

NOVUS ENERGY INC.

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS
TO BE HELD ON MAY 24, 2012**

NOTICE IS HEREBY GIVEN THAT the annual general and special meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of Novus Energy Inc. (the "**Corporation**") will be held at the Telus Convention Centre (North Building, Room Telus 108) 120 - 9th Ave S.E., Calgary, Alberta, at 10:00 a.m. (Calgary time) on Thursday, May 24, 2012, for the following purposes:

1. to receive the audited financial statements of the Corporation for the year ended December 31, 2011, together with the auditor's report on such financial statements;
2. to fix the number of directors of the Corporation at six;
3. to elect the directors of the Corporation for the ensuing year;
4. to appoint Collins Barrow Calgary LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
5. to consider and, if deemed advisable, to pass an ordinary resolution to approve the stock option plan for the Corporation;
6. to consider and, if deemed advisable to pass, with or without modification, an ordinary resolution authorising an amendment to the terms of the Corporation's issued and outstanding performance warrants on the terms set forth in the Information Circular; and
7. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

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

Only Shareholders of record at the close of business on April 23, 2012 are entitled to notice of the Meeting and only those Shareholders of record at the close of business on April 23, 2012, or who subsequently become Shareholders and comply with the provisions of the *Business Corporations Act* (Alberta), are entitled to vote at the Meeting.

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

DATED April 23, 2012.

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

(signed) "*Hugh G. Ross*"

Hugh G. Ross

President and Chief Executive Officer

NOVUS ENERGY INC.
INFORMATION CIRCULAR
FOR THE ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS
TO BE HELD ON MAY 24, 2012

THIS MANAGEMENT INFORMATION CIRCULAR (the "**Information Circular**") IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY OR ON BEHALF OF THE MANAGEMENT OF NOVUS ENERGY INC. (the "**Corporation**" or "**Novus**") for use at the annual general and special meeting of the holders (individually, a "**Shareholder**", collectively, the "**Shareholders**") of common shares of the Corporation (the "**Common Shares**") to be held at the Telus Convention Centre (North Building, Room Telus 108) 120 - 9th Ave S.E., Calgary, Alberta, at 10:00 a.m. (Calgary time) on Thursday, May 24, 2012, and any adjournment or adjournments thereof (the "**Meeting**") for the purposes set forth in the accompanying Notice of Meeting. Information contained in this Information Circular is given as at April 23, 2012 unless otherwise stated.

SOLICITATION OF PROXIES

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

RECORD DATE

April 23, 2012 (the "**Record Date**") is the record date for the Meeting. Only registered holders of Common Shares at the close of business on the Record Date are entitled to notice of the Meeting and to vote thereat unless, after the Record Date, a registered Shareholder transfers his Common Shares and the transferee, upon producing properly endorsed certificates evidencing such Common Shares or otherwise establishing that he owns such Common Shares, requests not later than 10 days before the Meeting that the transferee's name be included in the list of Shareholders entitled to vote, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

APPOINTMENT AND REVOCATION OF PROXIES

Registered Shareholders may vote in person at the Meeting or they may appoint another person or company, who does not have to be a Shareholder, as their proxy to attend and vote in their place. The persons named in the enclosed form of proxy are officers of the Corporation. **A SHAREHOLDER SUBMITTING A PROXY HAS THE RIGHT TO APPOINT A PERSON OR COMPANY TO REPRESENT SUCH SHAREHOLDER AT THE MEETING OTHER THAN THE PERSON OR COMPANY DESIGNATED IN THE FORM OF PROXY FURNISHED BY THE CORPORATION, INCLUDING A PERSON OR COMPANY THAT IS NOT A SHAREHOLDER. TO EXERCISE THIS RIGHT, THE SHAREHOLDER SHOULD INSERT THE NAME OF THE DESIRED REPRESENTATIVE IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND STRIKE OUT THE OTHER NAMES OR SUBMIT ANOTHER APPROPRIATE PROXY.** If a Shareholder plans to attend the Meeting and vote his or her Common Shares in person, the Shareholder must insert his or her own name in the space provided for in the proxy to appoint themselves

as proxyholder and return it in the enclosed envelope without completing the remainder of the proxy, as such Shareholder's votes will be taken at the Meeting. In order to be effective, the proxy must be mailed so as to be deposited at the office of the Corporation's transfer agent, Olympia Trust Company, Suite 2300, 125 - 9th Avenue S.E., Calgary, Alberta, T2G 0P6, on or before 10:00 a.m. (Calgary time) on Tuesday, May 22, 2012, 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time of the meeting. The instrument appointing a proxy shall be in writing under the hand of the Shareholder or his attorney, or, if such Shareholder is a corporation, under its corporate seal, and executed by a director, officer or attorney thereof duly authorized.

A registered Shareholder who has submitted a proxy may revoke it at any time prior to the exercise of that proxy. In addition to revocation in any other matter permitted by law, a proxy may be revoked by instrument in writing executed by the registered Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or executed by a director, officer or attorney thereof duly authorized, and deposited either at the office of the Corporation's transfer agent, Olympia Trust Company, Suite 2300, 125 - 9th Avenue S.E., Calgary, Alberta, T2G 0P6, at any time prior to 10:00 a.m. (Calgary time) on the last business day preceding the day of the Meeting or with the chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting, and upon such deposit the proxy is revoked.

EXERCISE OF DISCRETION BY PROXY HOLDERS

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

ADVICE TO BENEFICIAL HOLDERS OF SECURITIES

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

ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.

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

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

FORWARD-LOOKING INFORMATION

Certain statements in this Information Circular constitute "forward-looking information". In particular, this Information Circular contains forward-looking information pertaining to the expected date of the meeting of the Corporation's Shareholders, matters to be addressed at the meeting, and the Corporation's expectations regarding future executive compensation practices and future corporate governance practices. The forward-looking information contained herein is made as of the date of this Information Circular, and the Corporation assumes no obligation to update or revise it to reflect new events or circumstances, except as required by applicable securities laws.

All of the forward-looking information in this Information Circular is qualified by the assumptions that are stated or inherent in such forward-looking information. Key assumptions have been made in connection with the forward-looking information including, the following: results of future operations; results of development plans; general continuance of industry conditions; continuation of assumed tax, royalty and regulatory regimes; the accuracy of the estimates of our reserve volumes; commodity price and cost assumptions; and the continued availability of adequate cash flow and debt and/or equity. Although the forward-looking information contained in this Information Circular is based upon assumptions that Novus believes to be reasonable, the actual results may differ materially from the

forward-looking information. The forward-looking information contained herein is expressly qualified by this cautionary statement. Readers should also refer to the "*Risk Factors*" section contained in the Corporation's annual information form for the year ended December 31, 2011, which may be obtained through the SEDAR website located at www.sedar.com or by contacting the Corporation (see "*Additional Information and Availability of Financial Statements*" in this Information Circular).

VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES

Common Shares

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

The holders of the Common Shares are entitled to dividends, if, as and when declared by the board of directors of the Corporation (the "**Board**" or "**Board of Directors**"), to one vote per Common Share at meetings of the Shareholders and, upon liquidation, to receive such assets of the Corporation as are distributable to the holders of the Common Shares. As at the date hereof, there are 191,167,042 Common Shares outstanding.

To the best of the knowledge of the directors and executive officers of the Corporation, as at April 23, 2012 no person or corporation beneficially owns, directly or indirectly, or controls or directs Common Shares carrying 10% or more of the votes attached to all of the issued and outstanding Common Shares of the Corporation.

APPROVAL REQUIREMENTS

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

MATTERS TO BE ACTED UPON AT THE MEETING

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

1. *Presentation of Financial Statements*

The audited financial statements of the Corporation for the fiscal year ended December 31, 2011, together with the auditors' report on those financial statements were mailed to the Shareholders who have requested such financial statements in accordance with applicable securities laws, together with this Information Circular. The aforementioned financial statements are also available on the internet on the Corporation's SEDAR profile at www.sedar.com.

2. *Election of Directors*

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

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

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

Name and Municipality of Residence	Date Appointed	Principal Occupation During the Past 5 Years	Number and Percentage of Common Shares Beneficially Owned or over which Control or Direction is Exercised
Hugh G. Ross Calgary, Alberta, Canada	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.	1,838,000 (1.0%) ⁽¹⁾
Michael H. Halvorson ^{(7) (8)} Edmonton, Alberta, Canada	March 31, 2009	President of Halcorp Capital Ltd., a private investment corporation and director of Orezone Gold Corporation.	2,708,333 (1.4%) ⁽²⁾
Harry L. Knutson ^{(6) (9)} Vancouver, British Columbia Canada	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 Toronto Stock Exchange ("TSX") listed Bonavista Energy Corporation, Pure Energy Services Ltd., Canadian Phoenix Resources Corp., and certain other TSX and TSX Venture Exchange (the "TSXV") listed companies.	414,253 (0.2%) ⁽³⁾
Al J. Kroontje ^{(6) (8)} Calgary, Alberta Canada	December 22, 2004	President of Kasten Energy Inc., a private oil and gas exploration 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.	1,419,922 (0.7%) ⁽⁴⁾
Larry C. Mah ^{(6) (9)} Calgary, Alberta, Canada	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.	420,000 (0.2%) ⁽⁵⁾
A. Bruce Macdonald ⁽⁷⁾ Calgary, Alberta, Canada	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.	110,000 (0.1%)

Notes:

- (1) 1,588,000 Common Shares owned directly and 250,000 Common Shares are owned by Mr. Ross' spouse, Leslie O'Donoghue.
(2) 2,428,000 Common Shares owned directly, 75,000 Common Shares controlled through Halcorp Capital Ltd. and 205,333 Common Shares are owned by Mr. Halvorson's spouse, Judith Halvorson. Mr. Halvorson is the controlling shareholder of Halcorp Capital Ltd.

- (3) 107,128 Common Shares owned directly, 262,050 Common Shares held indirectly and controlled through Nova Bancorp Investments Ltd., 35,370 Common Shares held indirectly and controlled through Nova Bancorp Securities Ltd. and 9,705 Common Shares held indirectly and controlled through NBC Canada West Capital Inc. Mr. Knutson is a director and shareholder of Nova Bancorp Investments Ltd. and of Nova Bancorp Securities Ltd. and the sole director of NBC Canada West Capital Inc. and is deemed to have control or direction over these Common Shares.
- (4) 1,356,581 Common Shares owned directly and 63,341 Common Shares held indirectly through Pellinore Holdings Inc. Mr. Kroontje is a director and shareholder of Pellinore Holdings Inc.
- (5) Held indirectly through 314585 Alberta Ltd.
- (6) Member of the Audit Committee.
- (7) Member of the Reserves Committee.
- (8) Member of the Corporate Governance and Nominating Committee.
- (9) Member of the Compensation Committee.

3. ***Appointment and Remuneration of Auditors***

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

4. ***Approval of Stock Option Plan***

The Board and Shareholders previously approved the adoption of a stock option plan (the "**Stock Option Plan**") that provides for the "rolling" grant of options to purchase up to 10 percent of the issued and outstanding Common Shares. See "*Executive Compensation – Stock Option Plan*" for a description of the Stock Option Plan. In accordance with TSXV Policy 4.4 – *Incentive Stock Options*, the Corporation is required to obtain annual approval of its Stock Option Plan from the Shareholders.

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

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

1. the Stock Option Plan of the Corporation in the form attached as Schedule "B" to the accompanying Information Circular, which provides for the rolling grant of options to acquire up to 10% of the number of issued and outstanding Common Shares of the Corporation, be and is hereby adopted, confirmed and approved; and
2. any one director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing."

The Board of Directors of the Corporation recommend that the Shareholders vote in favour of the Stock Option Plan Resolution. To be effective, the Stock Option Plan Resolution must be approved by a simple majority of the votes cast by the Shareholders of the Corporation who vote in person or by proxy at the Meeting on the Stock Option Plan Resolution. In the absence of a contrary

instruction, the persons designated by management of the Corporation in the enclosed form of proxy intend to vote in favour of the Stock Option Plan Resolution.

5. *Approval of Performance Warrant Amendments*

At the Meeting the Shareholders will be asked to approve a resolution amending the existing performance warrants (the "**Performance Warrants**") that were approved by the Corporation's Shareholders at a meeting which took place on June 11, 2009, and for which an amendment was later approved on June 3, 2010. The vote in respect of the Performance Warrants will be conducted by ballot, pursuant to which Disinterested Shareholders (as defined herein), present in person or by proxy will have one vote for each Common Share of which he or she is the registered holder. See "*Executive Compensation - Performance Warrants*" for a full description of the Performance Warrants.

On September 4, 2009, Novus granted a total of 4,275,000 Performance Warrants as a one-time grant to the new management of Novus. As of the date hereof, 4,200,000 Performance Warrants are outstanding and fully vested. The purpose of the Performance Warrants is to provide an incentive to management of the Corporation and to link a certain portion of management's compensation to the medium and long-term success of the Corporation.

The Board of Directors has recommended that the ultimate expiry date of the outstanding Performance Warrants be extended to September 4, 2014 in order to provide the members of the Corporation's management, who are holders of such Performance Warrants, a continuing long-term incentive to continue:

- (a) their efforts to create additional value for all Shareholders by enhancing the value of the Corporation's business and assets and indirectly the trading value of the Corporation's Common Shares;
- (b) the direct alignment of the interests of the holders of the Performance Warrants with the interests of the Shareholders of the Corporation; and
- (c) their employment with the Corporation on a long-term basis.

In making this recommendation, the Board of Directors recognized the significant Shareholder value that has been created by management of the Corporation since their appointment in March 2009 and the significant future work that remains to be done to develop the Corporation's resource properties and unlock the value of those assets that is not currently being fully recognized in the trading price of the Corporation's Common Shares. The Board also gave consideration to their expectation that if the expiry of the Performance Warrants is not extended, all of the Performance Warrants will be exercised prior to their expiry by the holders thereof and as a result, the continuing incentive originally provided by these Performance Warrants will disappear, the Corporation will suffer the Common Share dilution associated with the exercise of the Performance Warrants and the Corporation will need to develop another appropriate form of long-term incentive to replace the incentive previously provided by the Performance Warrants. The Board expressed the view that the expiry of the Performance Warrants in September, 2012 would detract from the holders' long-term commitment to the Corporation and would have a negative effect on the long-term development of the Corporation's assets and ultimately Shareholder value.

Taking these matter into consideration, the Board has authorized the amendment of the outstanding Performance Warrants to extend the term of such Performance Warrants from September 4, 2012 until September 4, 2014 (the "**Proposed Extension**"), conditional upon the Corporation obtaining the approval of the Proposed Extension from both: (i) the Shareholders of the Corporation, (excluding the holders of the Performance Warrants); and (ii) the TSXV. The Corporation intends to give effect to the Proposed Extension immediately following the receipt of these approvals.

The Directors of the Corporation believe the Proposed Extension is in the best interests of the Corporation for the following reasons: (i) the Proposed Extension will result in the Performance Warrants continuing to be a long-term incentive for the holders thereof to strive to achieve the continued success of the Corporation and the enhancement of the value of its assets and business; (ii) the Proposed Extension will maintain the alignment of the interests of the members of executive management who are holders of the Performance Warrants with the interests of the Shareholders; and (iii) the Proposed Extension will act as an incentive to encourage the holders of the Performance Warrants to remain in the employ of the Corporation, which would not be the case if the holders exercised the Performance Warrants prior to their current expiry date.

Accordingly, Shareholders will be asked at the Meeting to consider and, if thought appropriate, to pass an ordinary resolution approving the proposed amendment of the outstanding Performance Warrants (the "**Performance Warrant Amendment Resolution**"), to extend the ultimate expiry date of such Performance Warrants from September 4, 2012 until September 4, 2014.

As each of the holders of the outstanding Performance Warrants is currently an officer of the Corporation, the TSXV requires that disinterested Shareholders of the Corporation, other than the persons benefiting from the amendment to the Performance Warrants ("**Disinterested Shareholders**"), approve the Performance Warrant Amendment Resolution. Therefore, in order for the Performance Amendment Warrant Resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting, excluding the votes cast in respect of Common Shares held by Messrs. Ross, Panchmatia, Groten, Lane and Din, which collectively represents a total of 5,529,000 Common Shares.

In addition, in accordance with the TSXV Policy 5.9 – *Protection of Minority Security Holders in Special Transactions*, each of Messrs. Ross, Panchmatia, Groten, Lane and Din are considered "related parties" of the Corporation within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**" or the "**Instrument**"). Accordingly, the Proposed Extension constitutes a "related party transaction" under MI 61-101 as it involves the amendment of the terms of a security of the Corporation that is beneficially owned by a related party. Pursuant to the Instrument, the Corporation is exempt from the requirement to obtain minority approval as defined in the Instrument, because the fair market value of the Proposed Extension does not exceed 25% of the Corporation's market capitalization. However, the Corporation is still required to obtain disinterested Shareholder approval of the Proposed Extension under the policies and requirements of the TSXV as described above.

Section 3 of the certificates representing the Performance Warrants under the heading "Exercise and Payment" be deleted and replaced by the following section:

"3. Exercise and Payment

Subject to the terms and conditions set forth herein, the Holder is entitled to purchase at any time until 4:30 p.m. (Calgary time) (the "**Expiry Time**") on September 4, 2014 (the "**Expiry Date**"),

that number of Common Shares to which the Holder is entitled in accordance with the terms of this Certificate. The right to subscribe for Common Shares in accordance with this Certificate may be completed by the Holder delivering:

- (d) one or more subscription forms, substantially in the form attached hereto as Schedule "A" (the "**Subscription Form**"), duly completed and executed; and
- (e) if applicable, a certified cheque or bank draft payable at par to or to the order of the Corporation in the amount of the Exercise Price multiplied by the number of Common Shares subscribed for, to the Corporation at its principal office in Calgary, Alberta.

Subject to applicable securities laws, the Corporation will obtain and cause to be delivered to the person or persons specified in the Subscription Form the certificate or certificates for the Common Shares subscribed for to the respective address or addresses specified therein as soon as practicable and in any event within five business days thereafter. Such certificates shall be deemed to have been issued and the Holder shall be deemed for all purposes to have become the holder of record of the Common Shares as of the date of receipt by the Corporation of the duly completed Subscription Form and the Exercise Price therefor.

Notwithstanding any of the provisions contained in this Certificate, the Holder may elect to exercise vested "in the money" Warrants on a "cashless exercise" basis, provided that such Warrants are duly exercised prior to the Expiry Date. The number of Common Shares to be acquired under such "cashless exercise" shall be equal to the quotient obtained when the Exercise Price Differential is divided by the Deemed Purchase Price, multiplied by the number of Warrants exercised."

The Proposed Extension has been conditionally approved by the TSXV, such approval is conditional upon the receipt of evidence of Disinterested Shareholder approval.

At the Meeting, Disinterested Shareholders will be asked to consider and, if deemed appropriate, pass the following Performance Warrant Amendment Resolution to approve the amendment to the terms of the Performance Warrants:

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

1. the terms of the Performance Warrants be amended as described in the accompanying Information Circular, such that the expiration date of the Performance Warrants be extended from September 4, 2012 to September 4, 2014, and the certificates representing the Performance Warrants be amended to the extent necessary to facilitate this extension, be and is hereby adopted, confirmed and approved;
2. any one director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in connection with the foregoing;
3. notwithstanding that this ordinary resolution has been duly passed by the Disinterested Shareholders, the directors of the Corporation may in their sole discretion revoke this ordinary

resolution in whole or in part at any time prior to its being given effect without further notice to, or approval of, the Disinterested Shareholders of the Corporation; and

4. any one director or officer of the Corporation be and the same is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed, whether under corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing."

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

6. *Other Business*

The directors and officers of the Corporation are not aware of any matters, other than those indicated in this Information Circular, which may be submitted to the Meeting for action. However, if any other matters should properly be brought before the Meeting, the enclosed proxy confers discretionary authority to vote on such other matters according to the best judgment of the person holding the proxy at the Meeting.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

To the knowledge of the directors and executive officers of the Corporation, none of: (i) the current or former directors, executive officers or employees of the Corporation; or (ii) any individual who is, or at any time during the year ended December 31, 2011 was, a director or executive officer of the Corporation or subsidiaries of the Corporation; (iii) any proposed director of the Corporation; or (iv) any associate of any of the foregoing; has been indebted to the Corporation or any of its subsidiaries at any time since January 1, 2011, in respect of any indebtedness that is required to be disclosed under National Instrument 51-102 - *Continuous Disclosure Obligations*.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the number of Common Shares to be issued upon exercise of outstanding Options (as defined under "*Executive Compensation – Stock Option Plan*") issued pursuant to the Stock Option Plan and Performance Warrants (as defined under "*Executive Compensation – Performance Warrants*") both of which constitute equity compensation plans, the weighted average exercise price of such outstanding Options and Performance Warrants and the number of Common Shares remaining available for future issuance under equity compensation plans of the Corporation as at December 31, 2011.

Plan Category	Number of Common Shares to be Issued Upon Exercise of Outstanding Options and Performance Warrants	Weighted-Average Exercise Price of Outstanding Options and Performance Warrants	Number of Common Shares Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by securityholders			
Options ⁽¹⁾	16,283,250	\$0.84	615,781
Performance Warrants ⁽²⁾	4,200,000	\$0.56	nil
Equity compensation plans not approved by securityholders			
Options ⁽¹⁾	nil	nil	nil
Performance Warrants ⁽²⁾	nil	nil	nil
TOTAL	20,483,250	\$0.78	615,781

Notes:

- (1) See "Executive Compensation – Stock Option Plan" for a description of the Stock Option Plan.
(2) See "Executive Compensation – Performance Warrants" for a definition and description of the Performance Warrants.

CORPORATE GOVERNANCE AND AUDIT COMMITTEE DISCLOSURE

The Board is committed to a high standard of corporate governance practices and audit committee (the "**Audit Committee**") disclosure. The Board believes that this commitment is not only in the best interest of the Corporation but that it also promotes effective decision making at the Board level. The Corporation's governance practices are reported in Schedule "A", which sets out its compliance with 58-101F2 of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. The Audit Committee disclosure required pursuant to National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") is disclosed in the Corporation's the annual information form for the year ended December 31, 2011 under the heading "*Audit Committee*". The Corporation's annual information form is available on the Corporation's SEDAR profile available at www.sedar.com or can be obtained by contacting Ketan Panchmatia, the Vice-President, Finance and Chief Financial Officer of the Corporation at (403) 263-4310.

EXECUTIVE COMPENSATION

The following disclosure of compensation earned by certain executive officers and directors of the Corporation in connection with their office or employment with the Corporation is made in accordance with the requirements in form 51-102F6 of National Instrument 51-102 – *Continuous Disclosure Obligations*. Disclosure is required to be made in relation to certain executive officers, being those individuals who served as: the Chief Executive Officer; Chief Financial Officer; and each of the Corporation's three most highly compensated executive officers, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 (collectively, the "**Named Executive Officers**").

Compensation Discussion and Analysis

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

- to provide competitive compensation which is comparable to similar companies and to ensure the retention of senior executives;

- to ensure that the executives are rewarded on an incentive basis, which is aligned with the long-term interests of Shareholders; and
- to provide long-term incentives through Options in order to align the interests of executive officers with those of Shareholders.

The Board of Directors makes decisions regarding the salaries and annual bonuses for the Chief Executive Officer based on recommendations made by the compensation committee of the Board of Directors (the "**Compensation Committee**") and in the case of the other executive officers, based on the recommendation of the Compensation Committee, after reviewing the recommendations of the Chief Executive Officer. In regards to determinations made in respect of equity incentive compensation, see the discussion under the heading "*Executive Compensation – Components of Compensation – Long-Term Incentives*". The Compensation Committee attempts to take a balanced approach to executive compensation by providing both short and long-term incentive plans tied to performance. Each executive position is reviewed periodically in terms of salary, bonus, long-term incentives (such as Options) and actual performance. After each review, the Compensation Committee makes a formal recommendation to the Board of Directors.

The Board of Directors also approves the Corporation's annual goals and objectives relevant to compensation. The description of the Corporation's executive compensation program in this Compensation Discussion and Analysis refers to the considerations involved in the compensation of the Named Executive Officers (as defined herein). The incentive levels, as well as annual compensation, are reviewed annually by the Compensation Committee and these forms of compensation are compared to standard levels of compensation of similar sized exploration and production companies, based on the knowledge of the members of the Compensation Committee.

The Compensation Committee's objective is to ensure compensation of executive officers provides a competitive package that reflects both base expectations to attract and retain appropriately experienced and qualified individuals, as well as to provide a link between discretionary short and long-term incentives with short and long-term corporate goals. The compensation package is designed to reward performance based on the achievement of performance goals and objectives and to be competitive with comparable companies in the market in which the Corporation competes for talent.

Components of Compensation

The following components currently comprise the compensation package for executive officers for the year ended December 31, 2011: base salary; bonuses; and participation in the Corporation's long-term incentive plans. Salary increases and cash bonuses for the senior executive officers are reviewed and approved by the Compensation Committee for recommendation to the full Board of Directors. The Board or the Compensation Committee may recommend to the Board, from time to time, the grant of Options to the Corporation's executive officers under the Stock Option Plan. Annual salary adjustments, if any, are made in April of each year and bonuses, if any, are determined annually in December.

Base Salary

The base salaries of the Named Executive Officers provide compensation that is comparable to its competitors in order to retain its personnel. Salaries are reviewed annually and are determined based on a comparative analysis of other public companies, which are operating in the energy sector. Consideration is given to the objective to attract and retain highly talented individuals from the industry. After the review, the Compensation Committee makes a formal recommendation to the Board of Directors.

Bonuses

Bonuses are intended to motivate and reward executive officers for achieving and surpassing annual corporate and individual goals. Annual discretionary performance bonuses are based upon operational and financial performance, as measured primarily by production growth and funds flow from operations, and personal performance objectives. All bonuses are approved by the Compensation Committee and the Board of Directors. For the year ended December 31, 2011, the bonuses granted (as described below) to the Named Executive Officers were discretionary and primarily based on general financial and production growth accomplishments. Peer performance and practices are also considered each year in determining the final amounts to be awarded. Bonuses are paid in order to provide competitive compensation and to ensure the retention of executive officers.

Long-Term Incentives

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

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

The Board or the Compensation Committee may recommend to the Board, from time to time, the grant of Options to the Corporation's executive officers under the Stock Option Plan. The amount of Options given to each executive officer is based upon either a determination by the Board of Directors, or a recommendation by the Compensation Committee, which is then approved by the Board of Directors. In granting Options, in respect of the long-term incentive component of compensation of executive officers, the Board of Directors and the Compensation Committee considers: the Corporation's performance and relative Shareholder return; the value of similar incentive awards to executive officers at comparable companies; and the prior awards given to the specific executive officer in past years.

Implications of Risks Associated with Compensation Policies

The Corporation operates in an industry environment in which excellence in risk management is critical. For this reason, Novus places a high premium on effective risk management, including safety, security, health, environmental, financial and reputational risks. The Corporation recognizes that certain compensation programs, both employee and executive, could promote unintended behaviours that may, in certain circumstances, be misaligned with the Shareholders' interests. The Compensation Committee seeks to ensure that the executive compensation programs and practices are designed to encourage appropriate risk assessment and risk management and to align the interests of the executive officers with those of the Corporation and its Shareholders. The underlying principles inherent in the Corporation's executive compensation program, which include a considerable focus on long-term value creation and

share appreciation are intended to discourage taking risks that are adverse to the Corporation's interests and inconsistent with the Board of Directors strategies for the Corporation. The design of the compensation program helps reinforce these priorities and ensures that compensation granted over multiple years and the shareholding net worth of senior executives is linked to the performance of the Corporation's Common Shares and resulting Shareholder value.

To mitigate these compensation risks, the Corporation actively encourages a corporate culture that facilitates and rewards leadership, ethical behaviour, transparency and honesty. The Compensation Committee feels that it can manage compensation risk effectively through its oversight and review of compensation on an annual basis.

Additional Information

The Corporation's compensation policies have allowed the Corporation to attract and retain a team of motivated professionals and support staff working towards the common goal of enhancing Shareholder value. The Compensation Committee reviews the overall compensation provided to the executive officers, and the amounts paid to the executive officers under each element of the program are considered when determining the other elements.

Pursuant to the Corporation's insider trading policy (the "**Insider Trading Policy**"), directors, officers and employees of the Corporation are not permitted to: engage in speculation in the Corporation's securities; short sell the Corporation's securities; sell a call option, giving the holder an option to purchase securities of the Corporation; buy a put option, giving the holder an option to sell securities of the Corporation. The Insider Trading Policy does not specifically prohibit the purchase of prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an executive officer or director.

The Corporation does not anticipate making any significant changes to its compensation policies and practices in 2012.

Composition of Compensation Committee

The Compensation Committee is comprised entirely of independent directors of the Corporation within the meaning of NI 52-110. As of the date hereof, the members of the Compensation Committee are Harry Knutson and Larry Mah. To fulfil its responsibilities and duties, the Compensation Committee: (a) reviews and approves corporate goals and objectives relevant to the Chief Executive Officer's compensation; (b) evaluates the Chief Executive Officer's performance in light of those corporate goals and objectives, and make recommendations to the Board with respect to the Chief Executive Officer's compensation level based on its evaluation; (c) reviews the recommendations the Chief Executive Officer makes to the Compensation Committee respecting the appointment, compensation and other terms of employment of the Chief Financial Officer, all senior management reporting directly to the Chief Executive Officer and all other officers appointed by the Board of Directors and, if advisable, approves and recommends for Board approval, with or without modifications, any such appointment, compensation and other terms of employment; (d) reviews executive compensation disclosure before the issuer publicly discloses this information; (e) prepares an annual report for inclusion in the Corporation's management information circular to Shareholders respecting the process undertaken by the Compensation Committee in its review and prepares recommendations in respect of compensation of the Chief Executive Officer; (f) on a periodic basis, retains the services of a compensation consultant (the Compensation Committee shall approve in advance any other work the consultant performs at the request of management); and

(g) reviews and assesses the adequacy of its mandate on at least an annual basis.

Relevant Education and Experience of Compensation 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, Pure Energy Services Ltd., Novus Energy Inc., AgriMarine Holdings Inc., Canadian Phoenix Resources Corp., Terrex Energy Inc. and Petroforte International Ltd. Mr. Knutson's experience has afforded him the opportunity to become knowledgeable with respect to standard practices and compensation related 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 Petroleum 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. Mr. Mah's experience has afforded him the opportunity to become knowledgeable with respect to standard practices in the industry, which are applicable on a broad basis to his role on the Compensation Committee.

Summary Compensation Table

The following table sets forth the compensation awarded or paid to the Corporation's Named Executive Officers during the three most recently completed financial years.

Name and Principal Position	Year	Salary (\$)	Share-based awards ⁽⁶⁾ (\$)	Option-based awards ⁽⁷⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value ⁽¹⁰⁾ (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans ⁽⁸⁾	Long-term incentive plans ⁽⁹⁾			
Hugh G. Ross President and Chief Executive Officer	2011	168,750	N/A	nil	140,000	N/A	N/A	nil	308,750
	2010	142,500	N/A	943,432	140,000	N/A	N/A	nil	1,225,932
	2009 ⁽¹⁾	90,000	N/A	145,991	60,000	N/A	N/A	nil	295,991
Ketan Panchmatia Vice-President, Finance, Chief Financial Officer and Corporate Secretary	2011	168,750	N/A	nil	120,000	N/A	N/A	nil	288,750
	2010	142,500	N/A	724,251	120,000	N/A	N/A	nil	986,751
	2009 ⁽²⁾	90,000	N/A	109,494	40,000	N/A	N/A	nil	239,494
Greg Groten Vice-President, Exploration	2011	168,750	N/A	nil	120,000	N/A	N/A	nil	288,750
	2010	142,500	N/A	724,251	120,000	N/A	N/A	nil	986,751
	2009 ⁽³⁾	90,000	N/A	109,494	40,000	N/A	N/A	nil	239,494
Jack Lane Vice-President, Operations	2011	168,750	N/A	nil	120,000	N/A	N/A	nil	288,750
	2010	142,500	N/A	724,251	120,000	N/A	N/A	nil	986,751
	2009 ⁽⁴⁾	90,000	N/A	109,494	40,000	N/A	N/A	nil	239,494

Name and Principal Position	Year	Salary (\$)	Share-based awards ⁽⁶⁾ (\$)	Option-based awards ⁽⁷⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value ⁽¹⁰⁾ (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans ⁽⁸⁾	Long-term incentive plans ⁽⁹⁾			
Julian Din Vice-President, Business Development	2011	168,750	N/A	nil	120,000	N/A	N/A	nil	288,750
	2010	142,500	N/A	724,251	120,000	N/A	N/A	nil	986,751
	2009 ⁽⁵⁾	84,231	N/A	109,494	40,000	N/A	N/A	nil	233,725

Notes:

- (1) Mr. Ross has served as President and Chief Executive Officer from March 31, 2009 to present.
- (2) Mr. Panchmatia has served as Vice-President, Finance, Chief Financial Officer, and Corporate Secretary from March 31, 2009 to present.
- (3) Mr. Groten has served as Vice-President, Exploration from March 31, 2009 to present.
- (4) Mr. Lane has served as Vice-President, Operations from March 31, 2009 to present.
- (5) Mr. Din has served as Vice-President, Business Development from April 23, 2009 to present.
- (6) As of the date hereof, the Corporation does not have any share-based awards outstanding.
- (7) These amounts represents the fair value, on the date of grant, of awards made under the Stock Option Plan, for the years ended December 31, 2010 and 2009. The grant date fair value has been calculated using the Black-Scholes model according to Section 3870 of the CICA Handbook. The key assumptions and estimates used for the calculation of the grant date fair value under this model for 2009 include: the risk-free interest rate (2.3%); expected stock price volatility (88%); expected life (4.5 years); and expected dividend yield (0%). The key assumptions and estimates used for the calculation of the grant date fair value under this model for the two Option grants in 2010 include: the risk-free interest rate (2.2% for the first grant and 1.8% for the second grant); expected stock price volatility (86% for the first grant and 82% for the second grant); expected life (4.4 years for the first grant and 4.4 years for the second grant); and expected dividend yield (0% for both the first and the second grant).
- (8) These represent one-time cash performance bonuses paid for the referenced year.
- (9) As of the date hereof, other than grants of Options pursuant to the Corporation's Stock Option Plan, which are disclosed in this table under the heading "Option-based awards", the Corporation does not have any long-term incentive plans under which grants are still being made.
- (10) As of the date hereof, the Corporation does not have a pension plan or similar form of compensation.

Incentive Plan Awards

Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth all awards outstanding as at December 31, 2011 under the Stock Option Plan.

Outstanding Option-Based Awards and Share-Based Awards

Name	Option-Based Awards				Share-Based Awards ⁽²⁾	
	Number of Common Shares underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options ⁽¹⁾ (\$)	Number of Common Shares that have not vested (#)	Market or payout value of Share-based awards that have not vested (\$)
Hugh G. Ross	400,000	\$0.60	Sep. 4, 2014	72,000	N/A	N/A
	600,000	\$0.88	Feb. 9, 2015	nil		
	1,125,000	\$0.85	Nov. 1, 2015	nil		
Ketan Panchmatia	300,000	\$0.60	Sep. 4, 2014	54,000	N/A	N/A
	450,000	\$0.88	Feb. 9, 2015	nil		
	875,000	\$0.85	Nov. 1, 2015	nil		
Greg Groten	300,000	\$0.60	Sep. 4, 2014	54,000	N/A	N/A
	450,000	\$0.88	Feb. 9, 2015	nil		
	875,000	\$0.85	Nov. 1, 2015	nil		
Jack Lane	300,000	\$0.60	Sep. 4, 2014	54,000	N/A	N/A
	450,000	\$0.88	Feb. 9, 2015	nil		
	875,000	\$0.85	Nov. 1, 2015	nil		
Julian Din	300,000	\$0.60	Sep. 4, 2014	54,000	N/A	N/A
	450,000	\$0.88	Feb. 9, 2015	nil		
	875,000	\$0.85	Nov. 1, 2015	nil		

Notes:

- (1) Calculated based on the difference between the exercise price and the closing price of the Common Shares on December 30, 2011 of \$0.78.
(2) As of the date hereof, the Corporation does not have any share-based awards outstanding.

In addition to the Option grants above, Messrs. Ross, Panchmatia, Groten, Lane and Din also received Performance Warrants on September 4, 2009. Mr. Ross received 1,000,000 Performance Warrants on September 4, 2009 with an exercise price of \$0.56 and an expiry date of September 4, 2012. As of December 31, 2011, Mr. Ross' Performance Warrants were fully vested and had a value of \$220,000. Messrs. Panchmatia, Groten, Lane and Din each received 800,000 Performance Warrants on September 4, 2009 with an exercise price of \$0.56 and an expiry date of September 4, 2012. As of December 31, 2011, Messrs. Panchmatia, Groten, Lane and Din's Performance Warrants were fully vested and had a value of \$176,000. See "*Performance Warrants*" for further details regarding the Performance Warrants.

Stock Option Plan

The options to purchase Common Shares of the Corporation (individually, an "**Option**", collectively, the "**Options**") granted to the Named Executive Officers were granted under the Stock Option Plan, the full text of which is attached as Schedule "B" to this Information Circular. The purpose of the Stock Option Plan is to assist directors, officers, employees and *bona fide* consultants of the Corporation and any of its subsidiaries (an "**Eligible Person**") to participate in the growth and development of the Corporation. Pursuant to the Stock Option Plan, the aggregate number of Common Shares reserved for issuance shall not exceed 10% of the Corporation's then issued and outstanding Common Shares.

Under the Stock Option Plan: (a) unless disinterested Shareholder approval is obtained, the total number of Common Shares which may be granted to any optionee in a one year period under the Stock Option Plan and under all other security-based compensation arrangements shall not exceed 5% of the issued and outstanding Common Shares at the date of grant of the Option; (b) the maximum number of Common

Shares that may be granted to any one consultant within a one year period must not exceed 2% of the issued and outstanding Common Shares calculated at the date the Option was granted to the consultant; and (c) the maximum number of Common Shares that may be granted to an Eligible Person conducting investor relations activities (as such term is defined by the TSXV policies) under the Stock Option Plan within a one year period shall not exceed 2% of the issued Common Shares, calculated at the date the Option was granted to such employee. Notwithstanding any other provisions contained in the Stock Option Plan, any Option granted to a consultant conducting investor relations activities shall vest in stages over a one year period with no more than one quarter (1/4) of the Options vesting in any three month period.

Under the Stock Option Plan, the maximum number of Common Shares that may be issued to insiders under the Stock Option Plan and all other security based compensation arrangements (excluding Common Shares issued pursuant to the Corporation's previously issued Performance Warrants) within a one year period shall be 10% of the Common Shares outstanding at the time of the issuance (on a non-diluted basis), excluding Common Shares issued under the Stock Option Plan or any other security based compensation arrangements (excluding Common Shares issued pursuant to the Corporation's previously issued Performance Warrants) over the preceding one year period. The maximum number of Common Shares which may be issued to any one insider under the Stock Option Plan within a one year period shall be 5% of the Common Shares outstanding at the time of the issuance (on a non-diluted basis), excluding Common Shares issued to such insider under the Stock Option Plan over the preceding one year period.

The Stock Option Plan will be administered by the Board of Directors, or a committee thereof, subject to the policies of the TSXV. The Board of Directors (or a committee thereof) shall have the power to: grant Options; determine which Eligible Persons are granted Options; determine the number of Common Shares issuable on the exercise of each Option; determine the exercise price (subject to the provisions of the Stock Option Plan); determine the time or times when Options will be granted and exercisable; determine if the Common Shares that are subject to an Option will be subject to any restrictions upon the exercise of such Option, including vesting provisions (subject to the provisions of the Stock Option Plan); and prescribe the form of documents relating to the grant, exercise and other terms of the Options, provided that the period during which an Option shall be exercisable shall end not later than ten calendar years following the date of grant.

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

Subject to certain restrictions set forth in this paragraph and to a resolution passed by the Board of Directors (and pre-cleared by the TSXV with respect to an Option, if required), an Option, and all rights to purchase Common Shares pursuant thereto, shall terminate immediately upon the optionholder ceasing to be a director, officer, employee or consultant of the Corporation or its affiliates, provided that the optionholder's employment by the Corporation is terminated (other than for cause), or upon the death of the optionholder, the Options may be exercised by the optionholder or their legal representative, as applicable, during the first 365 days following the date of death of such individual, or within 90 days from the date notice of termination of the employment (or consulting arrangement) of such individual, as long as the Options do not expire by such time and have vested in accordance with their terms prior to the date of death or date of notice of termination.

The Stock Option Plan provides that unless the Corporation determines otherwise at any time, an optionholder may elect to exercise an Option by surrendering such Option in exchange for the issuance of Common Shares equal to the number determined by dividing (i) the difference between the Market Price (as defined in the Stock Option Plan and calculated as at the date of exercise) and the exercise price of such Option by (ii) the Market Price (calculated as at the date of exercise). An Option may be exercised from time to time by delivery to the Corporation at its head office or such other place as may be specified by the Corporation, of a written notice of exercise specifying that the optionholder has elected to effect such a cashless exercise of such Option and the number of Options to be exercised and accompanied by the payment of an amount as security for any tax withholding or remittance obligations of the optionholder or the Corporation arising under applicable law (or by entering into some other arrangement acceptable to the Corporation). Upon exercise of the foregoing, the number of Common Shares underlying the Options exercised shall be deducted from the number of Common Shares reserved for issuance under the Stock Option Plan.

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

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

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

Performance Warrants

Each Performance Warrant entitles the holder thereof to receive one Common Share, subject to the completion of certain performance criteria, and has an exercise price of \$0.56. Each Performance Warrant has an expiry date of three years from the date of grant. All Performance Warrants are non-transferable and non-assignable. On September 4, 2009, Novus granted a total of 4,275,000 Performance Warrants as a one-time grant. As of the date hereof, 4,200,000 Performance Warrants are outstanding and fully vested.

The Performance Warrants vested upon Novus achieving certain targets for growth in net asset value per fully diluted share outstanding ("**NAV per share**"). With reference to the initial NAV per share calculated as \$1.10, 1/3 of the Performance Warrants granted shall vest upon an increase in NAV per share of 25%, 2/3 of the Performance Warrants granted shall vest upon an increase in NAV per share of 33⅓%, and all of the Performance Warrants granted shall vest upon an increase in NAV per share of 50%. For this purpose, NAV per share is calculated as:

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

divided by:

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

For the purposes above, "**Reserve Report**" means an independent engineering report of Novus' oil and natural gas reserves as prepared from time to time by Novus' independent engineers, as such report may be updated or amended from time to time. Novus' most recent Reserve Report was dated February 3, 2012 and is current as of December 31, 2011, a summary of which is included in the annual information form of the Corporation for the year ended December 31, 2011. For the purposes of determining that the Performance Warrants vested, NAV per share was calculated by the Board of Directors of the Corporation from time to time upon filing of Novus' annual financial statements and annual Reserve Report (and in any event within 120 days of Novus' financial year end).

If a holder of Performance Warrants shall cease to be an officer or employee of Novus or of its subsidiaries, then all of such holder's unexercised Performance Warrants shall terminate on the terms set forth in the holder's Performance Warrant certificate as summarized in this paragraph. If the holder of a Performance Warrant resigns or retires, or is terminated by Novus (other than for cause) then such

holder's Performance Warrants which have vested and have not been exercised as of the termination date may be exercised within ninety (90) days following (i) the effective date of notice of such resignation or retirement or (ii) the date notice of termination of employment is given by Novus. In such case, all unvested Performance Warrants shall immediately terminate on the termination date without any further action by Novus or the holder. If the holder of a Performance Warrant is terminated for cause, the then unexercised Performance Warrants of such holder (whether vested or unvested) shall expire and terminate immediately upon delivery to the holder by Novus of notice of termination of employment for cause. In the event of the death of the holder of a Performance Warrant, the legal personal representative of the holder may, prior to the earlier of the expiry date of such Performance Warrant and the date that is three hundred sixty five (365) days following the date of the death of the holder, exercise any vested and unexercised Performance Warrants within such time period. In such case, all unvested Performance Warrants shall immediately terminate on the termination date without any further action by Novus or the holder. In the event of the permanent disability of the holder of a Performance Warrant, the holder or the legal personal representative of the holder may, prior to the earlier of the expiry date of such Performance Warrant and the date one hundred and ninety (190) days following the date of the permanent disability of the holder, exercise any vested and unexercised Performance Warrants within such time period. In such case, all unvested Performance Warrants shall immediately terminate on the termination date without any further action by Novus or the holder.

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

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

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of the awards that vested for each Named Executive Officer under the Stock Option Plan in 2011 as well as the non-equity incentive plan compensation earned during the year.

Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option-based awards- Value vested during the year⁽¹⁾ (\$)	Share-based awards – Value vested during the year⁽²⁾ (\$)	Non-equity incentive plan compensation – Value earned during the year⁽³⁾ (\$)
Hugh G. Ross	445,000	N/A	140,000
Ketan Panchmatia	346,625	N/A	120,000
Greg Groten	346,625	N/A	120,000
Jack Lane	346,625	N/A	120,000
Julian Din	346,625	N/A	120,000

Notes:

- (1) Calculated based on the difference between the closing prices of the Common Shares underlying the Options on the vesting dates and the exercise prices of the vested Options.
- (2) As of the date hereof, the Corporation does not have any share-based awards outstanding.
- (3) These amounts represent one-time cash performance bonuses paid for the year ended December 31, 2011.

As of December 31, 2011, Mr. Ross' Performance Warrants were fully vested and had a value of \$220,000. As of December 31, 2011, Messrs. Panchmatia, Groten, Lane and Din's Performance Warrants were fully vested and had a value of \$176,000.

Termination and Change of Control Benefits

As at the date of this Information Circular, Novus had entered into employment contracts with its current five Named Executive Officers (Hugh G. Ross, Ketan Panchmatia, Greg Groten, Jack Lane and Julian Din). Each employment contract provides for an indefinite term of employment, which is, however, subject to termination in certain circumstances. Each employment contract may be terminated by the executive upon 30 days' notice to Novus, in which case the executive is not entitled to any further incremental or further compensation from the date of termination. Each employment contract may also be terminated for just cause, in which case the executive is not entitled to any further incremental or further compensation from the date of termination. If the employment contract is terminated by Novus without just cause, the executive is entitled to notice of termination or a lump sum payment equivalent to 12 times the executive's monthly salary and benefits, plus one month per year of service from March 31, 2009, up to a maximum of 18 months, as well as a bonus severance amount. The bonus severance amount is calculated as the average of the last two years' bonus awards. The agreements do not contain separate change of control provisions.

The executive officers employment contracts define "just cause" as any reason which would entitle the Corporation to terminate the executive's employment without notice or payment in lieu of notice at common law, or under the provisions of any other applicable law or regulation and includes, without limiting the generality of the foregoing: (i) fraud, misappropriation of the property or funds of the Corporation, embezzlement, malfeasance, misfeasance or nonfeasance in office which is willfully or

grossly negligent on the part of the executive; (ii) the willful allowance by the executive of his duty to the Corporation and his personal interests to come into conflict in a material way in relation to any transaction or matter that is of a substantial nature; or (iii) the breach by the executive of any of his covenants or obligations under the executive employment agreement, including any non-competition, non-solicitation or confidentiality covenants contained therein.

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

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

Estimated Payments Upon Termination of Employment Events

**Estimated Incremental Payments as of December 31, 2011
Following Termination Without Just Cause**

Name	Salary (\$)	Annual Incentive Bonus⁽¹⁾ (\$)	Stock Option Plan (\$)	Benefits and Perquisites (\$)	Total (\$)
Hugh G. Ross	204,167	140,000	nil ⁽²⁾	4,226	348,393
Ketan Panchmatia	204,167	120,000	nil ⁽²⁾	4,226	328,393
Greg Groten	204,167	120,000	nil ⁽²⁾	4,226	328,393
Jack Lane	204,167	120,000	nil ⁽²⁾	4,226	328,393
Julian Din	204,167	120,000	nil ⁽²⁾	4,226	328,393

Notes:

- (1) This amount represents an average of the discretionary bonuses that have been granted by the Board of Directors to the current Named Executive Officers under the employment agreements over the last two years, this average is comprised of: \$140,000 and \$140,000 paid to Mr. Ross in December 2010 and December 2011, respectively; and \$120,000 and \$120,000 paid to Messrs. Panchmatia, Groten, Lane and Din in December 2010 and December 2011, respectively.
- (2) This amount represents the value of Options that would vest on a change of control (based on the difference between the various Option exercise prices and the December 30, 2011 closing price of the Common Shares of \$0.78).

DIRECTOR COMPENSATION

The Corporation paid each of its directors, other than Mr. Ross, who is an executive officer of the Corporation and receives no additional compensation for his role as a director, an annual retainer of \$20,000, as well as a fee for attending each Board meeting in the amount of \$1,000 per meeting. The chair of the Audit Committee of the Board received a further \$2,000 annual retainer. Directors who are members of committees, are paid a fee for attending each committee meeting in the amount of \$1,000 per meeting. Directors are also paid a rate of \$1,000 per day for work outside of Board and committee meetings.

Director Compensation Table

The following table summarizes the compensation paid, payable, awarded or granted for 2011 to each of the non-management directors of the Corporation for 2011.

2011 Directors Summary Compensation Table

Name	Fees earned (\$)	Share-based awards ⁽¹⁾ (\$)	Option- based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation ⁽³⁾ (\$)	Pension Value ⁽⁴⁾ (\$)	All other compensation (\$)	Total (\$)
Larry C. Mah	33,000	N/A	nil	N/A	N/A	nil	33,000
A. Bruce Macdonald	27,000	N/A	nil	N/A	N/A	nil	27,000
Michael Halvorson	26,000	N/A	nil	N/A	N/A	nil	26,000
Harry Knutson	31,000	N/A	nil	N/A	N/A	nil	31,000
Al Kroontje	29,000	N/A	nil	N/A	N/A	nil	29,000

Notes:

- (1) As of the date hereof, the Corporation does not have any share-based awards outstanding.
(2) There were no Option-based awards granted to directors in 2011.
(3) As of the date hereof, the Corporation does not have any non-equity incentive plan compensation for directors.
(4) As of the date hereof, the Corporation does not have a pension plan or similar form of compensation.

Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth all outstanding awards held by the directors of the Corporation as at December 31, 2011 under the Stock Option Plan.

Outstanding Option-Based Awards and Share-Based Awards

Name	Option-Based Awards				Share-Based Awards ⁽²⁾	
	Number of Common Shares underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the- money Options ⁽¹⁾ (\$)	Number of Common Shares that have not vested (#)	Market or payout value of Share- based awards that have not vested (\$)
Larry C. Mah	225,000 80,000 250,000	0.85 0.88 0.60	Nov. 1, 2015 Feb. 9, 2015 Sept. 4, 2014	nil nil 45,000	N/A	N/A
A. Bruce Macdonald	225,000 80,000 250,000	0.85 0.88 0.60	Nov. 1, 2015 Feb. 9, 2015 Sept. 4, 2014	nil nil 45,000	N/A	N/A
Michael Halvorson	225,000 100,000 250,000	0.85 0.88 0.60	Nov. 1, 2015 Feb. 9, 2015 Sept. 4, 2014	nil nil 45,000	N/A	N/A
Harry Knutson	225,000 125,000 250,000 66,500 12,500	0.85 0.88 0.60 2.00 3.00	Nov. 1, 2015 Feb. 9, 2015 Sept. 4, 2014 Jul. 16, 2013 Feb. 12, 2012	nil nil 45,000 nil nil	N/A	N/A

Name	Option-Based Awards				Share-Based Awards ⁽²⁾	
	Number of Common Shares underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options ⁽¹⁾ (\$)	Number of Common Shares that have not vested (#)	Market or payout value of Share-based awards that have not vested (\$)
Al Kroontje	225,000	0.85	Nov. 1, 2015	nil	N/A	N/A
	90,000	0.88	Feb. 9, 2015	nil		
	250,000	0.60	Sept. 4, 2014	45,000		
	66,500	2.00	Jul. 16, 2013	nil		
	12,500	3.00	Feb. 12, 2012	nil		

Notes:

- (1) Calculated based on the difference between the exercise price and the closing price of the Common Shares on December 30, 2011 of \$0.78.
(2) As of the date hereof, the Corporation does not have any share-based awards outstanding.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of the awards that vested for or were earned by each director of the Corporation under the Stock Option Plan in 2011 as well as the non-equity incentive plan compensation earned during the year.

Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option-based awards - Value vested during the year ⁽¹⁾	Share-based awards - Value vested during the year ⁽²⁾	Non-equity incentive plan compensation - Value earned during the year ⁽³⁾
	(\$)	(\$)	(\$)
Larry C. Mah	86,125	N/A	nil
A. Bruce Macdonald	86,125	N/A	nil
Michael Halvorson	87,875	N/A	nil
Harry Knutson	90,063	N/A	nil
Al Kroontje	87,000	N/A	nil

Notes:

- (1) Calculated based on the difference between the closing prices of the Common Shares underlying the Options on the vesting dates and the exercise prices of the vested Options.
(2) As of the date hereof, the Corporation does not have any share-based awards outstanding.
(3) As of the date hereof, the Corporation does not have any non-equity incentive plan compensation for directors.

REGULATORY MATTERS AND BANKRUPTCIES AND INSOLVENCIES

Except as disclosed below, no nominee for director (or any personal holding company of such proposed director) of the Corporation is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days, (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, or (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings,

arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Knutson was a director 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. 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 director of a number of private real estate holding companies. In 2010, creditors of certain of these companies commenced foreclosure proceedings on properties forming a portion of the assets of the companies.

Except as disclosed below, no nominee for director of the Corporation has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

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

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

To the knowledge of the directors and executive officers of the Corporation, none of the directors, proposed directors or executive officers of the Corporation or anyone who has held such offices since January 1, 2011, or any affiliate or associate of any of the foregoing, has any material interest, direct or indirect, in any matter to be acted upon at the meeting, except as otherwise disclosed herein.

ADDITIONAL INFORMATION AND AVAILABILITY OF FINANCIAL STATEMENTS

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information concerning the Corporation is provided in its financial statements for the year ended December 31, 2011 and the accompanying management's discussion and analysis, all of which can be accessed under the Corporation's profile on SEDAR at www.sedar.com or by contacting Ketan Panchmatia, the Vice-President, Finance and Chief Financial Officer of the Corporation at (403) 263-4310.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Corporation, nominee for director of the Corporation, nor any affiliate or associate of any informed person or nominee for director, had any material interest, direct or indirect, in any transaction or proposed transaction which has materially affected or would material affect the Corporation since the beginning of the financial year ended December 31, 2011.

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

AUDITORS OF THE CORPORATION

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

DIRECTORS' APPROVAL

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

DATED the 23rd day of April, 2012.

(signed) "Hugh G. Ross"

Hugh G. Ross

President and Chief Executive Officer

SCHEDULE "A"

CORPORATE GOVERNANCE DISCLOSURE

Board of Directors

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

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

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

Independent Supervision Over Management - In order to facilitate the Board's independent supervision over management, the Board has appointed Mr. Halvorson to act as the chairman of the Board. As Mr. Halvorson is an independent director, he is responsible for leading the Board as a whole and providing leadership for the other independent directors.

Furthermore, the Board holds "in camera" sessions for independent members during each Board meeting to facilitate open and candid discussion amongst the independent directors. In addition, the independent directors may schedule meetings as they see fit without members of management and non-independent directors present.

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

Name	Issuer
Al J. Kroontje	PetroFrontier Corp. Polar Star Mining Corporation Border Petroleum Corp. Cobalt Coal Corp. Galleria Opportunities Inc. E.G. Capital Inc.
Harry L. Knutson	AgriMarine Holdings Inc. Bonavista Energy Corporation Canadian Phoenix Resources Corp. Petroforte International Ltd. Pure Energy Services Ltd. Terrex Energy Inc.

Name	Issuer
Hugh G. Ross	Petroforte International Ltd.
Michael H. Halvorson	Orezone Gold Corporation

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

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

Nomination of Board Members – The corporate governance and nominating committee of the Board of Directors (the "**Corporate Governance and Nominating Committee**") shall, in consultation with the chairperson of the Board and the Chief Executive Officer of the Corporation, annually or as required, recruit and identify individuals qualified to become new Board members and recommend to the Board new director nominees for the next annual meeting of Shareholders.

Determination of Compensation of Directors and Officers – The Board of Directors makes decisions regarding the salaries and annual bonuses for the executive officers based on recommendations made by the Compensation Committee. The Board of Directors makes decisions regarding retainers and fees for directors based on recommendations made by the Corporate Governance and Nominating Committee. The Compensation Committee attempts to take a balanced approach to executive compensation by providing both short and long-term incentive plans tied to performance. Each executive position is reviewed periodically in terms of salary, bonus, long-term incentives (such as Options) and actual performance. In regards to long-term incentives (such as Options), the Board or the Compensation Committee may recommend to the Board, from time to time, to grant Options to the Corporation's executive officers and directors under the Stock Option Plan.

Other Board Committees – The Corporation's Board has in place an:

- Audit Committee, which is responsible for overseeing the accounting and financial reporting processes of the Corporation and the audits of the Corporation's financial statements;
- Reserves Committee, which is responsible for assisting the Board of Directors in fulfilling its responsibilities relating to the disclosure of information with respect to the Corporation's oil and gas activities and reserves data and the evaluations or audits of the reserves of the Corporation;
- Corporate Governance and Nominating Committee, which is responsible for overseeing the Corporation's corporate governance practices and the nomination and appointment of directors; and

- Compensation Committee, which is responsible for determining and making recommendations with respect to the compensation to be granted to the Chief Executive Officer, and reviewing the Chief Executive Officer's recommendations in respect of the compensation of the other senior executives of the Corporation and making recommendations to the Board in respect thereof,

(collectively, the "**Board Committees**"). The Board has developed mandates for each of the Board Committees, which are reviewed annually by each Board Committee and the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee then makes recommendations, on behalf of itself and the Board Committees, to the Board regarding any proposed amendments to those mandates. The mandate of the Audit Committee is attached as Schedule "C" to the Corporation's annual information form for the year ended December 31, 2011, available under the Corporation's profile on SEDAR at www.sedar.com or by contacting Ketan Panchmatia, the Vice-President, Finance and Chief Financial Officer of the Corporation at (403) 263-4310.

Assessment of Directors, the Board and Board Committees – The Corporate Governance and Nominating Committee, in consultation with the chairperson of that committee, ensures that an appropriate system is in place to evaluate the effectiveness of the Board as a whole, as well as the Board Committees with a view to ensuring that they are fulfilling their respective responsibilities and duties. In connection with these evaluations, each director is requested to provide his or her assessment of the effectiveness of the Board and each Board Committee, as well as the performance of the individual directors. These evaluations take into account the competencies and skills each director is expected to bring to his or her particular role on the Board or on a Board Committee, as well as any other relevant facts.

SCHEDULE "B"

NOVUS ENERGY INC.

2011 STOCK OPTION PLAN

Amended and Restated effective June 16, 2011

1. PURPOSE OF PLAN

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

2. DEFINED TERMS

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

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

merger or other form of reorganization, of Common Shares which in the aggregate with all other Common Shares held by such person or group of persons acting in concert, directly or indirectly, constitutes 50% or more of the then issued and outstanding Common Shares;

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

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

3. ADMINISTRATION OF THE PLAN

- 3.1 The Plan shall be administered by the Board.
- 3.2 The Board shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan, to:
 - (a) establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan;

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

4. COMMON SHARES SUBJECT TO PLAN

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

5. ELIGIBILITY, GRANT AND TERMS OF OPTIONS

- 5.1 Options may be granted to Eligible Persons as the Board may determine.
- 5.2 Subject to, and except as herein and as otherwise specifically provided for in this Plan, the number of Common Shares issuable on the exercise of each Option, the Exercise Price, the expiration date of each Option, the extent to which each Option vests and is exercisable from time to time during the term of the Option and other terms and conditions relating to each such Option shall be determined by the Board; provided, however, that:
 - (a) the period during which an Option shall be exercisable shall end not later than ten calendar years following the date on which the Option is granted to the Optionee;

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

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

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

(excluding Common Shares issued pursuant to Performance Warrants) within a one year period shall be 10% of the Common Shares outstanding at the time of the issuance (on a non-diluted basis), excluding Common Shares issued under the Plan or any other Security Based Compensation Arrangements (excluding Common Shares issued pursuant to Performance Warrants) over the preceding one year period. The maximum number of Common Shares which may be issued to any one Insider under the Plan within a one year period shall be 5% of the Common Shares outstanding at the time of the issuance (on a non-diluted basis), excluding Common Shares issued to such Insider under the Plan over the preceding one year period.

- 5.9 An Option is personal to the Optionee and is non-transferable and non-assignable.
- 5.10 Notwithstanding anything else contained herein, if the expiration date for an Option occurs during a Blackout Period applicable to the relevant Optionee, or within 10 business days after the expiry of a Blackout Period applicable to the relevant Optionee, then the expiration date for that Option (the "**Blackout Expiry Date**") shall be the date that is the tenth business day after the expiry date of the Blackout Period. This section 5.10 applies to all Options outstanding under this Plan. The Blackout Expiry Date for an Option may not be amended by the Board without the approval of the holders of Common Shares in accordance with Section 9.1(a) of the Plan.

6. TERMINATION OF EMPLOYMENT

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

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

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

7. EXERCISE OF OPTIONS

- 7.1 Subject to the provisions of the Plan, an Optionee must provide written notice of the Optionee's intent to exercise an Option, in whole or in part, to the Corporation at its head office. The notice must specify the number of Common Shares which the Optionee intends to purchase and payment in full to the Corporation of the Exercise Price of the Common Shares to be purchased and an amount as security for any tax withholding or remittance obligations of the Optionee or the Corporation arising under applicable law (or by entering into some other arrangement acceptable to the Corporation). Certificates for such Common Shares shall be issued and delivered to the Optionee within five Business Days following the receipt of such notice and payment. Notwithstanding the foregoing provisions of this Section 7.1, an Option may be exercised and Common Shares may be issued upon the exercise of such Option in such other manner as may be acceptable to the Corporation and the Optionee.

Notwithstanding the above, the Corporation may implement such systems and procedures from time to time to facilitate the exercise of Options pursuant to this Plan and shall provide Optionees with all necessary details regarding such systems and procedures to facilitate the exercise of Options from time to time in accordance with their terms.

- 7.2 Subject to the provisions of the Plan, unless the Corporation determines otherwise at any time, an Optionee may elect to exercise an Option by surrendering such Option in exchange for the issuance of Common Shares equal to the number determined by dividing (i) the difference between the Market Price (calculated as at the date of exercise) and the Exercise Price of such Option by (ii) the Market Price (calculated as at the date of exercise). An Option may be exercised pursuant to this Section 7.2 from time to time by delivery to the Corporation at its head office or such other place as may be specified by the Corporation, of a written notice of exercise specifying that the Optionee has elected to effect such a cashless exercise of such Option and the number of Options to be exercised and accompanied by the payment of an amount as security for any tax withholding or remittance obligations of the Optionee or the Corporation arising under applicable law (or by entering into some other arrangement acceptable to the Corporation). Upon exercise of the foregoing, the number of Common Shares underlying the Options exercised shall be deducted from the number of Common Shares reserved for issuance under the Plan.
- 7.3 Notwithstanding any of the provisions contained in the Plan or in any Option, the Corporation's obligation to issue Common Shares to an Optionee pursuant to the exercise of an Option shall be subject to:

- (a) completion of such registration or other qualification of such Common Shares or obtaining approval of such regulatory or governmental authority as the Board shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the listing of such Common Shares on the Exchange (if applicable); and
- (c) the receipt from the Optionee of such representations, agreements and undertakings, including as to future dealings in such Common Shares, as the Corporation or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

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

8. CHANGE OF CONTROL AND CERTAIN ADJUSTMENTS

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

endorsed for transfer back to the Corporation, the Corporation shall refund the Optionee all consideration paid by the Optionee in the initial purchase thereof.

- 8.3 Appropriate adjustments as regards Options granted or to be granted, in the number of Common Shares optioned and in the Exercise Price shall be made by the Board to give effect to adjustments in the number of Common Shares resulting from subdivisions, consolidations or reclassifications of the Common Shares, or other relevant changes in the Corporation. The appropriate adjustment in any particular circumstance shall be conclusively determined by the Board in its sole discretion, subject to approval by the Shareholders and to acceptance by the Exchange, respectively, if applicable.

9. AMENDMENT OR DISCONTINUANCE OF PLAN

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

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

- (viii) amends the Plan to provide for other types of compensation through equity issuance;

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

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

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

10. ACCOUNTS AND STATEMENTS

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

11. NOTICES

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

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

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

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

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

be deemed to have been given or delivered on the second Business Day following the date on which it was mailed.

12. SHAREHOLDER AND REGULATORY APPROVAL

- 12.1 The Plan (and any amendments thereto as required from time to time under Article 9) shall be subject to such future approvals of the Shareholders of the Corporation and of the Exchange (if the Common Shares are listed on an Exchange) as may be required under the Plan or by the Exchange, as applicable, from time to time. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance is given.

13. MISCELLANEOUS

- 13.1 An Optionee shall not have any rights as a Shareholder with respect to any of the Common Shares covered by an Option until such Optionee shall have exercised such Option in accordance with the terms of the Plan and the issuance of the Common Shares by the Corporation.
- 13.2 Nothing in the Plan or any Option shall confer upon any Optionee any right to continue in the employ of the Corporation or affect in any way the right of the Corporation to terminate his or her employment at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation to extend the employment of any Optionee beyond the time that he or she would normally be retired pursuant to the provisions of any present or future retirement plan or policy of the Corporation, or beyond the time at which he or she would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation.
- 13.3 To the extent required by law or regulatory policy or necessary to allow Common Shares issued on exercise of an Option to be free of resale restrictions, the Corporation shall report the grant, exercise or termination of the Option to the Exchange (if the Common Shares are listed on an Exchange) and the appropriate securities regulatory authorities.
- 13.4 Notwithstanding anything else in this Plan, any issuance of Common Shares or exercise of Options pursuant to this Plan shall be subject to and paid after deduction of any withholding or deductions required by law in such manner as may be determined by the Corporation. For greater certainty, prior to issuing and delivering Common Shares to an Optionee exercising an Option pursuant to Section 7.1 or Section 7.2, the Corporation may require the Optionee to deliver payment of an amount determined by the Corporation as security for any tax withholding or remittance obligation of the Optionee or the Corporation arising under applicable law, which payment may be waived by the Corporation if another arrangement acceptable to the Corporation to secure the payment of such obligations has been entered into by the parties.
- 13.5 This Plan shall be construed and interpreted in accordance with the laws of Alberta.

- 13.6 When adopted by the Corporation's shareholders, this Plan will supersede and replace all previous stock option plans and all unexercised stock options heretofore granted and still in effect will become subject to this Plan.
- 13.7 If any provision of this Plan is determined to be void, the remaining provisions shall be binding as though the void parts were deleted.