.

(p) **Financial Executives**

The Committee shall review and discuss with management, the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.

Internal Controls

(q) **General**

The Audit Committee shall review the Corporation's system of internal controls.

(r) **Establishment, Review and Approval**

The Audit Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the auditors:

(i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Corporation's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;

(ii) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Corporation's periodic regulatory filings;

(iii) any material issues raised by any inquiry or investigation by the Corporation's regulators;

(iv) the Corporation's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Corporation to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and

(v) any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

Compliance With Legal and Regulatory Requirements

The Audit Committee shall review reports from the Corporation's Corporate Secretary and other management members on: legal or compliance matters that may have a material impact on the Corporation; the effectiveness of the Corporation's compliance policies; and any material communications received from regulators. The Audit Committee shall review management's evaluation of and representations relating to compliance with specific applicable law and guidance, and management's plans to remediate any deficiencies identified.

Audit Committee Hotline Whistleblower Procedures

The Audit Committee shall 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. Any such complaints or concerns that are received shall be reviewed by the Audit Committee and, if the Audit Committee determines that the matter requires further investigation, it will direct the Chair of the Audit Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion.

Audit Committee Disclosure

The Audit Committee shall prepare, review and approve any audit committee disclosure required by Applicable Requirements in the Corporation's disclosure documents.

Delegation

The Audit Committee may, to the extent permissible by Applicable Requirements, designate a subcommittee to review any matter within this mandate as the Audit Committee deems appropriate.

5. No Rights Created

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Audit Committee, functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Corporation's articles and by-laws, it is not intended to establish any legally binding obligations.

6. Mandate Review

The Committee shall review and assess the adequacy of this Mandate at least annually to ensure compliance with any rules or regulations promulgated by any regulatory body and recommend any amendments to this Mandate to the Corporate Governance and Nominating Committee, which will then recommend such amendments to the Board for its approval, as necessary.

Adopted: April 24, 2013