

**CAZA OIL & GAS, INC.**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF HOLDERS OF COMMON SHARES**

**To the holders (the “Shareholders”) of common shares of Caza Oil & Gas, Inc.**

**Notice is hereby given** that an Annual General and Special Meeting (the “**Meeting**”) of the Shareholders of Caza Oil & Gas, Inc. (the “**Corporation**”) will be held on June 30, 2015, at 10077 Grogan’s Mill Rd., Suite 200, The Woodlands, Texas, USA at 10:00 a.m. (Houston time) for the following purposes:

1. to receive and consider the financial statements of the Corporation for the year ended December 31, 2014, together with the auditors’ report thereon;
2. to elect directors of the Corporation for the ensuing year;
3. to consider, and if thought advisable, pass, with or without variation, an ordinary resolution to appoint Deloitte & Touche LLP, Chartered Accountants, auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix the auditors’ remuneration;
4. to consider, and if thought advisable, pass, with or without variation, a special resolution to increase the Corporation’s authorized capital by creating a new class of preferred shares without par value that may be issued in one or more series, with rights and restrictions attaching thereto that allow the Board of Directors of the Corporation to fix the number of shares in the series and to fix the preferences, special rights and restrictions, privileges, conditions and limitations attaching to the shares of that series;
5. to consider, and if thought advisable, pass, with or without variation, a special resolution authorizing the Board of Directors of the Corporation to consolidate all of the issued and outstanding Common Shares of the Corporation on the basis of up to 60 pre-consolidation shares for one (1) post-consolidation share; and
6. to transact any other business which may properly come before the Meeting or any adjournment(s) thereof.

The specific details of the matters to be considered are set out in the Management Information Circular dated June 1, 2015, which accompanies and forms part of this Notice.

DATED at The Woodlands, Texas this 1<sup>st</sup> day of June, 2015.

BY ORDER OF THE BOARD OF DIRECTORS

*W. Michael Ford*  
**President & Chief Executive Officer**



**CAZA OIL & GAS, INC.**

**ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
to be held on June 30, 2015**

**MANAGEMENT INFORMATION CIRCULAR  
dated June 1, 2015**

*NOTE: Shareholders who do not hold their shares in their own name as registered shareholders should read "Advice to Beneficial Shareholders" herein for an explanation of their rights.*

**SOLICITATION OF PROXIES**

**This Management Information Circular is provided in connection with the solicitation by management of Caza Oil & Gas, Inc. (the "Corporation" or "Caza") of proxies for the annual general and special meeting (the "Meeting") of the holders of common shares (the "Common Shares") of the Corporation to be held on June 30, 2015, at 10077 Grogan's Mill Rd., Suite 200, The Woodlands, Texas, USA at 10:00 a.m. (Houston time) and at any adjournment(s) thereof for the purposes set out in the accompanying Notice of Annual General and Special Meeting (the "Notice").**

**This solicitation is made on behalf of management of the Corporation.** The costs incurred in the preparation and mailing of the Notice, this Management Information Circular and the accompanying form of proxy (the "**Instrument of Proxy**") furnished by the Corporation, together with any other costs incurred in connection with the solicitation of proxies herein, will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, telephone or other means of communication by directors, officers and employees of the Corporation, none of whom will be specifically remunerated therefor.

**APPOINTMENT AND REVOCATION OF PROXIES**

**The persons named in the Instrument of Proxy are officers and/or directors of the Corporation. A shareholder has the right to appoint a nominee, other than the persons designated in the Instrument of Proxy (who need not be a shareholder), to attend and act on such shareholder's behalf at the Meeting, by striking out the management proxyholder names shown and inserting the name of the person to represent the shareholder at the Meeting in the space provided for an alternate proxyholder on the Instrument of Proxy. Such shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should instruct the nominee on how the shareholder's shares are to be voted. In any case, the Instrument of Proxy should be dated and executed by the shareholder or the shareholder's attorney authorized in writing, with proof of such authorization attached where an attorney executed the Instrument of Proxy.**

An Instrument of Proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered by mail or transmitted by telephone or the Internet to, or deposited with, Computershare Trust Company of Canada, Proxy Department, at their offices located at 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 at least 48 hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, or any adjournment thereof, or it is accepted by the Chairman of the Meeting prior to the commencement of the Meeting. The Instrument of Proxy shall be in writing and shall be signed by the shareholder or the shareholder's attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

**In addition to revocation in any manner permitted by law, a shareholder who has given a proxy may revoke it before it is exercised by an instrument in writing executed by the shareholder, or by that shareholder's attorney authorized in writing, and deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chair of the Meeting on the day of the Meeting or any adjournment thereof prior to the commencement of the Meeting.**

## VOTING OF PROXIES

The persons named in the Instrument of Proxy have been selected by the directors of the Corporation, are directors and/or executive officers of the Corporation and have indicated their willingness to represent as proxy the Shareholders who appoint them. Each shareholder may instruct the proxy how to vote the shareholder's Common Shares by completing the blanks on the Instrument of Proxy.

Common Shares represented by properly executed Instruments of Proxy will be voted or withheld from voting in accordance with the instructions given on the Instrument of Proxy. **IN THE ABSENCE OF SUCH INSTRUCTIONS, SUCH COMMON SHARES WILL BE VOTED FOR THE APPROVAL OF ALL RESOLUTIONS IDENTIFIED IN THIS MANAGEMENT INFORMATION CIRCULAR.**

**The Instrument of Proxy confers discretionary authority upon the persons named therein with respect to amendments and variations to matters identified in the Notice and with respect to any other matters which may properly come before the Meeting. The Common Shares represented by the Instrument of Proxy will be voted on such matters in accordance with the best judgment of the person voting such Common Shares. As of the date of this Management Information Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.**

## RECORD DATE, VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

### Record Date

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is the close of business on Friday, May 14, 2015.

### Voting Shares

The Corporation has authorized capital consisting of an unlimited number of Common Shares, of which 243,159,283 Common Shares were issued and outstanding as at June 1, 2015. A quorum will be present at the Meeting if there are at least two persons present who are, or who represent by proxy, Shareholders who in the aggregate hold at least five percent (5%) of the issued shares entitled to vote at the Meeting. Holders of Common Shares are entitled to one vote at the Meeting for each share held.

### Principal Shareholders

To the best knowledge of the directors and executive officers of the Corporation, as of the date of this Management Information Circular no person beneficially owns, directly or indirectly, or controls or directs, more than 10% of the issued and outstanding Common Shares of the Corporation.

## ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is provided to beneficial holders of Common Shares who do not hold their Common Shares in their own name ("**Beneficial Shareholders**"). Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the registrar and transfer agent for 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, 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. 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 nominees for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. The Corporation does not know for whose benefit the shares registered in the name of CDS & Co. are held. The majority of Common Shares held in the United States are registered in the name of Cede & Co., the nominee for the Depository Trust Company, which is the United States equivalent of CDS Clearing and Depository Services Inc.

Applicable regulatory policy requires 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, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically provides a scannable Voting Instruction Form in lieu of the Instrument of Proxy or applies a special sticker to the Instrument of Proxy, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the Voting Instruction Forms or Instruments of Proxy to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free telephone number or access the internet to vote their Common Shares. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Voting Instruction Form or an Instrument of Proxy with a Broadridge sticker on it cannot use that Voting Instruction Form or Instrument of Proxy to vote Common Shares directly at the Meeting as the Voting Instruction Form or Instrument of Proxy must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed Voting Instruction Form or Instrument of Proxy as directed by Broadridge well in advance of the Meeting.**

All references to holders of Common Shares in this Management Information Circular, the accompanying Instrument of Proxy and Notice are to Shareholders of record unless specifically stated otherwise.

## **BUSINESS OF THE ANNUAL GENERAL AND SPECIAL MEETING**

### *Financial Statements and Auditors' Report*

Pursuant to the provisions of the *Business Corporations Act* (British Columbia) and of the Corporation's Articles, the Corporation will submit to the Shareholders at the Meeting the financial statements of the Corporation for the year ended December 31, 2014 and the auditors' report thereon, but no vote by the Shareholders with respect thereto is required or proposed to be taken.

### *Election of Directors*

At the Meeting it is proposed that five (5) directors be elected to hold office until the next Annual General Meeting or until their successors are elected or appointed (the "**Board**" or "**Board of Directors**"). There are presently five (5) directors of the Corporation, whose terms expire at the Meeting.

**Unless otherwise directed, it is the intention of the persons designated in the Instrument of Proxy to vote proxies in the accompanying form in favour of the election as directors of the five (5) nominees hereinafter set forth.** Management has no reason to believe that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons designated in the Instrument of Proxy reserve the right to vote for other nominees in their discretion unless the Shareholder has specified in the Instrument of Proxy that such Shareholder's shares are to be withheld from voting on the election of directors.

The following information relating to the director nominees is based partly on the Corporation's records and partly on information received by the Corporation from said nominees, and sets forth the name and province and country of residence of each of the persons proposed to be nominated for election as a director, his position presently held with the Corporation, the number of Common Shares that he has advised are beneficially owned by him, directly or indirectly, or over which control or direction is exercised by him, the date on which he was first elected or appointed a director, his present principal occupation and principal business or employment during the preceding five years.

Name and Municipality Province and Country of Residence	Positions Presently Held	Securities Held <sup>(1)</sup>	Date First Elected or Appointed	Principal Occupation (for last five years)
James Russell Porter <sup>(2)</sup> Houston, Texas, USA	Lead Director	220,000 Common Shares 1,200,000 Options	June 9, 2006	President and Chief Executive Officer of Gastar Exploration, Ltd. since February 2004.
David McManus <sup>(2)</sup> Fleet, Hampshire, United Kingdom	Director	555,556 Common Shares 800,000 Options	July 12, 2011	Chairman of FLEX LNG since May 2011; Executive Vice President of Pioneer Natural Resources Company from December 2004 to May 2011.
Cornelius Dupré II <sup>(2)</sup> Houston, Texas, USA	Director	312,500 Common Shares 1,200,000 Options	April 7, 2008	Chairman, Dupré Interests since June 2004; Chairman, Venture Transport & Logistics from June 2004 to August 2008; Senior Vice-President, Sales & Marketing/Chief Sales Officer, National Oilwell from July 1999 to May 2004; Founder, Owner, Chairman and Chief Executive Officer of Dupré Companies from 1981 to July 1999.
John Russell McGoldrick Portimao, Portugal	Chairman of the Board	312,500 Common Shares 2,425 Caza Petroleum Shares <sup>(3)</sup> 1,500,000 Options	June 9, 2006	Chief Executive Officer and Managing Director of Dart Energy Limited from April 2013 to October 2014 and Chief Executive Officer of Dart Energy International Plc Ltd. from January 2012 to April 2013; Non-Executive Chairman of the Corporation since April 2010; Executive Chairman of Caza Petroleum, Inc. (" <b>Caza Petroleum</b> ") from June 2006 to April 2010.
William Michael Ford Midland, Texas, USA	Chief Executive Officer and Director	575,968 Common Shares 2,425 Caza Petroleum Shares <sup>(3)</sup> 2,000,000 Options	June 9, 2006	President of Caza Petroleum since June 2006; Vice President of Falcon Bay Energy, LLC from November 2000 to July 2006.

**Notes:**

- (1) Includes all Common Shares and all securities exercisable or exchangeable for Common Shares beneficially owned, directly or indirectly, or over which control and direction is exercised by such person.
- (2) Member of the Audit Committee, the Human Resources and Corporate Governance Committee, and the Technical Committee.
- (3) Pursuant to a share exchange agreement (the "**Share Exchange Agreement**") dated September 22, 2006, each such share of Caza Petroleum common stock may be exchanged for 2,800 Common Shares.

*Additional Disclosure Relating to Directors*

Other than as disclosed below, to the knowledge of the Corporation's executive officers and directors no proposed director: (a) is, or has been in the last 10 years, a director, chief executive officer or chief financial officer of an issuer (including the Corporation) that, (i) while that person was acting in that capacity was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemptions under securities legislation, for a period of more than 30 consecutive days (an "**order**" for purposes of this paragraph), or (ii) was subject to an order that was issued after that person ceased to act in the capacity of director, chief executive officer or chief financial officer and which resulted from an event which occurred while that person acted in such capacity; (b) is or has been within the last 10 years a director or executive officer of an issuer (including the Corporation) that, while that person was acting in that capacity or within a year of that person's 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 proceeding, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; (c) has, within the last 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromises with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets; or (d) has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or (ii) any other penalties or

sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### *Appointment of Auditors*

At the Meeting, Shareholders will be asked to pass an ordinary resolution appointing Deloitte & Touche LLP, Chartered Accountants, to serve as auditors of the Corporation to hold office until the close of the next annual general meeting of shareholders or until such firm is removed from office or resigns as provided by law, at a remuneration to be fixed by the Board of Directors. **Unless otherwise directed, it is the intention of the persons designated in the Instrument of Proxy to vote the proxies in the accompanying form in favour of an ordinary resolution to appoint the firm of Deloitte & Touche LLP, Chartered Accountants, to serve as auditors of the Corporation to hold office until the close of the next annual general meeting of shareholders or until such firm is removed from office or resigns as provided by law, at a remuneration to be fixed by the Board of Directors.**

Deloitte & Touche LLP are the current auditors of the Corporation and have been the auditors of the Corporation since January 31, 2007.

#### *Increase in Authorized Capital and the Creation of a Class of Preferred Shares*

Shareholders will be asked at the Meeting or any adjournment thereof, to consider and, if thought fit, to pass a special resolution, with or without amendment, to approve an increase in authorized capital of the Corporation and the creation of a class of preferred shares. The authorized capital of the Corporation presently consists of an unlimited amount of Common Shares without par value.

To enhance the ability of the Corporation to secure financing in the future, management of the Corporation proposes to increase its authorized capital by creating a class of preferred shares without par value (the “**Class A Preferred Shares**”) that may be issued in one or more series. The creation of the Class A Preferred Shares will allow the Board to react quickly to market conditions and other factors and create a series of shares without the time and expense involved in calling a special meeting of the shareholders of the Corporation.

The rights and restrictions attaching to the Class A Preferred Shares will allow the Board to fix the number of shares in the series and to fix the preferences, special rights and restrictions, privileges, conditions and limitations attaching to the shares of that series, before the issuance of shares of any particular series. The Board will have the authority to fix, amongst other things, the number of shares constituting any such series, the voting powers, designation, preferences and relative participation, optional or other special rights and qualifications, limitations or restrictions thereof, including the dividend rights and dividend rate, terms of redemption (including sinking fund provisions), redemption price or prices, conversion rights and liquidation preferences of the shares constituting any series, without any further vote or action by the shareholders of the Corporation. Any issuance of Class A Preferred Shares, other than a series of unlisted, non-voting or non-participating Class A Preferred Shares, will require prior acceptance by the TSX.

The issuance of additional Class A Preferred Shares could affect the rights of the holders of Common Shares. For example, such issuance could result in a class of securities outstanding that would have preferential voting, dividend, and liquidation rights over the Common Shares, and could (upon conversion or otherwise) enjoy all of the rights appurtenant to the Common Shares. The authority possessed by the Board to issue Class A Preferred Shares could potentially be used to discourage attempts by others to obtain control of the Corporation through merger, take-over bid offer, proxy contest or otherwise by making such attempts more difficult or costly to achieve. The Board could issue Class A Preferred Shares without further shareholder approval and with voting and conversion rights which could adversely affect the voting power of holders of Common Shares.

The following table is a non-exhaustive summary of some of the types of preferences, special rights and restrictions, and privileges that may or may not attach to any particular series of the Class A Preferred Shares, as determined by the Board in its sole discretion at the time of such issuance, and is for illustrative purposes only.

## **Rights and Restrictions**

## **Class A Preferred Shares**

### Creation of Class A Preferred Shares

May be issued at any time and from time to time in one or more series and hold special rights and restrictions as the Board determines by resolution.

### Voting Rights

May or may not be provided with the right to receive notice of, be present or vote at any general meeting of the shareholders of the Corporation, with such number of votes per Class A Preferred Share as set out in the special rights and restrictions to be determined by the Board. In addition, the holder may or may not have a right to that number of votes equal to the number of Common Shares issuable upon conversion of the Class A Preferred Shares and may or may not be entitled to vote with the holders of the voting Common Shares on an as-converted basis.

### Right to Dividends

May or may not have a right to receive dividends, when and if declared by the Board.

### Payment of Dividends

May or may not be paid in priority to the Common Shares. In addition, a holder may or may not be entitled to receive a dividend, senior to any dividend declared in respect of the Common Shares and any other capital stock of the Corporation, when and if declared by the Board. A holder may or may not also be entitled to participate on a pro rata basis in any dividends, when and if declared by the Board, that are paid on Common Shares on an as-converted basis.

### Priority on Liquidation

May or may not have priority over holders of Common Shares upon distribution of assets. A priority on liquidation would entitle holders of the Class A Preferred Shares to receive a specified amount upon certain specified dissolution events. Thereafter, such holders may or may not participate with the Common Shares and any other capital stock of the Corporation on an as converted basis.

### Anti-Dilution Rights

May or may not have anti-dilution rights providing anti-dilution protection in the event of stock splits, stock dividends, combinations, recapitalizations and other corporate transactions involving the Corporation.

### Pre-Emptive Rights

May or may not have pre-emptive rights which would provide that each time the Corporation proposes to allot, issue, sell or resell any equity securities, the company shall first offer the equity securities to holders of Class A Preferred Shares

in accordance with the holder's pro rata portion of the Corporation's capital stock, on an as-converted basis.

No special rights or restrictions attached to a series of the Class A Preferred Shares may confer on that series priority over any other series of Class A Preferred Shares in respect of: (a) dividends, or (b) a return of capital upon the dissolution of the Corporation or the occurrence of any other event that entitles the shareholders holding the shares of all series of Class A Preferred Shares to a return of capital.

The text of the proposed special resolution to approve the increase in authorized capital of the Corporation and the creation of a class of Class A Preferred Shares (the "**Preferred Share Resolution**") is set out below. In accordance with *Business Corporations Act* (British Columbia), the affirmative vote of at least two-thirds of the votes cast at the Meeting is required in order to pass the Preferred Share Resolution.

"RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. the authorized share structure of the Corporation be altered by creating an unlimited number of Class "A" Preferred Shares without par value;
2. the special rights and restrictions substantially in the form set out in Schedule "B" to the management information circular of the Corporation dated June 1, 2015 be attached to the Class "A" Preferred Shares;
3. the Notice of Articles and Articles of the Corporation be altered to give effect to the foregoing resolutions;
4. it is a condition of these resolutions that the alteration to the Articles of the Corporation referred to in these resolutions will not take effect until the Notice of Alteration takes effect at the office of the British Columbia Registrar of Companies;
5. the solicitors for the Corporation be appointed as the Corporation's agent to electronically file any required Notices of Alteration with the British Columbia Registrar of Companies;
6. any director or officer of the Corporation is authorized to execute and deliver all such documents and instruments and to do such further acts as may be necessary to give full effect to this resolution or as may be required to carry out the full intent and meaning of this resolution; and
7. the Board of Directors of the Corporation is hereby authorized at any time in its absolute discretion to determine whether or not to proceed with the above resolutions without further approval, ratification or confirmation by the shareholders of the Corporation."

Management of the Corporation recommends that shareholders vote in favour of the Preferred Share Resolution. **Unless otherwise directed, it is the intention of the persons designated in the Instrument of Proxy to vote the proxies in the accompanying form in favour of approval of the Preferred Share Resolution.**

Notwithstanding the approval of the Preferred Share Resolution, the Board of Directors, in its sole discretion, may revoke the Preferred Share Resolution, and abandon the increase in authorized capital of the Corporation and the creation of the Class "A" Preferred Shares without further approval or action by, or prior notice to, the shareholders.

### ***Share Consolidation***

Shareholders will be asked at the Meeting or any adjournment thereof, to consider and, if thought fit, to pass a special resolution, with or without amendment, to approve the consolidation of all of the issued and outstanding Common Shares on the basis of up to 60 pre-consolidation Common Shares for one (1) post-consolidation Common Share (the "**Consolidation**").

**The Corporation's management believes that a share consolidation will provide the Corporation with increased flexibility when considering, negotiating and obtaining financing opportunities, and acquiring oil and gas related assets. In particular, management anticipates that as a result of the Consolidation the trading price of the Common Shares will increase significantly, which may result in, among other things, (i) increasing the pool of potential investors in the Common Stock because the investment policies of certain investors only permit acquiring securities with a trading price which exceeds the market price at which the Common Shares have historically traded; and (ii) listing the Common Shares on a stock exchange more appropriate for the Corporation's business activities where there may be greater investor interest. By seeking greater investor interest in and possible demand for the Common Shares, the Corporation may enhance its market valuation and improve its ability to raise public and private equity as and when appropriate for its financing needs. There are no assurances however that the market price of Common Shares will increase as a result of the Consolidation. The Consolidation will not change a shareholder's proportionate ownership interest in the Corporation.**

As of the date of this Management Information Circular, 243,159,283 Common Shares were outstanding. Assuming no other change in the Corporation's issued capital and the completion of the Consolidation on a 60-for-1 basis, following the Consolidation a total of approximately 4,052,600 Common Shares will be outstanding, approximately 313,320 Common Shares will be issuable pursuant to outstanding warrants and employee stock options, approximately 441,700 Common Shares will be issuable in exchange for Caza Petroleum shares held by management pursuant to the Share Exchange Agreement, and an indeterminate number of Common Shares will be issuable pursuant to the Company's outstanding convertible loan.

All fractional Common Shares remaining as a result of the proposed consolidation will be rounded up or down, as the case may be, to the nearest whole number.

The text of the proposed special resolution to approve the Consolidation (the "**Consolidation Resolution**") is set out below. In accordance with *Business Corporations Act* (British Columbia), the affirmative vote of at least two-thirds of the votes cast at the Meeting is required in order to pass the Consolidation Resolution.

"RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. all of the issued and outstanding Common Shares without par value of the Corporation be consolidated on the basis of up to 60 pre-consolidation Common Shares for one (1) post-consolidation Common Share;
2. any fractional Common Shares resulting from the consolidation shall be rounded (up to an additional whole share or down and cancelled);
3. any director or officer of the Corporation is authorized to execute and deliver all such documents and instruments and to do such further acts as may be necessary to give full effect to this resolution or as may be required to carry out the full intent and meaning of this resolution; and
4. the Board of Directors of the Corporation is hereby authorized at any time in its absolute discretion to determine whether or not to proceed with the above resolutions without further approval, ratification or confirmation by the shareholders of the Corporation."

The proposed consolidation is subject to acceptance by the TSX. In particular, the Corporation will be required to meet the TSX's Continued Listing Requirements upon completion of the Consolidation. There is no guarantee that TSX will grant acceptance of the Consolidation or that upon its completion the Corporation will meet the TSX's Continued Listing Requirements. Notwithstanding that shareholders may pass the Consolidation Resolution, if the Corporation does not receive TSX acceptance of the proposed consolidation, the proposed Consolidation will not proceed.

If shareholders pass the Consolidation Resolution and the TSX approves the Consolidation, the Consolidation will take effect on a date to be coordinated with the TSX and will be announced in advance by the Corporation.

Management of the Corporation recommends that shareholders vote in favour of the Consolidation Resolution. **Unless otherwise directed, it is the intention of the persons designated in the Instrument of Proxy to vote the proxies in the accompanying form in favour of approval of the Consolidation Resolution.**

Notwithstanding the approval of the Consolidation Resolution, the Board of Directors, in its sole discretion, may revoke the special resolution, and abandon the Consolidation without further approval or action by, or prior notice to, the shareholders.

## COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

### Compensation Discussion and Analysis

#### *Objectives of Compensation Program*

The Corporation's compensation policies are designed to recognize and reward individual performance as well as to provide a competitive level of compensation. The Corporation does not have a pension plan or any other form of retirement compensation apart from the 401K Retirement Plan outlined below. The Human Resources and Corporate Governance Committee of the Board of Directors of the Corporation (the "**HRG Committee**") makes compensation decisions regarding remuneration of the Corporation's executive officers. The HRG Committee is composed of three independent directors, Cornelius Dupré (chairman), J. Russell Porter and David McManus, each of whom has served as a senior executive officer of a company in the oil and gas industry.

During 2014, the HRG Committee considered the risks associated with the Corporation's compensation policies and practices. The HRG Committee did not identify any risks that are reasonably likely to have a material adverse effect on the Corporation as a result of the review. In light of the Corporation's size, stage of development and the elements of its compensation program, the HRG Committee determined not to implement formal procedures to identify and mitigate compensation policies and practices that could encourage an executive officer to take inappropriate or excessive risks. In addition, the Corporation has not implemented policies which govern the purchase by executives or directors of financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held directly, or indirectly, by executives or directors.

#### *Elements of Compensation Program*

The Corporation's compensation plan consists of the following items:

- base salary;
- annual bonus plan;
- long-term incentive plan; and
- 401K Retirement Plan.

The HRG Committee determines the salaries, bonuses and long-term incentive performance grants of all executive officers. Salaries, bonuses and long-term incentive awards are reviewed annually. In making compensation decisions, the HRG Committee reviews the Corporation's financial and operating performance, management's execution of the Corporation's long-term business strategy and the advancement of the Corporation's competitive position within its industry. The HRG Committee reviews the individual performance of each executive officer, taking into account each person's experience, skills, and contribution to the Corporation's performance. The HRG Committee compares the salaries and other compensation paid to the Corporation's executive officers with the compensation practices for executive officers of other oil and gas exploration and production companies. From time to time the HRG Committee engages a compensation consultant to survey compensation practices of other oil and gas companies generally comparable to the Corporation and to provide recommendations on specific compensation programs for the Corporation's executive officers. Prior to making compensation decisions, the HRG Committee discusses the compensation matters with the Chief Executive Officer.

*Executive Compensation-Related Fees.* The Corporation retained Longnecker & Associates, a compensation consulting firm, in 2011 to advise it on the appropriateness and competitiveness of its executive

compensation and again in 2013 to report on the competitiveness of the Corporation's compensation practices and to analyze the executive compensation paid by a peer group of companies similar in size to the Corporation in the oil and gas exploration industry. Additionally, the HRG Committee asked Longnecker to design an annual bonus plan and a long-term incentive plan for the Corporation. The Corporation paid Longnecker \$44,000 in fees its services in 2013 and \$2,500 for services in 2014.

#### *Base Salary*

The primary element of the Corporation's compensation program is base salary. The Corporation believes that a competitive base salary is a necessary element for retaining qualified executive officers. Each executive officer's salary is reviewed annually and set after examining the Corporation's financial resources, comparing the individual's salary to amounts paid by other similar companies, and evaluating the performance of the individual and the Corporation during the past year.

#### *Annual Bonus Plan*

The HRG Committee believes that cash-based bonus compensation is to be considered an element in the total compensation of the Corporation's executive officers. The purpose of the bonus plan is to reward employees when the Corporation achieves or exceeds specific pre-established performance benchmarks. Each year the HRG Committee will determine the employees who are eligible to participate in the program that year and the performance criteria. The Corporation implemented an annual bonus plan in 2013 with performance benchmarks based on daily production, finding and development costs, and cash flows, and paid aggregate bonuses of \$280,746. For 2014, the annual bonus plan provided for bonuses based on the Corporation's attaining minimum, target, or maximum performance goals for achieving: average daily production of from 706 to 1,008 barrels of oil equivalent, managing its finding and development costs from \$35.06 down to \$18.88 of capital costs per barrel of oil equivalent, and realizing cash flows for the year (earnings before interest, taxes, depreciation, amortization and exploration expense) from \$13.3 million to \$24.8 million. Additionally, 25% of the performance criteria were based on the individual performance of each participant as evaluated by the HRG Committee. During 2014, the Corporation's performance relating to the established benchmarks provided for an aggregate bonus payout (excluding the discretionary component) of \$525,192, but the HRG Committee determined, as permitted in the bonus plan, that bonus payments would not be made due to the current industry conditions and the financial position of the Corporation. In 2012, no bonus plan was in effect and no bonuses were paid. No bonus plan has been adopted by the HRG Committee for 2015.

#### *Long-Term Incentive Plan*

The Company adopted a Long-Term Incentive Plan (the "Plan") in March 2014 to replace its existing Stock Option Plan. The Plan enables the HRG Committee to grant not only stock options but also other equity-based compensation such as stock appreciation rights, restricted stock awards, and performance awards that could be cash- or stock-based awards. The Corporation will no longer issue additional stock options under its old Stock Option Plan, but outstanding stock options issued under the Stock Option Plan will continue to be governed by the terms of those stock options and applicable provisions of the Stock Option Plan. At December 31, 2014, employees and Directors held outstanding stock options issued under both plans to purchase an aggregate of 16,385,000 Common Shares.

The Corporation is listed on the Toronto Stock Exchange ("TSX") and AIM, a market operated by the London Stock Exchange. The TSX rules require its listed companies to obtain shareholder approval before implementing a new equity compensation plan, but AIM does not impose similar requirements. Under the TSX rules for inter-listed companies, the Corporation obtained an exemption from the TSX requirement to obtain shareholder approval of the Plan, and, accordingly, the Corporation has not obtained shareholder approval for the Plan.

#### *Description of Long-Term Incentive Plan*

*Purpose.* The Plan is intended to provide long-term incentive compensation to employees, directors and other persons who provide significant services to the Corporation and its subsidiaries. By having a proprietary and vested interest in the growth and performance of the Corporation, they would have an increased incentive to

contribute to the Corporation's future success and prosperity and thereby enhance the value of the Corporation for the benefit of shareholders.

*Plan Shares.* The maximum number of Common Shares that may be issued under the Plan, together with Common Shares that have been issued under the Stock Option Plan and that may be issuable pursuant to other incentive share compensation arrangements, may not exceed 10% of the aggregate of the number of Common Shares outstanding from time to time plus the number of Common Shares issuable to executive management pursuant to the Share Exchange Agreement dated September 22, 2006 (the "Share Exchange Agreement"). Common Shares issued may be authorized but unissued shares, reacquired shares, or both. The number of Common Shares considered issued under the Plan equals the number of Common Shares issued upon exercise or settlement of an award. However, shares subject to a previous award (including stock options granted under the prior Stock Option Plans that are forfeited, terminate, expire unexercised, settled in cash or exchanged for other awards under the Plan will again be available for future awards. Additionally, shares retained by or delivered to the Corporation to pay the exercise price or withholding taxes arising under an award, and unissued shares exceeding the net settlement of stock appreciation rights settled in shares, are again eligible for issuance as future awards under the Plan.

*Administration.* The Plan will be administered by the HRG Committee or other committee appointed by the Board (the "Committee") which is composed of no fewer than two independent directors (as defined in Multilateral Instrument 52-110—*Audit Committees*). The Board also may administer the Plan and has the exclusive authority to grant and administer awards to members of the Committee.

*Participants.* The Committee selects participants who will receive awards. Directors, employees and consultants of the Corporation and its subsidiaries are eligible to participate in the Plan.

*Awards.* The types of awards that may be granted under the Plan include stock options, stock appreciation rights, restricted shares, performance awards and other stock unit awards. Participants may receive one or more types of awards. Awards to Directors and officers of the Corporation are subject to the following limitations:

- the maximum number of Common Shares which may be reserved for issuance to Insiders (which includes directors and officers) under the Plan is limited to 10% of the Shares issued and outstanding at the time of the grant (on a non-diluted basis) plus the Common Shares issuable under the Share Exchange Agreement;
- the maximum number of Common Shares which may be issued to Insiders under the Plan within any 12-month period is limited to 10% of the Common Shares outstanding at the time of the issuance (on a non-diluted basis);
- the maximum number of Common Shares which may be issued to any one Insider and such Insider's associates under the Plan within a 12-month period is limited to 5% of the Common Shares outstanding at the time of the issuance (on a non-diluted basis);
- the maximum number of Common Shares subject to Awards granted to any one consultant in any 12-month period is limited to 2% of the outstanding Common Shares at the time of grant; and
- the maximum number of Common Shares subject to Awards granted to persons performing investor relations activities in any 12-month period is limited to 2% of the outstanding Common Shares at the time of grant.

*Forfeiture of Awards.* Unless otherwise determined by the Committee at the time of grant, a participant's vested portion (at the date of termination of service to the Corporation) of any outstanding awards will: (i) upon the death of a participant, be exercisable by the participant's legal representative for a period of one year following death, (ii) at the time of a participant's termination by the Corporation for cause, terminate immediately and (iii) upon the participant's termination of service for any other reason, terminate 90 days following termination of service.

*Change of Control.* Upon a change of control of the Corporation the unvested portion of all outstanding awards held by participants will vest, and the Committee may take one or more of the following actions:

- require surrender of outstanding option and stock appreciation rights in exchange for payment of the appreciated value in cash or Common Shares in one or more payments as determined by the Committee;

- terminate all outstanding option and stock appreciation rights after giving participants an opportunity to exercise the option and stock appreciation rights, as determined by the Committee;
- determine the method of payment of performance or other awards; or
- convert outstanding awards to similar grants of a surviving Company of the change of control transaction.

*Options.* Stock option grants may be either incentive stock options (within the meaning of Section 422 of the U.S. Internal Revenue Code) or non-qualified stock options (options that do not qualify as incentive stock options). The exercise price of an option will be determined by the Committee but cannot be less than the fair market value of the Common Shares on the grant date (or in the case of an incentive stock option granted to a 10% shareholder of the Corporation, not less than 110% of the fair market value). The term of an option will be fixed by the Committee but cannot exceed ten years (or five years for an incentive stock option granted to a ten percent shareholder).

Options will be exercisable at times determined by the Committee, and if not set by the Committee will become exercisable 33⅓% on the first anniversary of the date of grant and 33⅓% on each of the two following anniversaries of the date of grant. Participants may exercise their options in whole or in part. The exercise of an option may be paid in cash or, if provided in an award agreement, with shares or in a combination of cash and shares.

The Plan prohibits repricing of stock options or the exchange of out-of-money options for other awards or cash without shareholder approval.

*Stock Appreciation Rights.* Stock appreciation rights may be granted alone or with other awards under the Plan. If granted in tandem with an option, the tandem stock appreciation right will terminate upon the exercise or termination of the related option. The exercise price will be determined by the Committee but cannot be less than the fair market value of the Common Shares on the grant date. The term of a stock appreciation right will be fixed by the Committee but cannot exceed ten years. Stock appreciation rights may be settled in cash, Common Shares or other property, as determined by the Committee.

*Restricted Shares.* The Committee may award shares of restricted stock, which are subject to one or more restrictions determined by the Committee, and which may include, for example, a period of continued employment (or other business relationship of the participant with the Corporation), achieving specified performance goals, or the Corporation's share price reaching a specified level. The restricted shares may vest to the participant at a single point in time in the future or may vest in stages during a period or upon achievement of multiple performance goals. An award may be structured instead as restricted stock units, which are a conditional right to receive Common Shares in the future, subject to any time vesting or performance restrictions.

*Performance Awards.* The Committee may grant awards that provide for payouts to participants in cash, Common Shares or other property upon the achievement of specified performance criteria during or at the end of a defined period of time. The awards may provide payments based on performance during a single year or incrementally during a multi-year period.

*Award Vesting Criteria.* The Committee has complete discretion to establish performance criteria or other provisions for awards that the Committee determines are appropriate to generate suitable incentives to attain the desired objectives of the Corporation. The type of award or any provisions of an award may apply to an individual participant or a class of participants. As conditions to vesting, the Committee may require continued service to the Corporation or may apply any performance measures or targets to an award, which may include, for example, the achievement of specified earnings, earnings per share, cash flow, oil and gas production or reserves, share price, return on equity, and which may be measured, for example, against a prior year or years or other similar companies in the oil and gas industry.

*Adjustments for Changes in Capital Structure.* In the event of any merger, amalgamation, reorganization, consolidation, recapitalization, share dividend, share split, reverse share split, spin-off or similar transaction or other change in corporate structure affecting the Common Shares, the Committee will make equitable adjustments and substitutions to (i) the aggregate number, class and kind of Common Shares which may be issued under the Plan, in the aggregate or to any one participant, (ii) the number, class, kind and option or exercise price of Common Shares subject to outstanding options, stock appreciation rights or other awards granted under the Plan.

*Amendment and Termination of the Plan.* The Board may amend, alter or discontinue the Plan at any time, except that no amendment, alteration, or discontinuation can impair the rights of a participant under a previously granted award without the participant's consent.

#### *2014–2016 Incentive Performance Program*

In March 2014, the Corporation adopted the 2014–2016 Incentive Performance Program (the "Performance Program"), which is a long-term incentive program implemented under the Corporation's Long-Term Incentive Plan. The Performance Program consists of a 3-year program containing three separate cycles: a one-year cycle ended December 31, 2014, a two-year cycle ending December 31, 2015, and a 3-year cycle ending December 31, 2016. Each of the Named Executive Officers in the Summary Compensation Table was granted a performance award linked to each cycle. The payout amount of each performance award is determined separately for each cycle and is based on the total shareholder return of the Corporation during the cycle compared to the total shareholder returns of a group of nine specified oil and gas companies similar to the Corporation (the "peer group"). The payout amount for each performance award cycle is a dollar amount that varies from zero, if the Corporation's total shareholder return ranks below the 35<sup>th</sup> percentile of total shareholder returns of the peer group companies, up to a maximum of 50% of the participant's salary (at the commencement of the Performance Program), if the Corporation's total shareholder return ranks above all of the peer group companies during the applicable cycle. The amount of share price appreciation of total shareholder return for the Corporation is calculated from the price of the Common Shares on the AIM market of the London Stock Exchange. To adjust for the high volatility of the trading price of the Common Shares on AIM, for purposes of computing the total shareholder return of the peer group companies, the total shareholder return of each peer group company is deemed to be twice (if positive) or one-half (if negative) of the actual total shareholder return of that peer group company. In the event of a change in control of the Corporation, outstanding performance awards for any cycle whose term has not been completed will vest, and any award payment will be determined based on calculations of the total shareholder returns of the Corporation and the peer group companies as of the date of the change in control or other date determined by the HRG Committee. Additionally, in the case of a business combination of the Corporation and another company, the HRG Committee may determine that, in lieu of payments to participants as a result of the change in control, the outstanding performance awards be converted into similar grants of the other company.

The peer group companies consist of Dejour Energy Inc., Evolution Petroleum Corp., Earthstone Energy, Inc., Fieldpoint Petroleum Corp., New Concept Energy, Inc., Lucas Energy, Inc., Mexco Energy Corporation, Royale Energy Inc., and US Energy Corp.

Performance awards are payable to participants 50% in cash and 50% in Common Shares unless the HRG Committee determines in its discretion that more or less than 50% of the amount of the award be paid in cash, with a correspondingly lesser or greater percentage paid in Common Shares. The number of Common Shares issuable in payment of the 50% share portion of the amount of a performance award is based on the average price of the Common Shares (translated into U.S. dollars) traded on the AIM market of the London Stock Exchange during the 30 trading days prior to December 31, 2013. If more than 50% of a performance award is paid in Common Shares, then the number of Common Shares issued in excess of such 50% will be calculated based on the closing price of the Common Shares on the date of the HRG Committee's determination. Additionally, if during any cycle the Corporation's total shareholder return is negative, then irrespective of whether the Corporation's total shareholder return compared to the peer group companies would provide payment under a performance award, the HRG Committee has the discretion to reduce or eliminate payment otherwise payable under the performance award.

At the end of the first performance cycle comprising the year ended December 31, 2014, the Company's total shareholder return ranked in the 80<sup>th</sup> percentile of the peer group companies. Due to the Corporation's desire to conserve cash, the HRG Committee determined to pay the 2014 cycle awards entirely in Common Shares, which consisted of 687,957 Common Shares to Mr. Ford, 436,907 Common shares to Mr. Markgraf, 405,131 Common Shares to Mr. Sam, 405,131 Common Shares to Mr. Albro, and 526,444 Common Shares to Mr. Nickerson.

#### *Description of Outstanding Stock Options Under the Prior Stock Option Plan*

From 2007 until 2013, the Corporation's long-term incentive compensation consisted of issuing stock options under the prior Stock Option Plan. Although no new stock options will be granted under the Stock Option

Plan, 14,715,000 stock options were outstanding under that plan at December 31, 2014, and will remain outstanding until they expire or are exercised or terminated.

All outstanding stock options were granted with a term of 10 years and an exercise price of fair market value on the date of grant, which was the closing price of the Common Shares (translated into U.S. dollars) on the trading day prior to the date of grant. All stock options vest over a period of three years, vesting one-third of the number granted on the first three anniversaries of the grant, except any unvested option would vest immediately upon a change in control of the Corporation or termination by the Corporation of the optionee's employment other than for cause. All stock options terminate (1) in the case of the death of the optionee, one year following the date of death, (2) in the case of termination of the optionee's employment for cause, immediately upon such termination of employment, and (3) in the case of termination for any other reason, 90 days after such termination of employment.

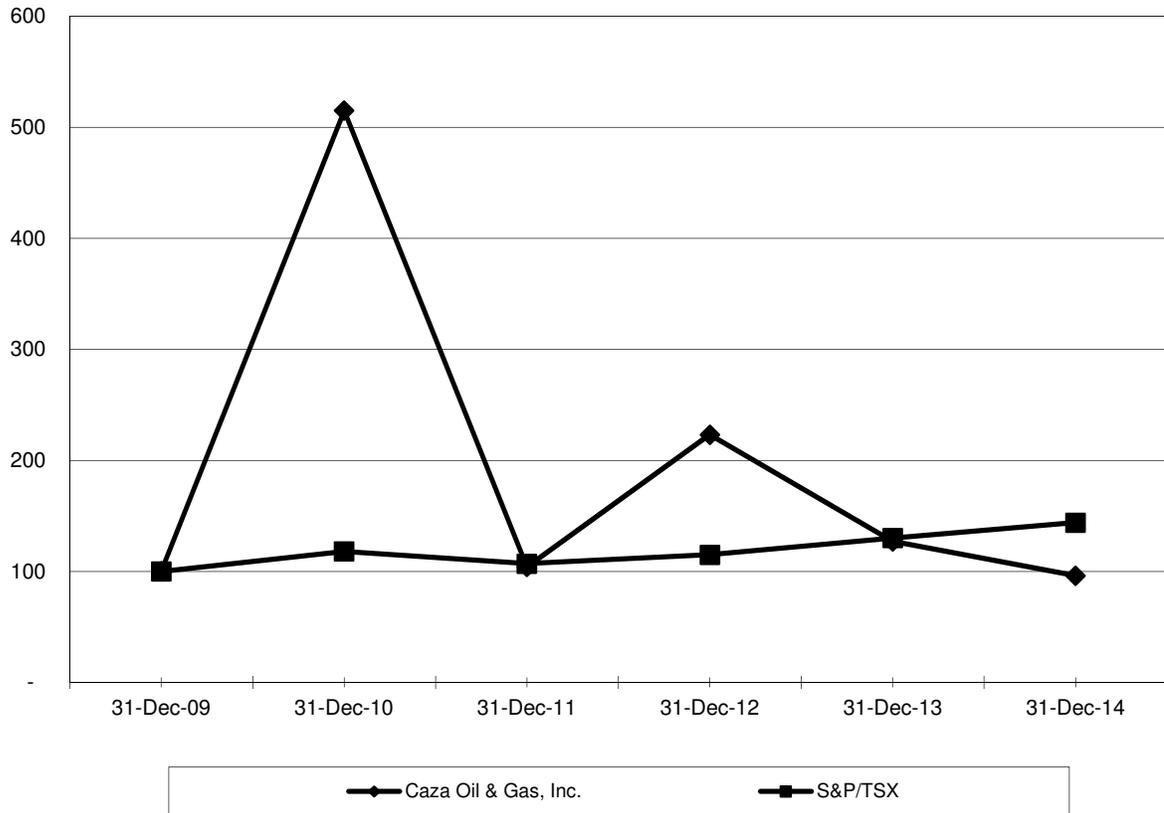
In the event of a potential change of control, the HRG Committee or the Board may, in its discretion, conditionally or otherwise and on such terms as it sees fit, terminate all outstanding options that have not been exercised following the change of control and accelerate the vesting date or otherwise modify the terms of the outstanding options to assist the holders in obtaining the advantage of holding Common Shares during the change of control, including by allowing for a "cashless" exercise of the holder's options. In the event options were conditionally exercised, accelerated or modified and the contemplated change of control was not completed, all conditional exercises, accelerations and modifications would be rescinded and the options reinstated on the terms and conditions in effect prior to such conditional event.

#### *401K Retirement Plan*

The Corporation's retirement plan is its 401K Retirement Plan, which is a defined contribution plan. The plan is administered by a third party human resources administrator. All of Caza Petroleum's employees are eligible to participate in the plan. Employees may contribute up to 80% of salary, up to a maximum annual amount of US\$17,500 in 2013 and 2014 and US\$18,000 in 2015 for employees under the age of 50, and up to US\$23,000 in 2013 and 2014 and US\$24,000 in 2015 for employees 50 and older. Caza Petroleum matches dollar for dollar each employee's contribution to the plan up to 6% of the employee's salary. Caza Petroleum suspended all matching contributions to the 401K plan on March 1, 2009, and reinstated matching contributions beginning May 3, 2010.

*Performance Graph*

The following graph compares the changes in cumulative total return during the period from December 31, 2009 to December 31, 2014, of a Cdn\$100 investment in Common Shares with the cumulative total return of the S&P/TSX Composite Index.



	<b>December 31,</b>					
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Caza Oil & Gas, Inc.	Cdn\$100	Cdn\$515	Cdn\$104	Cdn\$223	Cdn\$127	Cdn\$96
S&P/TSX Composite Index	Cdn\$100	Cdn\$118	Cdn\$107	Cdn\$115	Cdn\$130	Cdn\$144

The trend shown by this graph does not reflect the trend in the Corporation’s compensation to its Named Executive Officers in the “Summary Compensation Table,” as the return of an investment in the Common Shares reflects severe volatility in the value of the stock of the Corporation. Compensation paid to the Named Executive Officers remained the same in 2007 and 2008, but from February 1, 2009 until March 2010 all Named Executive Officers and other employees of the Corporation agreed to a 15% reduction in their salaries. Salaries during the last nine months of 2010 were the same as in 2007 and 2008, and were increased by approximately 7% in July 2011. Salaries of the Named Executive officers have not changed since 2011, but cash bonuses were paid for meeting specified operating performance criteria in 2013 representing between 26% to 33% of officers’ salaries. For 2014, annual bonus plan target criteria were achieved to award cash bonus payments, but due to the current industry conditions and the financial position of the Corporation no cash bonuses were paid to the Named Executive Officers. Under the Corporation’s long-term incentive plan, the Named Executive Officers received Common Shares awarded for the one-year 2014 cycle of the Corporation’s 2014–2016 Incentive Performance Share Program. The value of the awards, which were paid solely in Common Shares, represented between 23% to 35% of officers’ salaries.

**Summary Compensation Table**

The following table sets forth for the last three financial years information concerning the compensation of the Corporation’s Chief Executive Officer, Chief Financial Officer and each of the three other most highly compensated executive officers of the Corporation whose total compensation was individually more than \$150,000 for that financial year (collectively, the “**Named Executive Officers**”).

Name and principal position (a)	Year (b)	Salary (US\$) (c)	Share-based awards <sup>(1)</sup> (US\$) (d)	Option-based awards <sup>(2)</sup> (US\$) (e)	Non-Equity			Total compensation (US\$) (i)
					Annual Bonus Plan (US\$) (f)	Pension value <sup>(3)</sup> (US\$) (g)	All other compensation (US\$) <sup>(4)</sup> (h)	
W. Michael Ford <sup>(5)</sup> Chief Executive Officer	2014	217,800	163,350	nil	nil	13,543	2,602	397,295
	2013	217,800	nil	nil	71,658	13,068	nil	302,526
	2012	217,800	nil	171,990	nil	13,068	nil	402,858
James M. Markgraf Vice President, Finance and Chief Financial Officer	2014	159,600	103,740	nil	nil	12,096		275,436
	2013	159,600	nil	nil	42,008	9,576	nil	211,184
	2012	159,600	nil	132,300	nil	9,576	nil	301,476
Anthony B. Sam Vice President, Operations	2014	192,390	96,195	nil	nil	13,540	nil	302,126
	2013	192,390	nil	nil	50,639	9,619	nil	252,648
	2012	192,390	nil	132,300	nil	10,181	nil	334,871
Richard R. Albro Vice President, Land	2014	192,390	96,195	nil	nil	nil	nil	288,586
	2013	192,390	nil	nil	50,639	nil	nil	243,029
	2012	192,390	nil	132,300	nil	nil	nil	324,690
Randy L. Nickerson Vice President, Exploration	2014	250,000	125,000	nil	nil	11,237	4,988	391,225
	2013	250,000	nil	nil	65,802	15,000	nil	330,802
	2012	250,000	nil	198,450	nil	15,000	nil	463,450

**Notes**

- (1) Represents the estimated fair value at the time of grant of performance awards that are payable in Common Shares granted under the 2014–2016 Performance Share Program of the Long-Term Incentive Plan. Subject to HRG Committee modification, performance awards are payable 50% in Common Shares and 50% in cash. Award payouts are determined as a percentage (ranging from 0% to 150%) of the salary of each officer, with the percentage based on the Corporation’s total shareholder return compared to the total shareholder return of nine “peer group” companies. The estimated value of the performance awards assumed the Corporation’s total shareholder return relative to the peer group to be the midpoint of the percentage range, i.e. 100%. The estimated value of awards relate to three separate measurement and payment periods during the three-year term of the program. The sum of the actual payout amounts may or may not be near the values estimated above on the date of grant.
- (2) Represents the estimated fair value of the awards on the date of grant. The estimated fair value was determined using a variation of the Black-Scholes option pricing model based on the following assumptions at the date of grant: an exercise price equal to the fair market value of the underlying Common Shares; an option term of three years; a weighted average option life of three years; a forfeiture rate of 0% in 2012; a risk-free interest rate of 0.7% in 2012, which was based on the Corporation’s estimate of a risk-free rate; a zero dividend yield; and a share price volatility factor of 199% in 2012, which was based on prices of the Common Shares for a one-year period prior to the date of grant. These assumptions were made as of the date of grant and may or may not be valid assumptions at later points in time. The actual value, if any, that an executive officer may realize from an option will be the excess of the market price of the Common Shares on the day the option is exercised over the exercise price of the option. The actual values may or may not be near the values estimated above on the date of grant.
- (3) Amounts consist of the Corporation’s matching contributions to the 401K Retirement Plan.
- (4) Required payments to the officer from the officer’s account in the 401K Plan of a portion of the Corporation’s matching contribution as a result of limitations on allowable matching contributions to the 401K Plan.
- (5) Mr. Ford is also a director of the Corporation. He has not received any additional compensation for his services as a director.

### Outstanding Option-Based Awards and Share-based Awards Table – Named Executive Officers

The following table provides for each Named Executive Officer information on all equity-based awards that were outstanding at December 31, 2014.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (US\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (US\$)	Number of shares that have not vested <sup>(2)</sup> (#)	Market value of share-based awards that have not vested <sup>(3)</sup> (US\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
W. Michael Ford	300,000	0.50	1/31/2017	nil	399,619	43,059
Chief Executive Officer	300,000	0.79	12/12/2017	nil		
	750,000	0.07	4/9/2020	63,750		
	650,000	0.283	12/4/2022	nil		
James M. Markgraf	225,000	0.50	1/31/2017	nil	253,789	27,346
Vice President, Finance and	100,000	0.79	12/12/2017	nil		
Chief Financial Officer	900,000	0.07	4/9/2020	76,500		
	500,000	0.283	12/4/2022	nil		
Anthony B. Sam	300,000	0.50	1/31/2017	nil	235,331	25,357
Vice President, Operations	200,000	0.79	12/12/2017	nil		
	750,000	0.07	4/9/2020	63,750		
	500,000	0.283	12/4/2022	nil		
Richard R. Albro	300,000	0.50	1/31/2017	nil	235,331	25,357
Vice President, Land	200,000	0.79	12/12/2017	nil		
	750,000	0.07	4/9/2020	63,750		
	500,000	0.283	12/4/2022	nil		
Randy L. Nickerson	1,000,000	0.13	10/12/2021	24,000	305,800	32,950
Vice President, Exploration	750,000	0.283	12/4/2022	nil		

**Note:**

- (1) Amounts are based on the difference between (i) the closing market value of the Common Shares underlying the option on December 31, 2014, as quoted on the Toronto Stock Exchange (translated into US\$) and (ii) the exercise price of the options.
- (2) Estimated Common Share portion (½) of two-thirds of performance awards granted under the 2014–2016 Performance Share Program of the Long-Term Incentive Plan, which awards vest one-third each year over the three-year term of the program. The estimated number of shares is calculated on the Corporation’s assumed performance (See Note 1 to the “Summary Compensation Table” above) and computed on the 30-day average price of the Common Shares prior to the beginning of the first performance cycle.
- (3) Value of the two-thirds unvested portion of performance shares granted, as estimated at the date of grant, based on the closing market value of the Common Shares on December 31, 2014 (See Note 1 to the “Summary Compensation Table” above).

**Incentive Plan Awards Table – Value Vested or Earned During the Year**

The following table provides for each Named Executive Officer the value that would have been realized (1) if each in-the-money stock option held by the Named Executive Officer that vested during the year ended December 31, 2014 had been exercised on the vesting date of the option and (2) as a result of the vesting during the year ended December 31, 2014 of awards (other than stock options) under the Corporation’s Long-Term Incentive Plan.

Name (a)	Option-based awards – Value vested during the year <sup>(1)</sup> (US\$) (b)	Share-based awards – Value earned during the year <sup>(2)</sup> (US\$) (c)
W. Michael Ford Chief Executive Officer	nil	74,127
James M. Markgraf Vice President, Finance and Chief Financial Officer	nil	47,076
Anthony B. Sam Vice President, Operations	nil	43,653
Richard R. Albro Vice President, Land	nil	43,653
Randy L. Nickerson Vice President, Exploration	42,850	56,724

**Note:**

- (1) Amounts are based on the difference between (i) the closing market price of the Common Shares underlying the options as of each option’s vesting date in 2014, as quoted on the Toronto Stock Exchange (translated into US\$) and (ii) the exercise price of the options.
- (2) Amounts are calculated as the number of Common Shares earned (including the cash portion which was instead paid in Common Shares) for the 2014 award cycle of the Corporation’s 2014–2016 Performance Share Program, multiplied by the closing market price of the Common Shares on December 31, 2014, as quoted on the Toronto Stock Exchange (translated into US\$).

**Pension Plan Benefits Relating to the 401K Retirement Plan During the Year**

Name (a)	Accumulated value at start of year (US\$) (b)	Compensatory <sup>(1)</sup> (US\$) (c)	Non-compensatory <sup>(2)</sup> (US\$) (d)	Accumulated value at year-end (US\$) (e)
W. Michael Ford Chief Executive Officer	142,946	13,543	18,052	174,541
James M. Markgraf Vice President, Finance and Chief Financial Officer	23,136	12,096	12,276	47,508
Anthony B. Sam Vice President, Operations	187,403	13,540	37,931	238,873
Richard R. Albro Vice President, Land	nil	nil	nil	nil
Randy L. Nickerson Vice President, Exploration	71,695	11,237	22,432	105,364

**Notes:**

- (1) Amounts consist of the Corporation’s matching contributions to the 401K Retirement Plan during 2014.
- (2) Amounts consist of the employee’s contributions to the 401K Retirement Plan plus all earnings and realized and unrealized (at December 31, 2014) gains/losses on both the Corporation’s and the employee’s contributions during 2014.

## Change of Control Benefits

The Corporation's Long-Term Incentive Plan and Stock Option Plan provide that all unvested awards held by a participant will vest immediately upon a change of control of the Corporation. Under the Long-Term Incentive Plan, a "change of control" is defined as (a) any person or group becoming the beneficial owner, directly or indirectly, of securities of the Corporation representing 50 percent or more of the combined voting power of the Corporation's then outstanding securities; (b) a take over bid, amalgamation, arrangement or other business combination where the directors of the Corporation immediately before the event cease to constitute a majority of the Board after the event; (c) an amalgamation or consolidation of Caza with any other corporation where less than 50% of the outstanding voting securities of the surviving corporation are owned by the former shareholders of the Corporation; (d) the completion of a take-over bid for ownership of securities of the Corporation representing 50% or more of the combined voting power of the Corporation's then outstanding voting securities; or (e) the transfer by the Corporation of all or substantially all of its assets to another company which is not controlled by the Corporation.

If a "change of control" had occurred on December 31, 2014, the financial benefits that would have accrued to the Named Executive Officers as a result of the acceleration of the vesting of unvested stock options and the payout of unvested awards under the 2014–2016 Performance Share Program, based on the closing price of the Common Shares on December 31, 2014, as quoted on the Toronto Stock Exchange (translated into US\$), would have been: US\$180,773 for Mr. Ford; US\$130,799 for Mr. Markgraf; US\$118,095 for Mr. Sam; US\$118,095 for Mr. Albros; and US\$116,667 for Mr. Nickerson.

## Director Compensation

Each non-executive director of the Corporation, other than the Chairman and the lead director, receives an annual retainer of US\$50,000 from Caza Petroleum in consideration for acting as a director of the Corporation and Caza Petroleum. The Chairman receives an annual retainer of US\$70,000 for his duties as Chairman, and the lead director receives an annual retainer of US\$60,000 for acting as lead director. The non-executive directors participate in the Corporation's Stock Option Plan at the discretion of the Board.

### *Director Compensation Table*

The following table sets forth all compensation paid or awarded to each director of the Corporation for his services as a director during the year ended December 31, 2014. Compensation information for directors who are Named Executive Officers is included in the preceding tables.

Name (a)	Fees earned (US\$) (b)	Option-based awards (US\$) (d)	Pension value (US\$) (f)	All other compensation (US\$) (g)	Total (US\$) (h)
James Russell Porter <sup>(1)</sup>	60,000	nil	nil	nil	60,000
John Russell McGoldrick <sup>(2)</sup>	70,000	nil	nil	nil	70,000
Cornelius Dupré II	50,000	nil	nil	nil	50,000
David McManus	50,000	nil	nil	nil	50,000

**Notes:**

- (1) Lead director
- (2) Chairman.

The Corporation did not have a non-equity incentive compensation plan for, and did not grant any share-based awards to, its directors in 2014.

***Outstanding Option-Based Awards Table – Directors***

The following table provides for each director, other than a director who is a Named Executive Officer, information on all equity-based awards that were outstanding at December 31, 2014.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#) (b)	Option exercise price (US\$) (c)	Option expiration date (d)	Value of unexercised in-the-money options <sup>(1)</sup> (US\$) (e)
(a)				
James Russell Porter	300,000	0.50	1/31/2017	nil
	200,000	0.79	12/12/2017	nil
	400,000	0.07	4/9/2020	15,100
	300,000	0.283	12/4/2022	nil
John Russell McGoldrick	300,000	0.50	1/31/2017	nil
	300,000	0.79	12/12/17	nil
	600,000	0.07	4/9/2020	22,650
	300,000	0.283	12/4/2022	nil
Cornelius Dupré II	500,000	0.59	4/7/2018	nil
	400,000	0.07	4/9/2020	15,100
	300,000	0.283	12/4/2022	nil
David McManus	500,000	0.13	10/12/2021	nil
	300,000	0.283	12/4/2022	nil

**Note:**

(1) Amounts are based on the difference between (i) the closing market price of the Common Shares underlying the options at December 31, 2014, as quoted on the Toronto Stock Exchange (translated into US\$) and (ii) the exercise price of the options.

***Incentive Plan Awards Table – Value Vested or Earned by Directors During the Year***

The following table provides for each director, other than a director who is a Named Executive Officer, the value that would have been realized if the amount of each stock option held by the director that vested during the year ended December 31, 2014, had been exercised on the vesting date of the option.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (US\$) (b)
(a)	
James Russell Porter	nil
John Russell McGoldrick	nil
Cornelius Dupré II	nil
David McManus	21,425

**Note:**

(1) Amounts are based on the difference between (i) the closing market price of the Common Shares underlying the options as of each option's vesting date in 2014, as quoted on the Toronto Stock Exchange (translated into US\$) and (ii) the exercise price of the options.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets forth information as of December 31, 2014 relating to the Long-Term Incentive Plan and the Stock Option Plan.

<b>Plan Category</b>	<b>Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of Common Shares remaining available for future issuance under equity compensation plans <sup>(1)</sup></b>
Equity compensation plans approved by securityholders	15,885,000	US\$0.28	nil
Equity compensation plans not approved by securityholders	500,000	US\$0.22	4,786,512
<b>Total</b>	<b>16,385,000</b>	<b>US\$0.28</b>	<b>4,786,512</b>

**Note:**

(1) Stock options will no longer be issued under the Stock Option Plan. All future equity award grants will be made under the Long-Term Incentive Plan, which has not been approved by shareholders. See “Compensation of Executive Officers and Directors—Long-Term Incentive Plan” above. The maximum number of Common Shares issuable under the Long-Term Incentive Plan, together with Common Shares issuable pursuant to outstanding stock options, may not exceed 10% of the aggregate number of Common Shares outstanding from time to time plus the number of Common Shares issuable pursuant to the Share Exchange Agreement. Common Shares relating to equity awards (including currently outstanding stock options) that expire or are terminated will be available for issuance pursuant to future awards under the Long-Term Incentive Plan

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No current or former director or executive officer of the Corporation or any of its subsidiaries, proposed nominee for election as a director, and no associate or affiliate of the foregoing is, or has been at any time since the beginning of the last completed fiscal year, indebted to the Corporation or any of its subsidiaries or to any other entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation or its subsidiaries.

**INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Management is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director, executive officer, anyone who has held office as such at any time since the beginning of the last financial year, proposed nominee for election as a director of the Corporation, or their respective associates or affiliates, in any matter to be acted on at the Meeting except as disclosed herein.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Management is not aware of any material interest, direct or indirect, of any “informed person” (as defined in National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators (the “CSA”)), any proposed director of the Corporation, or any associate or affiliate of the foregoing, in any transaction since the commencement of the Corporation’s most recently completed financial year or in any proposed transaction which in either case has materially affected or will be reasonably likely to materially affect the Corporation or its subsidiaries, except as disclosed herein.

**OTHER BUSINESS**

While there is no business other than that mentioned in the Notice to be presented to the Shareholders at the Meeting, it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting, or any adjournment thereof, in accordance with the discretion of the persons authorized to act thereunder.

## CORPORATE GOVERNANCE DISCLOSURE

### Board of Directors

Caza’s directors have determined that the Board is comprised of a majority of independent directors within the meaning of corporate governance guidelines established by the CSA in National Policy 58-201—Corporate Governance Guidelines (“NP 58-201”). The directors determined by the Board to be independent within the meaning of NP 58-201 are Messrs. Porter, Dupré and McManus. Mr. Ford is not considered to be independent given his current and prior positions as an executive officer of the Corporation. Caza’s Audit Committee is comprised solely of independent and financially literate directors within the meaning of Multilateral Instrument 52-110—Audit Committees of the CSA (“NI 52-110”), and the HRG Committee of the Board is composed solely of independent directors within the meaning of NP 58-201. The independent directors of the Corporation hold regularly scheduled meetings at which the non-independent directors are absent.

Mr. Porter is lead director of the Corporation. As lead director, Mr. Porter is responsible for scheduling and leading meetings of directors that are attended only by non-executive directors and for ensuring that board committees execute their functions delegated by the Board. The lead director is also responsible for ensuring that the Board is alert to its obligations to the Corporation, shareholders of the Corporation and other stakeholders.

The following table sets forth the name of each reporting company, other than the Corporation, of which a director of the Corporation is also a director and his attendance record for all Board meetings of the Corporation from January 1, 2014 to date.

Name	Other Directorships	Caza Board Attendance
James Russell Porter	Gastar Exploration Ltd. Petrel Energy Limited	5 of 6 meetings
Cornelius Dupré II	Energy XXI (Bermuda) Limited	6 of 6 meetings
John Russell McGoldrick	None	6 of 6 meetings
David McManus	Flex LNG Rockhopper Exploration plc Hess Corporation Costain plc	6 of 6 meetings
William Michael Ford	None	6 of 6 meetings

Caza intends to comply with the corporate governance guidelines of the CSA established in NP 58-201 and with the guidelines issued by the Quoted Companies Alliance for the corporate governance of companies that have shares admitted to the AIM market of the London Stock Exchange in all material respects, insofar as practicable given the nature and size of the Corporation.

### Majority Voting Policy

The Board has adopted a majority voting policy to apply to all uncontested elections of directors. Under the policy, any nominee who receives more “withheld” votes than “for” votes must promptly tender his or her resignation to the Board. Upon receipt of the offer of resignation, the remaining Board members will consider the factors they believe relevant to determine whether to accept the resignation. The Board will make its decision within 90 days following the shareholder meeting and promptly disclose publicly the Board’s decision and, if the resignation were rejected, the reasons for rejecting the resignation.

### Director Term Limits and Other Mechanisms of Board Renewal

Each Director holds office until the next annual meeting of the Shareholders or until his or her successor is elected or appointed. The Board of Directors does not impose term limits on its Directors as the Board does not believe that arbitrary limits on the number of consecutive terms a Director may serve or on the Directors’ ages are

appropriate in light of the substantial benefits resulting from a sustained focus on the Corporation's business, strategy and industry over a significant period of time. The Board of Directors relies on thorough Director assessment procedures for evaluating its members, and uses rigorous identification and selection processes for new directors, having regard to a variety of factors. Through these processes, the Board of Directors believes that it is well-positioned to address any problems or deficiencies that may arise in an appropriate manner without having to adopt mandated term limits.

### **Representation of Women on the Board and in Executive Officer Positions**

While the Corporation supports the principle of diversity in its leadership, of which gender is an important aspect, the Corporation has not formally adopted a policy or targets regarding the representation of women on the Board of Directors or in its senior management, as the Corporation does not believe that quotas or strict rules necessarily result in the identification or selection of the best candidates. Rather, the identification and selection process is made based on a variety of factors, such as differences of viewpoint, professional experience, education, skill and other individual qualities and attributes, including race, gender and national origin, as well as the requirements of the Board of Directors and senior management at the time. In addition, in identifying, evaluating and recommending suitable Director candidates, the HRG Committee will take into account the criteria described under the section entitled "Nomination of Directors" of this Management Information Circular. Accordingly, in searches for new Directors and executive officers, the Corporation will consider the level of female representation and diversity on the Board of Directors and in its senior management, and this will be one of several factors used in its search process. The Corporation will, however, continue to evaluate the appropriateness of adopting a formal policy and/or targets in the future.

Following the Meeting and assuming all of the nominees for Director are elected as contemplated in this Management Information Circular, none of the five Directors on the Board of Directors will be women. As of the date hereof, none of the Corporation's executive officers are women.

### **Board Mandate**

The principal mandate of the Board is to oversee the management of the business and affairs of the Corporation, and monitor the performance of management. Attached as Schedule "A" hereto is the complete text of the Mandate of the Board.

### **Position Descriptions**

The Board has developed a written position description for the Chairman of the Board and for the Chairman of each Board committee. Each Chairman must be independent within the meaning of NI 52-110 and is responsible, among other things, for the effective functioning of the Board or applicable committee.

The Board and the Chief Executive Officer have developed a position description for the Chief Executive Officer. The position description provides that the Chief Executive Officer is accountable to the Board for the effective overall management of the Corporation and for conformity with policies agreed upon by the Board. The position description also provides that the Chief Executive Officer shall have full responsibility for the day-to-day operations of the Corporation's business in accordance with its strategic plan and operating and capital budgets as approved by the Board. Notwithstanding the foregoing, the approval of the Board (or the appropriate Board committee) shall be required for all significant decisions outside of the ordinary course of the Corporation's business, including major financings, acquisitions and dispositions or material departures from the Corporation's strategic plan or budgets.

### **Orientation and Continuing Education**

The HRG Committee is responsible for the orientation of new directors and provides orientation or information to new directors as requested. While the Board does not have a formal continuing education program for its directors, the HRG Committee advises the Board, from time to time, with regard to new developments or trends in the area of corporate governance or any changes in directors' liabilities and responsibilities.

## **Ethical Business Conduct**

The Board has adopted a Code of Business Ethics and Conduct (the “**Code**”) for employees, officers and directors of each of the Corporation and its subsidiaries. The Code reflects the Corporation’s commitment to honesty, integrity and accountability and outlines the basic principles and policies with which all personnel are expected to comply. Personnel are expected to seek guidance in any case where there is a question about compliance with both the letter and the spirit of the Code and any other policies of the Corporation. Copies of the Code can be obtained on request from the Secretary of the Corporation, at 10077 Grogan’s Mill Rd., Suite 200, The Woodlands, Texas 77380, Telephone: (281) 363-4442 Ext. 1103. The Board, is charged with monitoring compliance with the Code and to grant waivers where appropriate.

The HRG Committee is responsible for advising and assisting the Board in applying governance principles and practices, and tracking developments in corporate governance, adapting “best practices” to the needs and circumstances of the Corporation. Certain of the directors and officers of the Corporation are also directors and officers of other oil and gas companies, and conflicts of interest may arise between their duties as officers and directors of the Corporation and as officers and directors of such other companies. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as apply under, the *Business Corporations Act* (British Columbia).

In addition, the Corporation has adopted a Whistleblower Policy to provide officers, directors and employees with a process for disclosing complaints or concerns regarding financial and other matters. The Board believes that providing a process for such individuals to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct within Caza.

## **Committees of the Board of Directors**

The Corporation has an Audit Committee, a HRG Committee and a Technical Committee.

### *Audit Committee*

The Audit Committee is comprised of Messrs. Porter (Chair), Dupré and McManus. The Board has determined that all the members of the Audit Committee are independent and financially literate within the meaning of NI 52-110. The Audit Committee has a defined mandate and is responsible for reviewing and overseeing the external audit function, recommending the external auditor and the terms of such auditor’s appointment or discharge. Other responsibilities specified in the mandate include reviewing external auditor reports and significant findings and reviewing and recommending for approval to the Board all public financial disclosure information such as financial statements, management’s discussion and analysis and other financial information provided to the public or any governmental body as the Corporation or Board requires. The Audit Committee is also responsible for pre-approving all non-audit services to be conducted by the external auditors, ensuring that management has effective internal control systems, investigating any recommendations for improvement of internal controls and meeting periodically with the external auditors out of the presence of management about any significant risks or exposures facing the Corporation. The Audit Committee convenes no less than four times each year and as circumstances otherwise warrant.

### *Human Resources and Corporate Governance Committee*

The HRG Committee is comprised of Messrs. Dupré (Chair), Porter and McManus, each of whom is considered an independent Director. The HRG Committee has a defined mandate and is responsible for reviewing, approving and, if appropriate, making recommendations to the Board concerning the compensation of the Corporation’s senior management team and the Corporation’s key human resources policies. The HRG Committee’s responsibilities also include the administration of the Corporation’s stock option, long term incentive, and other compensation plans for senior management and the Board. The HRG Committee is also responsible for assessing the effectiveness of the Board as a whole and on an individual basis, periodically assessing the Corporation’s governance, proposing nominees to, or the resignation or removal of, directors and officers and orienting new directors. The mandate of the HRG Committee provides that each member of the committee should be an independent director as defined under National Instrument 58-101—Corporate Governance of the CSA, and provides that the HRG Committee shall convene at least twice annually. The members of the HRG Committee have

direct experience relevant to their responsibilities as members of the committee. Each member is or has been an executive officer and director of one or more companies in the energy industry and is familiar with executive compensation issues faced by directors responsible for setting compensation policies.

#### *Technical Committee*

The Technical Committee is comprised of Messrs. McManus (Chair), Porter and Dupré. The Technical Committee has a defined mandate and is responsible for assisting the Board with respect to the Corporation's oil and natural gas reserves evaluation and public disclosure procedures and with respect to the Corporation's health, safety and environmental responsibilities. Pursuant to its mandate, the Technical Committee is responsible for meeting with management and the independent reserves evaluators to discuss the results of the independent evaluators' evaluations at least annually, reviewing and reporting to the Board in respect of the appointment or any changes to the Corporation's independent reserves evaluators, reviewing at least annually the Corporation's procedures relating to the disclosure of information to the independent evaluators and assessing the qualifications and independence of the independent evaluators. The Technical Committee's responsibilities also include meeting with management and the independent evaluators to review the reserves data and report, including any restrictions imposed by management, before filing reserves data, recommending to the Board whether to approve the content of the independent evaluators' reports, approving the fees of the independent evaluator, and reviewing all publicly disclosed estimates of the Corporation's reserves. The Technical Committee is also responsible for monitoring the environmental, health, safety and emergency response policies and activities of the Corporation and for recommending policies to implement the principles set out in such policies. The mandate of the Technical Committee provides that a majority of Technical Committee members must be individuals who have not been employees or officers of the Corporation or its affiliates during the past 12 months, who beneficially hold less than 10% of the outstanding Common Shares and who are free from any relationship which could reasonably be seen to interfere with the exercise of independent judgement. The Technical Committee meets at least twice annually or otherwise as circumstances warrant.

#### **Assessments**

Assessing the effectiveness of the Board and its individual members has been assigned to the HRG Committee. The HRG Committee will periodically assess the Corporation's governance, including the Board of Directors as a whole, committees of the Board, and the contribution, competency, skill and qualification of individual directors.

#### **EFFECTIVE DATE**

The information contained in this Management Information Circular is given as of June 1, 2015, except as otherwise stated herein.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Securityholders may contact the Corporate Secretary of the Corporation to request copies of the Corporation's financial statements and management's discussion and analysis at 10077 Grogan's Mill Rd., Suite 200, The Woodlands, Texas 77380, Telephone: (281) 363-4442 Ext. 1105.

Additional information regarding the Audit Committee is located in the Corporation's Annual Information Form for the year ended December 31, 2014 under the heading "Audit Committee." Such Annual Information Form is available on the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for its most recently completed financial year.

#### **APPROVAL OF THE DIRECTORS**

The contents and the distribution of this Management Information Circular have been approved by the Board of Directors.

## **SCHEDULE “A”**

### **CAZA OIL & GAS, INC.**

#### **MANDATE OF THE BOARD OF DIRECTORS**

The Board of Directors (the “Board”) has the responsibility to oversee the conduct of the business of Caza Oil & Gas, Inc. (the “Corporation”) and to oversee the activities of management who are responsible for the day-to-day conduct of the business.

#### **COMPOSITION**

A majority of the Directors must be independent Directors, as determined by the Board. The definition of independence is as provided by applicable law and stock exchange listing standards. No Director will be considered independent unless the Director has no “material relationship” (as such term is defined in National Instrument 52-110 of the Canadian Securities Administrators) with the Corporation, either directly or indirectly as a partner, shareholder or officer of an organization that has a relationship with the Corporation.

The same person may hold the offices of Chairman of the Board and Chief Executive Officer of the Corporation or the offices may be held by different persons. If held by two persons, the Chairman may be a member of management or may be a person who is not an officer or employee of the Corporation.

The Board is responsible for approving new nominees to the Board and for assessing Directors based upon the recommendations of the Human Resources and Corporate Governance Committee.

The Board will annually consider the skills and competencies of the members of the Board from the perspective of determining what additional skill and competencies would be helpful to the Board.

The Board will ensure that prospective candidates for Board membership have received the appropriate information to permit them to fully understand the role for Board and its committees and the contributions expected from individual Directors.

The membership of the Board will also include an appropriate number of individuals who are financially literate and who have accounting or related financial experience to ensure that the individual members appointed to the Audit Committee fulfill the requirements of applicable regulations related to the Audit Committee.

#### **OPERATION**

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility of managing its own affairs, including selecting its Chair, nominating candidates for election to the Board, constituting committees of the full Board and determining Director compensation. Subject to the Articles of the Corporation and the *Business Corporations Act* (British Columbia), the Board may constitute, seek the advice of, and delegate powers, duties and responsibilities to, committees of the Board.

The full Board considers all major decisions of the Corporation, except that certain analysis and work of the Board will be performed by standing committees empowered to act on behalf of the Board. The Corporation has three standing committees: the Audit Committee, the Human Resources and Corporate Governance Committee, and the Technical Committee. The Audit Committee will be composed of at least two members of the Board, each of whom must be independent and financially literate and at least one of whom has accounting or related finance experience. The Human Resources and Corporate Governance Committee will be composed of at least two members of the Board, each of whom must be independent. The Technical Committee will be composed of at least two members of the Board, a majority of whom (or any relative living in the same home as such member) have not been officers or employees of the Corporation for the preceding 12 months, do not beneficially own 10% or more of the Corporation’s voting securities, and are free from any business or other relationship that could reasonably interfere with the exercise of independent judgment. Each standing committee must have a charter that has been approved by the Board.

The Board will hold four regularly scheduled meetings each year. Special meetings will be called as necessary. Directors are expected to attend all Board and Board committee meetings, although it is understood that conflicts may occasionally arise that prevent a Director from attending a meeting. Attendance at Board meetings in person is preferred, but attendance by teleconference is permitted. In advance of each regular Board and Board committee meeting and, to the extent feasible each special meeting, information and presentation materials relating to matters to be addressed at the meeting will be distributed to each Director. The Chairman of the Board presides at all meetings of the Board of Directors and Shareholders. If the Chairman of the Board is not independent, then the Board will appoint a “lead Director” who is independent. The lead Director presides over meetings of the Directors when the Directors meet without the attendance of members of management and when the Chairman is absent from a Board or Shareholders meeting.

The independent Directors will hold regular meetings, usually in conjunction with regular Board meetings, at which non-independent Directors and management are not in attendance.

## **RESPONSIBILITIES**

The Board is responsible under law to supervise the management of the business and affairs of the Corporation. In broad terms the stewardship of the Corporation involves the Board in strategic planning, risk management and mitigation, senior management determination, communication planning and internal control integrity.

## **SPECIFIC DUTIES**

The Board’s specific duties and responsibilities fall into the categories outlined below.

### 1. Legal Requirements

- (a) The Board has the oversight responsibility for meeting the Corporation’s legal requirements and for approving and maintaining the Corporation’s documents and records;
- (b) The Board has the statutory responsibility to:
  - (i) manage the business and affairs of the Corporation;
  - (ii) act honestly and in good faith with a view to the best interests of the Corporation;
  - (iii) exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and
  - (iv) act in accordance with its obligations contained in the *Business Corporations Act* (British Columbia) and the regulations thereto, the Corporation’s Articles, and other relevant legislation and regulations.
- (c) The Board has the statutory responsibility for considering the following matters as a full Board which in law may not be delegated to management or to a committee of the Board:
  - (i) any submission to the shareholders of a question or matter requiring the approval of the shareholders;
  - (ii) the filling of a vacancy among the Directors;
  - (iii) the issuance of securities;
  - (iv) the declaration of dividends;
  - (v) the purchase, redemption or any other form of acquisition of shares issued by the Corporation;
  - (vi) the payment of a commission to any person in consideration of his/her purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares;
  - (vii) the approval of management proxy circulars;
  - (viii) the approval of any take-over bid circular or directors’ circular; and

(ix) the approval of financial statements of the Corporation.

(d) The Board has the statutory responsibility for reporting on its oil and gas activities, which in law may be delegated to a technical committee of the Board, and to meet with the technical committee, the reserves evaluator and management directly to review and certify the content of and to supervise the filing of disclosure relating to the Corporation's oil and gas activities.

2. Independence

The Board has the responsibility to implement appropriate structures and procedures to permit the Board to function independently of management.

3. Corporate Governance

The Board has the responsibility, through the Human Resources and Corporate Governance Committee, to develop and review the Corporation's approach to corporate governance, including any appropriate principles and guidelines.

4. Strategy Determination

The Board has the responsibility to adopt a strategic planning process for the Corporation and to participate with management either directly or through its committees in approving the mission of and the strategic plan for the Corporation by which the Corporation proposes to achieve its goals.

5. Managing Risk

The Board has the responsibility to understand the principal risks of the business in which the Corporation is engaged, to achieve a proper balance between risks incurred and the potential return to shareholders, and to establish systems to monitor and manage those risks with a view to the long-term viability of the Corporation.

6. Business Authorizations

The Board has the responsibility:

- (a) to authorize all transactions not in the normal course of business, including matters relating to material litigation;
- (b) to authorize all material capital expenditures, dispositions and other commitments, all material guarantees and indemnities, and all material transactions with related parties, which includes any transaction having a value exceeding 3% of the Corporation's total assets;
- (c) to approve the annual operating and capital expenditure budgets and any material changes to them; and
- (d) to approve the appointment of the Corporation's principal professional advisors.

7. Appointment, Training and Monitoring Senior Management

The Board has the responsibility:

- (a) to appoint the Chief Executive Officer (the "CEO") and establish a description of the CEO's responsibilities and other senior management's responsibilities, to monitor and assess the CEO's performance, to determine the CEO's compensation, and to provide advice and counsel to the CEO in the execution of his duties;
- (b) to approve the compensation of Directors and the appointment and compensation of the Corporation's Directors and senior management;
- (c) to approve and administer (which may be through the Human Resources and Corporate Governance Committee) any share or other equity incentive plan;

- (d) to satisfy itself, to the extent reasonably feasible, of the integrity of the CEO and other senior management and of the creation by the CEO and other senior management of a culture of integrity throughout the Corporation; and
- (e) to establish provisions for the training and development of management and for the orderly succession of management.

8. Reporting and Communication

The Board has the responsibility:

- (a) to establish policies and programs to enable the Corporation to communicate effectively with its shareholders, other stakeholders and the public generally;
- (b) to provide for the reporting of the financial performance of the Corporation to shareholders, other security holders and regulators on a timely and regular basis, and in connection therewith to approve significant changes to accounting policies or practice;
- (c) to review the financial results for proper presentation;
- (d) to establish procedures for the timely reporting of any other developments that have a significant and material impact on the value of the Corporation; and
- (e) to report annually to shareholders on its stewardship of the affairs of the Corporation for the preceding year.

9. Monitoring and Acting

The Board has the responsibility:

- (a) to establish policies for the Corporation to operate at all times within applicable laws and regulations to the highest ethical and moral standards;
- (b) to establish procedures to monitor compliance with significant policies and procedures by which the Corporation is operated, including its Code of Business Ethics and Conduct and granting any waiver thereof to a senior officer or Director;
- (c) to promote high environmental standards in the Corporation's operations in compliance with environmental laws and legislation;
- (d) to establish appropriate programs and policies for the health and safety of the Corporation's employees in the workplace;
- (e) to monitor the Corporation's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
- (f) to take action when performance falls short of its goals and objectives or when other special circumstances warrant;
- (g) to implement internal control and information systems; and
- (h) to review the performance of the Board, its Committees and Directors.

10. The Board may perform any other activities consistent with this mandate, the Corporation's Articles and any other governing laws as the Board deems necessary or appropriate.

**SCHEDULE "B"**

**PART 28**

**RIGHTS AND RESTRICTIONS ATTACHING TO THE CLASS A PREFERRED SHARES**

The following rights, privileges, restrictions and limitations shall be attached to the Class "A" Preferred Shares in the capital of the Corporation:

**28.1 Directors' Authority to Issue in One or More Series**

The Class A Preferred Shares may from time to time be issued in one or more series. The directors may, by resolution passed before the issue of shares of any particular series of Class A Preferred Shares, alter the Articles of the Corporation and the Notice of Articles of the Corporation to fix the number of shares in that series and determine the designation of shares of that series; and to create, define and attach the special rights and restrictions attaching to the shares of that series.

**28.2 Pari Passu Ranking on Dividends and Return of Capital**

In respect of dividends or a return of capital (whether on winding up or on the occurrence of another event that would result in the holders of all series of Class A Preferred Shares being entitled to a return of capital):

- (a) the Class A Preferred Shares shall have priority over the Common Shares and over any other shares of the Corporation ranking junior to the Class A Preferred Shares in respect of such payment;
- (b) the Class A Preferred Shares shall rank junior to any other shares of the Corporation ranking senior to the Class A Preferred Shares in respect of such payment; and
- (c) no special rights or restrictions attached to a series of Class A Preferred Shares shall confer upon a series priority over any other series of Class A Preferred Shares then outstanding.

**28.3 Ratable Participation**

If cumulative dividends in respect of a series of Class A Preferred Shares are not paid in full, the shares of all series of Class A Preferred Shares shall participate rateably in respect of accumulated dividends in accordance with the amounts that would be payable on those shares if all the accumulated dividends were paid in full. If amounts payable on a winding up, or on the occurrence of any other event that would result in the holders of all series of Class A Preferred Shares being entitled to a return of capital, are not paid in full, the shares of all series of Class A Preferred Shares shall participate rateably in a return of capital in respect of the class in accordance with the amounts that would be payable on the return of capital if all amounts so payable were paid in full.