



**NOTICE OF ANNUAL MEETING
TO BE HELD ON MAY 22, 2009
AND
MANAGEMENT INFORMATION CIRCULAR**

April 24, 2009

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April 24, 2009

Dear Shareholder:

You are invited to attend our Annual Shareholders' Meeting which will be held at:

**Dundee Place
1 Adelaide Street East
Suite 2800
Toronto, Ontario M5C 2V9**

on Friday, May 22, 2009 at 10:00 a.m. (Toronto time).

The items of business to be acted upon are included in the Notice of 2009 Annual Meeting of Shareholders and accompanying Circular. Following the custom of past annual meetings, we will also review our business operations and will be answering your questions following the formal part of the meeting.

Your participation in Eurogas Corporation's business is important. We have made it easy for you to vote, by using any of the telephone, Internet, mail or facsimile or by coming to the meeting in person.

Please consult the attached Circular which contains all of the information you need about the meeting and how to exercise your right to vote. Your vote does count.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Jaffar Khan", written in a cursive style.

Jaffar Khan
President and Chief Executive Officer

The Circular, quarterly and annual financial information and other information regarding Eurogas Corporation are posted on SEDAR at www.sedar.com.



**EUROGAS CORPORATION
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that the annual meeting (the "Meeting") of the shareholders of **EUROGAS CORPORATION** (the "Company") will be held at 10:00 a.m. (Toronto time) on Friday, May 22, 2009 c/o Dundee Corporation, Main Boardroom, 28th Floor, 1 Adelaide Street East, Toronto, Ontario for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the financial year ended December 31, 2008 together with the auditors' report thereon;
2. to elect directors of the Company for the ensuing year;
3. to appoint the auditor of the Company for the ensuing year and to authorize the directors to fix the remuneration thereof; and
4. to transact such other business as may properly come before the Meeting or any adjournment(s) thereof.

The accompanying management information circular of the Company provides additional information with respect to the matters to be considered at the Meeting and forms part of this notice of the Meeting.

Shareholders of the Company are invited to attend the Meeting. Shareholders of record at the close of business on April 1, 2009, will be entitled to vote at the Meeting except to the extent that a person has transferred any common shares of the Company after that date and the transferee of such common shares produces properly endorsed share certificates or otherwise establishes ownership thereof and requests, not later than 10 days before the Meeting, to be included in the list of shareholders of the Company entitled to vote at the Meeting.

Regardless of whether or not you are able to be present at the Meeting, please date, sign and return the form of proxy accompanying this notice of the Meeting. To be effective, forms of proxy must be received by Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department not less than 48 hours (excluding Saturdays, Sundays and holidays) immediately preceding the time of the Meeting or any adjournment(s) thereof.

Non-Registered Shareholders

Shareholders may beneficially own common shares that are registered in the name of a broker, another intermediary or an agent of that broker or intermediary ("Non-Registered Shareholders").

Without specific instructions, intermediaries are prohibited from voting shares for their clients. If you are a Non-Registered Shareholder, it is vital that the voting instruction form provided to you by your broker, intermediary or its agent is returned according to their instructions, sufficiently in advance of the deadline specified by the broker, intermediary or its agent, to ensure that they are able to provide voting instructions on your behalf.

DATED at Toronto, Ontario as of the 24th day of April, 2009.

By Order of the Board

A handwritten signature in cursive script, appearing to read "Lili Mance".

Lili Mance, Corporate Secretary

EUROGAS CORPORATION

**Suite 250, 435 - 4th Avenue SW
Calgary, Alberta
T2P 3A8**

MANAGEMENT INFORMATION CIRCULAR

Dated April 24th, 2009

GENERAL PROXY INFORMATION

SOLICITATION OF PROXIES

The information contained in this management information circular (the "Information Circular") is furnished to the holders of common shares (the "Shareholders") of Eurogas Corporation (the "Company") in connection with the solicitation by management and the directors of the Company of proxies to be used at the annual meeting (the "Meeting") of the Shareholders to be held at 10:00 a.m. (Toronto time) on Friday, May 22, 2009 c/o Dundee Corporation, Main Boardroom, 28th Floor, 1 Adelaide Street East, Toronto, Ontario, and at all adjournments thereof, for the purposes set forth in the notice of the Meeting which accompanies this Information Circular (the "Notice of the Meeting"). The solicitation of proxies will be made primarily by mail but proxies may also be solicited personally or by telephone by officers, directors or regular employees of the Company. Employees of the Company will not receive any extra compensation for such activities. The Company may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the Shareholders in favour of the matters set forth in the Notice of the Meeting. The Company may pay brokers or other persons holding common shares of the Company in their own names, or in the names of nominees, for their reasonable expenses for sending proxies and this Information Circular to beneficial owners of common shares and obtaining proxies therefor. The solicitation of proxies by this Information Circular is being made by and on behalf of management and the directors of the Company. The cost of the solicitation will be borne by the Company.

No person is authorized to give any information or to make any representation other than those contained in this Information Circular and, if given or made, such information or representation should not be relied upon as having been authorized by the Company. The information contained herein is given as of April 1, 2009 except as otherwise indicated. The delivery of this Information Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date of this Information Circular.

APPOINTMENT AND REVOCATION OF PROXIES

THE PERSONS NAMED IN THE FORM OF PROXY ACCOMPANYING THIS INFORMATION CIRCULAR ARE OFFICERS AND/OR DIRECTORS OF THE COMPANY. A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE A SHAREHOLDER, OTHER THAN THE PERSONS SPECIFIED IN SUCH FORM OF PROXY TO ATTEND AND ACT FOR AND ON BEHALF OF SUCH SHAREHOLDER AT THE MEETING. SUCH RIGHT MAY BE EXERCISED BY EITHER STRIKING OUT THE NAMES OF THE PERSONS SPECIFIED IN THE FORM OF PROXY ACCOMPANYING THIS INFORMATION CIRCULAR AND INSERTING THE NAME OF THE PERSON TO BE APPOINTED IN THE BLANK SPACE PROVIDED IN SUCH FORM OF PROXY OR BY COMPLETING AND EXECUTING ANOTHER FORM OF PROXY AND, IN EITHER CASE, RETURNING SUCH COMPLETED AND EXECUTED FORM OF PROXY IN THE MANNER DESCRIBED IN THE NOTICE OF THE MEETING.

In order to be valid and acted upon at the Meeting, forms of proxy must be returned to the aforesaid address not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment(s) thereof.

In addition to any other manner permitted by law, a Shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast by completing an instrument in writing executed by the Shareholder or his attorney authorized in writing, or if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, and by depositing such instrument of revocation either with the Secretary of the Corporation, c/o Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, at any time up to and including the last business day preceding the day of the Meeting, or with the Chairman of the Meeting on the date of the Meeting immediately prior to the commencement thereof or adjournment(s) thereof. In addition, a proxy may be revoked by the Shareholder personally attending at the Meeting and voting his common shares.

VOTING OF COMMON SHARES REPRESENTED BY MANAGEMENT PROXIES

The persons named in the form of proxy accompanying this Information Circular will vote the common shares in respect of which they are appointed proxy on any ballot that may be called for at the Meeting or any adjournment(s) thereof in accordance with the instructions in the form of proxy. **In the absence of instructions, such persons will vote such common shares in favour of or for each of the matters referred to in the Notice of the Meeting.**

The form of proxy accompanying this Information Circular confers discretionary authority upon the persons named therein with respect to amendments to or variations of the matters identified in the Notice of the Meeting and with respect to other matters, if any, which may properly be brought before the Meeting or any adjournment(s) thereof. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to be brought before the Meeting. However, if any other matters which are not now known to management of the Company should properly be brought before the Meeting or any adjournment(s) thereof, the common shares represented by any proxy will be voted on such matters in accordance with the judgement of the person named in such proxy.

NON-REGISTERED SHAREHOLDERS

Some Shareholders beneficially own common shares that are registered in the name of a broker, another intermediary or an agent of that broker or intermediary ("Non-Registered Shareholders"). The Company has distributed copies of this Circular and form of proxy to these intermediaries or their agents for onward distribution to Non-Registered Shareholders.

Without specific instructions, intermediaries are prohibited from voting shares for their clients. If you are a Non-Registered Shareholder, it is vital that the voting instruction form provided to you by your broker, intermediary or its agent is returned according to their instructions, sufficiently in advance of the deadline specified by the broker, intermediary or agent, to ensure that they are able to provide voting instructions on your behalf.

If you are a Non-Registered Shareholder, you have the right to attend and vote your common shares directly at the Meeting. If you are a Non-Registered Shareholder and you wish to attend the Meeting and vote your common shares you can request, in writing, a legal proxy from your broker or other intermediary in whose name your shares are registered, that enables you to vote the shares registered in the name of that intermediary. You should carefully and promptly follow the instructions of your intermediary in this regard.

A Non-Registered Shareholder may revoke a form of proxy or voting instruction form given to an intermediary at any time by written notice to the intermediary in accordance with the instructions given to the Non-Registered Shareholder by its intermediary.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company has 155,718,453 common shares outstanding. Each holder of record at the close of business on April 1, 2009, the record date established for notice of the Meeting, of a common share will, unless otherwise specified herein, be entitled to one vote for each common share held by such holder on all matters to be brought before the Meeting, except to the extent that such holder has transferred any such common shares after the record date and the transferee of such common shares produces properly endorsed share certificates or otherwise establishes ownership thereof and demands, not later than 10 days before the Meeting or any adjournment(s) thereof, to be included in the list of Shareholders entitled to vote at the Meeting or any adjournment(s) thereof, in which case the transferee thereof will be entitled to vote such common shares at the Meeting or any adjournment(s) thereof.

As of the date hereof, to the knowledge of the officers and directors of the Company, the only person beneficially owning, directly or indirectly, or exercising control or direction over, more than 10% of the outstanding common shares as of the date hereof was Dundee Corporation ("Dundee") which owns, directly or indirectly, 83,134,138 common shares representing 53.39% of the outstanding common shares. Ned Goodman, Chairman of the Company, owns in aggregate, directly and indirectly, class A subordinate voting shares, class A subordinate voting shares under options, class B common shares and class B common shares under options of Dundee representing an 80.50% voting interest in Dundee assuming the exercise of such options. Ned Goodman also owns personally 934,328 common shares of the Company representing 0.60% of the Company. Accordingly, assuming Ned Goodman exercised all his options with Dundee, he would own directly and indirectly, or exercise control or direction over common shares of the Company representing a 43.58% equity interest.

BUSINESS OF THE MEETING

Presentation of Financial Statements

The audited consolidated financial statements of the Company for the financial year ended December 31, 2008 and the auditor's report thereon will be placed before the Meeting.

Appointment of Auditor

Unless specifically instructed in the proxy to withhold such vote, the person(s) designated as proxy holder(s) in the accompanying form of proxy intend to vote for the appointment of PricewaterhouseCoopers LLP as the auditor of the Company to hold office until the next annual general meeting of Shareholders and to authorize the Directors to fix their remuneration.

Election of Directors

Shareholders will be asked to elect six directors for the ensuing year. James Kirker and Jay Poscente will not be standing for re-election. Therefore, the number of directors of the Company within the minimum and maximum allowable will be reduced from eight to six. The persons named in the form of proxy accompanying this Information Circular intend to vote for the election of the nominees whose names are set forth below, each of whom is now a director of the Company and has been a director of the Company since the date indicated unless the Shareholder who has given such proxy has directed that the common shares represented by such proxy be withheld from voting in respect of the election of directors of the Company. Management of the Company does not contemplate that any of such nominees will be unable to serve as a director of the Company for the ensuing year but if that should occur for any reason prior to the Meeting or any adjournment(s) thereof, the persons named in the form of proxy accompanying this Information Circular have the right to vote for the election of the remaining nominees and may vote for the election of a substitute nominee in their discretion. Each director of the Company elected at the Meeting will hold office until the next annual meeting of the Shareholders held following his election unless he resigns or is removed as a director of the Company in accordance with the by-laws of the Company prior to such date.

The names and municipality of residence of the nominees, their position with the Company, their principal occupation, the date upon which they became a director of the Company and the number of voting or other securities beneficially owned by each of them, or over which control or direction is exercised by each of them as of April 1, 2009, are as follows:

Name and Municipality of Residence	Position	Principal Occupation	Date Elected/ Appointed Director	Holdings ⁽¹⁾
Derek H.L. Buntain ⁽³⁾⁽⁴⁾ Grand Cayman, Cayman Islands	Director	President, The Dundee Merchant Bank, a private bank	April 18, 1994	Common 322,950 Options 600,000 Deferred Share Units 45,000
Jonathan Goodman Ontario, Canada	Vice-Chairman and Director	President and Chief Executive Officer, Dundee Precious Metals Inc., a mining company	May 1, 2002	Common 7,500 Options 200,000 Deferred Share Units 45,000
Ned Goodman ⁽²⁾⁽⁴⁾ Ontario, Canada	Non-Executive Chairman and Director	President and Chief Executive Officer of Dundee Corporation and Chairman, DundeeWealth Inc., financial service and merchant banking companies	February 26, 1996	Common 934,328 ⁽²⁾ Options 350,000 Deferred Share Units 45,000
M. Jaffar Khan London, England	President and Chief Executive Officer and Director	President and Chief Executive Officer of the Company	May 1, 2002	Common 515,625 Options 800,000 Deferred Share Units 45,000
Garth A.C. MacRae ⁽³⁾⁽⁴⁾ Ontario, Canada	Director	Director, Dundee Corporation and DundeeWealth Inc., financial service and merchant banking companies	April 18, 1994	Common 750,000 Options 200,000 Deferred Share Units 45,000
Michael Smith ⁽⁵⁾ Ontario, Canada	Director	Legal Counsel, Smith & Zoldhelyi	October 16, 2008	Options 200,000

(1) The class and number of securities beneficially owned, directly or indirectly, or over which control or direction is exercised, was provided to the Company by the respective director nominee.

(2) Does not include the common shares beneficially owned, or over which control or direction is exercised, by Dundee Corporation. See "Voting Shares and Principal Holders Thereof".

(3) Member of Audit Committee.

(4) Member of Compensation Committee.

(5) Appointed to the Board on October 16, 2008.

Each of the foregoing nominees has been employed in his present capacity or other executive position with the same firm or company or affiliates thereof during the last five years, other than Mr. Jaffar Khan who, prior to his appointment on March 15, 2005 as President and Chief Executive Officer of the Company, was an independent business consultant.

No proposed director:

- (a) is, as at the date of this Management Information Circular, or has been, within 10 years before the date of this Management Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that,
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, as at the date of this Management Information Circular, or has been within 10 years before the date of this Management Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Management Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

For purpose of the above, “order” means:

- (a) a cease trade order;
- (b) an order similar to a cease trade; or
- (c) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days

No proposed director has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

OTHER BUSINESS

As of the date of this Information Circular, the Board of Directors does not know of any other matters to be brought to the Meeting, other than those set forth in the Notice of Meeting. If other matters are properly brought before the Meeting, the persons named in the enclosed proxy will vote the proxy on such matters in accordance with their best judgment.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as described elsewhere herein, none of the directors or senior officers of the Company, nor any of their associates or affiliates, has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

REPORT ON CORPORATE GOVERNANCE

In accordance with National Instrument 58-101 - Disclosure of Corporate Governance Practices ("NI 58-101"), the following describes the corporate governance practices of the Company:

Board of Directors

The Company's Board is comprised of six directors, four of whom are independent directors and two directors who are non-independent. For purposes of NI 58-101, a director is independent if he or she would be independent within the meaning of Section 1.4 of National Instrument 52-110 ("NI 52-110"). Pursuant to Section 1.4 of NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Company. A "material relationship" is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of such member's independent judgment, and certain relationships are deemed to be material. The Board has determined that Mr. Jaffar Khan is not independent because he is the President and Chief Executive Officer of the Company and Mr. Ned Goodman is not independent by virtue of his position as President and Chief Executive Officer of the Company's parent company, Dundee Corporation. Derek H.L. Buntain, Garth A.C. MacRae, Jonathan Goodman, and Michael Smith can be defined as independent of management and are free from any interests and any business or other relationships which could, or could reasonably be perceived to, materially interfere with the directors' ability to act with a view to the best interest of the Company, other than interests and relationships arising from shareholdings.

Directorships

The following table provides a listing of the reporting issuers for which the members of the Board serve as directors:

Director	Directorship(s) with Other Reporting Issuers
Derek H.L. Buntain	Assisted Living Concepts Inc. Cencotech Inc. Dundee Precious Metals Inc. Eurogas International Inc. High Liner Foods Inc. Natonola Health Biosciences Inc.

Director	Directorship(s) with Other Reporting Issuers
Ned Goodman	Breakwater Resources Ltd. Corona Gold Corporation Dundee Corporation Dundee Precious Metals Inc. Dundee REIT DundeeWealth Inc. Eurogas International Inc. Valdez Gold Inc.
Garth A.C. MacRae	Breakwater Resources Ltd. Dundee Corporation Dundee Precious Metals Inc. DundeeWealth Inc. GeneNews Limited Torque Energy Inc. Uranium Participation Corporation
Jonathan Goodman	Breakwater Resources Ltd. Dundee Corporation Dundee Precious Metals Inc. Cogitore Resources Inc.

Board and Committee Meeting

During the year ended December 31, 2008, the Board met on four (4) occasions. The directors are afforded an opportunity to hold “in camera” sessions, if desired. The “in camera” session provides the independent directors the opportunity to conduct discussions both openly and candidly. The table below indicates meetings of the Board and its various committees held and attendance of directors, for the year ended December 31, 2008.

Directors	Board of Directors (4 Meetings)	Audit Committee (5 Meetings)	Compensation Committee (1 Meeting)
Derek Buntain	3 of 4	5 of 5	1 of 1
Jonathan Goodman	2 of 4	-	-
Ned Goodman ⁽²⁾	4 of 4	2 of 2	1 of 1
Jaffar Khan	4 of 4	-	-
R. James Kirker	3 of 4	-	-
Garth A.C. MacRae ⁽³⁾	3 of 4	3 of 3	1 of 1
Jay Poscente ⁽³⁾	4 of 4	3 of 3	-
Michael Smith ⁽¹⁾	1 of 1	-	-

⁽¹⁾ Michael Smith was appointed to the Board on October 16, 2008. Mr. Smith participated in the one Board meeting held since joining the Board in October 2008.

⁽²⁾ Ned Goodman ceased to be a member of the Audit Committee on May 22, 2008. Mr. Goodman participated in each of the 2 Audit Committee meetings held while he was a member of the Audit Committee.

⁽³⁾ Garth A.C. MacRae and Jay Poscente were appointed as members of the Audit Committee on May 22, 2008. Mr. MacRae and Mr. Poscente each participated in 3 of the 3 Audit Committee meetings held since joining the Audit Committee in May 2008.

Orientation and Continuing Education

The Board of Directors is responsible for providing a formal orientation program for new directors and ongoing education sessions on the business and strategies of the Company. In particular, new Board members are invited to participate in informal discussions with senior management of the Company. In addition, each new director is furnished with a Board package intended to provide a thorough understanding of the business of the Company. The package includes, among other things, the corporate governance practices of the Company. The Board of Directors, during the interview process makes each prospective new director aware of the amount of time required to fulfill his role as a director. In addition, a site visit to the Company's main operations is arranged, at the earliest convenience, for each director.

The Company is also committed to a continuing education program for all directors. At each regularly scheduled Board meeting, management provides directors with a presentation on the Company's operations thereby updating the Board on all important activities since the last meeting. The Board also receives written reports from management when changes are made to the business plan or significant activities are underway. Directors are kept informed of best practices with respect to the role of the Board and of emerging trends that are relevant to their roles as directors. In addition, individual directors are encouraged to identify their continuing education needs through a variety of means, including discussions with management and at Board and committee meetings.

Ethical Business Conduct

The Company is committed to conducting its business in compliance with all applicable laws and regulations and in accordance with the highest ethical principles. The Board requires all directors to disclose any activities or relationships which could have the potential for a conflict of interest. The Board encourages and provides an overall culture of ethical conduct. The Board, and the Company, promote a "tone at the top" culture intended to instill ethics, openness, honesty and accountability throughout the organization.

Nomination of Directors

The Compensation Committee is responsible for identifying, assessing and making recommendations as to candidates for election to the Board and Board committees with a view to the independence and expertise required for effective governance and satisfaction of applicable regulatory requirements. When the Compensation Committee identifies additional skills or competencies needed at the Board level, or becomes aware that any individual director intends to retire from the Board, the committee initiates a recruitment process. Prospective Board members, whose relevant education and related business experience are taken into consideration, are interviewed by the Compensation Committee which in turn proposes the new and suitable candidates for consideration by the full Board.

Board Committees

The Board has a Compensation Committee and an Audit Committee. Details regarding the Audit Committee begin on page 16 of this Circular.

Compensation Committee

The Compensation Committee of the directors of the Company, comprised of Messrs. Buntain, N. Goodman and MacRae, makes determinations and recommendations to the directors of the Company with respect to the cash and incentive compensation of the executive officers of the Company. See "Compensation Discussion & Analysis" below.

Assessments

Individual director performance is evaluated on a regular basis by the Compensation Committee. Individual director assessments are determined by examining a number of factors including, but not limited to, attendance at and participation in meetings, meeting preparedness, ability to communicate ideas clearly and overall contribution to effective Board performance.

COMPENSATION DISCUSSION AND ANALYSIS

The primary goal of the Compensation Committee is to ensure that the overall compensation provided to the Chief Executive Officer, Chief Financial Officer, and the other three most highly compensated officers of the Company (if applicable) (collectively, the “Named Executive Officers” or “NEOs”) is determined with regard to, and is consistent with, the business strategies and objectives of the Company, such that the financial interests of such executive officers of the Company is congruent with the financial interests of the Company’s shareholders.

Executive compensation consists of salary, options and benefits. Executive officer salaries are set slightly below industry standard, which is determined by reference to the salaries of local executives in positions with similar experience and similar responsibility. Executive officers receive additional compensation in the form of options, the number of which is determined by reference to the position and experience of the individual executive. Executive officers receive a basic benefits package including medical, dental, and insurance.

Base Salaries

The Compensation Committee recommends to the directors of the Company base salaries for each of the NEOs of the Company, taking into consideration the recommendations of the Chief Executive Officer of the Company (other than in respect of the base salary of the Chief Executive Officer), the current and potential contribution of the executive officer to the success of the Company and competitive industry pay practices for comparable positions at businesses of comparable size. The President and Chief Executive Officer of the Company received a base salary of \$200,000 in respect of fiscal 2008, a portion of which relates to services performed for Eurogas International Inc.

Bonuses

Although the Company does not have a formalized bonus plan, the executive officers of the Company may earn annual bonuses, which will vary, based on the individual’s position and contribution to the performance of the Company and the annual performance of the Company. The Chief Executive Officer of the Company presents recommendations to the Compensation Committee with respect to the award of any such bonuses (other than bonuses paid to the Chief Executive Officer). The Compensation Committee determines the bonuses for the executive officers of the Company and recommends the amounts thereof to the directors of the Company for approval. In 2008, the Company paid an aggregate of \$262,750 in annual bonuses to Mr. Constantinidis and Mr. Sherley, which bonuses were included in their severance arrangements. In 2009, the Company paid a bonus of \$82,500 to Mr. Batchelor in respect of the 2008 financial year which was included in his severance arrangement. See “Termination Benefits” below.

SECURITY BASED COMPENSATION ARRANGEMENTS

Share Options and Deferred Share Units

The Share Option Plan and Deferred Share Unit Plan (together, the “Plans”) are designed to provide long term incentives to the executive officers of the Company by encouraging each executive officer of the Company to own and hold common shares and to provide the executive officer with an interest in preserving and maximizing shareholder value over the long term. The Plans also enable the Company to

attract and retain individuals with experience and ability and to reward individuals for current performance and expected future performance. Pursuant to the Share Option Plan, employees, including executive officers, of the Company are eligible to receive options to acquire common shares at the then current trading price of the common shares on the TSX Venture Exchange ("TSXV"). Executives are also eligible to participate in the Deferred Share Unit Plan, however, to date no deferred share units have been awarded to the NEOs, except for Mr. Jaffar Khan.

Share Option Plan

The Share Option Plan is designed to advance the interests of the Company by encouraging officers, directors, employees and consultants of the Company to hold equity in the Company through the acquisition of common shares.

The Share Option Plan provides that eligible persons thereunder include any director, senior officer, employee, or consultant of the Company or any subsidiary thereof. The directors of the Company have the authority to determine, among other things, subject to the terms and conditions of the Share Option Plan, the terms, limitations, restrictions and conditions respecting the grant of options to purchase common shares under the Share Option Plan.

When recommending the grant of options, consideration is given to the exercise price and the aggregate number of common shares which would be subject to options held by the individual after the grant under consideration, the evaluation of the former, current and potential contribution of the individual to the success of the Company, the relative position of the individual, the years of service of the individual to the Company and past grants of options to the individual.

The Share Option Plan currently provides that the maximum number of common shares that may be reserved for issuance pursuant to options granted under the Share Option Plan is 12,000,000 common shares. The maximum number of common shares that may be reserved for issue to any one individual pursuant to the Share Option Plan may not exceed 5% of the common shares outstanding at the time of grant (on a non diluted basis) less the aggregate number of common shares reserved for issue to such person under any other proposed option to purchase common shares granted as a compensation or incentive mechanism. No more than an aggregate of 2% of the issued common shares may be granted under the Share Option Plan to an employee conducting investor relations activities in any one year period.

The Share Option Plan also provides for share appreciation rights. An optionee is entitled to terminate his or her options, in whole or in part, and, in lieu of receiving the common shares to which the terminated options relate, elect to receive that number of common shares, disregarding fractions, which, when multiplied by the fair value of the common shares (which will be the weighted average trading price of the common shares on the TSXV during the five trading days preceding the date of the termination of such options) to which the options so terminated relate, has a value equal to the product of the number of such common shares multiplied by the difference between the fair value and the exercise price per share of such common shares.

The directors of the Company have the authority under the Share Option Plan to establish the exercise price at the time each option is granted, which shall in all cases be not less than the closing price of the common shares on the TSXV on the trading day immediately preceding the date of grant of the option. Options to purchase common shares granted under the Share Option Plan are not transferable other than by will or the laws of descent and distribution. If an optionee ceases to be an eligible person under the Share Option Plan for any reason whatsoever other than death, each option held by such optionee will cease to be exercisable 60 days from the date of termination (being the date on which such optionee ceases to be an eligible person). If an optionee dies, the legal representative of the optionee may exercise the options held by such optionee within six months after the date of death of the optionee but only up to and including the original expiry date of the option.

Deferred Share Unit Plan

The Company has created a deferred share unit plan (the "Deferred Share Unit Plan"). The Deferred Share Unit Plan is administered by the Compensation Committee of the Company and is intended to provide participants with long-term incentive tied to the long-term performance of the common shares. A participant under the Deferred Share Unit Plan (a "Participant") may be granted deferred share units (the "Units") in such number and effective as of such date as the Compensation Committee shall specify and based on certain criteria determined by the Compensation Committee including services performed or to be performed by the Participant.

The Units are to be credited to an account maintained for the Participant by the Company or its affiliates, as specified by the Compensation Committee, and are subject to adjustment for dividends and anti-dilution events including the subdivision, consolidation or reclassification of the outstanding common shares.

A Participant will only be entitled to payment in respect of the Units granted to him or her when the Participant ceases to be employed by the Company or an affiliate thereof for any reason and the Participant is no longer a director of the Company or an affiliate thereof. Upon termination, the Participant (or the legal representative of such Participant's estate) may irrevocably elect the date as of which the value of his or her Units shall be determined and paid (the "Entitlement Date") based on certain criteria set out in the Deferred Share Unit Plan. The value of the Units in respect of a Participant at the Entitlement Date (the "Redemption Value") will be the product of (i) the number of Units credited to the Participant's account; and (ii) the weighted average value of a common share on the TSXV for the five trading days immediately preceding the Entitlement Date. The Redemption Value shall, as specified by the Compensation Committee in its sole discretion, after deduction of any applicable taxes and other required source deductions, be satisfied and paid to the Participant (or the legal representative of such Participant's estate) in its entirety or as a combination of (i) subject to the satisfaction of the conditions and requirements of the TSXV to list common shares to be issued from treasury under the Deferred Share Unit Plan, a conversion into and issuance from treasury of common shares; (ii) a cash payment; or (iii) common shares acquired in the open market.

The maximum number of common shares that may be issued from treasury is 4,000,000. Under the Deferred Share Unit Plan, the Company shall not, and shall not be required to, reserve common shares for issuance under the Deferred Share Unit Plan from treasury or issue common shares from treasury to settle Units unless the Company has satisfied the conditions and requirements of the TSXV to list common shares to be issued under the Deferred Share Unit Plan.

The maximum number of common shares issuable to insiders pursuant to the Deferred Share Unit Plan and any other share compensation arrangement within a one-year period shall not exceed 10% of the total number of common shares then outstanding unless disinterested Shareholder approval is obtained. The maximum number of common shares issuable to any one individual pursuant to the Deferred Share Unit Plan and any other share compensation arrangement, within a one-year period, shall not exceed 5% of the total number of common shares then outstanding. No more than an aggregate of 2% of the issued common shares may be granted under the Deferred Share Unit Plan to an employee conducting investor relations activities in any one year period.

Compensation of Directors

The Company does not pay any fees to directors for their services as directors. Directors are, however, entitled to participate in the Share Option Plan and the Deferred Share Unit Plan.

The following table details all compensation provided to the directors for the fiscal year ended December 31, 2008, other than Mr. Jaffar Khan, whose information can be found in the Summary Compensation Table under Executive Compensation on page 14:

Name	Fees Earned (\$)	Share-Based Awards ⁽²⁾ (\$)	Option-Based Awards ⁽³⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
Derek Buntain	-	\$25,400	-	-	-	\$25,400
Jonathan Goodman	-	\$25,400	-	-	-	\$25,400
Ned Goodman	-	\$25,400	-	-	-	\$25,400
R. James Kirker	-	\$25,400	-	-	-	\$25,400
Garth A.C. MacRae	-	\$25,400	-	-	-	\$25,400
Jay Poscente	-	\$25,400	-	-	-	\$25,400
Michael Smith ⁽¹⁾	-	-	\$108,000	-	-	\$108,000

⁽¹⁾ Michael Smith was appointed to the Board on October 16, 2008.

⁽²⁾ Each director listed, other than Michael Smith, was granted 20,000 deferred share units pursuant to the Deferred Share Unit Plan of the Company, on May 22, 2008 at a value of \$1.12 per DSU as of the grant date.

⁽³⁾ Michael Smith was awarded 200,000 options to purchase common shares in the capital of the Company pursuant to the Share Option Plan of the Company, on October 16, 2008. These options have an exercise price of \$0.54 and expire on October 16, 2013.

Outstanding Share-Based Awards and Option-Based Awards Table

The following table provides a summary, award by award, of all share based awards and unexercised option awards held as at December 31, 2008 by each of the Directors of the Company other than Mr. Jaffar Khan:

Name and Award Date(s) ⁽¹⁾	Option-Based Awards				Share Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options (\$) ⁽²⁾	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested ⁽³⁾ (\$)
Derek Buntain						
Sept 6, 2006	-	-	-	-	10,000	\$4,200
May 17, 2007	300,000	\$1.12	May 17, 2012	\$0	15,000	\$6,300
May 22, 2008	-	-	-	-	20,000	\$8,400
Jonathan Goodman						
Sept 6, 2006	-	-	-	-	10,000	\$4,200
May 17, 2007	200,000	\$1.12	May 17, 2012	\$0	15,000	\$6,300
May 22, 2008	-	-	-	-	20,000	\$8,400
Ned Goodman						
Sept 6, 2006	-	-	-	-	10,000	\$4,200
May 17, 2007	350,000	\$1.12	May 17, 2012	\$0	15,000	\$6,300
May 22, 2008	-	-	-	-	20,000	\$8,400
R. James Kirker						
Sept 6, 2006	-	-	-	-	10,000	\$4,200
May 17, 2007	200,000	\$1.12	May 17, 2012	\$0	15,000	\$6,300
May 22, 2008	-	-	-	-	20,000	\$8,400
Garth A.C. MacRae						
Sept 6, 2006	-	-	-	-	10,000	\$4,200
May 17, 2007	200,000	\$1.12	May 17, 2012	\$0	15,000	\$6,300
May 22, 2008	-	-	-	-	20,000	\$8,400
Jay Poscente ⁽³⁾						
May 17, 2007	200,000	\$1.12	May 17, 2012	\$0	15,000	\$6,300
May 22, 2008	-	-	-	-	20,000	\$8,400
Michael Smith						
Oct 16, 2008	200,000	\$0.54	Oct 13, 2013	\$0	-	-

⁽¹⁾ Awards to Mr. Jaffar Khan are included in the Named Executive Officer Share Based Awards and Option Based Awards Table below.

⁽²⁾ This value is based on the difference between the market value of the shares underlying the options at the end of the most recently completed financial year, and the exercise price of the option. As at December 31, 2008, none of the options held by NEOs were in-the-money.

⁽³⁾ In accordance with the terms of the Deferred Share Unit Plan, the NEO is only entitled to payment in respect of the Units when he ceases to be a director of the Company or an affiliate thereof. This value is determined by multiplying the number of Units awarded to the NEO by the market value of the common shares as at December 31, 2008.

Incentive Plan Awards

No share-based or option-based awards vested during the financial year ended December 31, 2008. There was no compensation earned in 2008 in respect of all non-equity incentive plan.

EXECUTIVE COMPENSATION

The following table (presented in accordance with NI 51-102) sets forth all Compensation for services in all capacities to the Company for the financial year ended December 31, 2008 in respect of each of the individuals who were, at December 31, 2008, the Chief Executive Officer, the Chief Financial Officer and the other most highly compensated executive officers of the Company.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Annual Non-Equity Incentive Plan Compensation (\$)	All Other Compensation ⁽⁴⁾ (\$)	Total Compensation (\$)
Jaffar Khan President and Chief Executive Officer	2008	\$200,000 ⁽⁵⁾	\$25,400 ⁽⁶⁾	-	-	-	\$225,400
Andrew Constantinidis ⁽¹⁾ Vice President and Chief Financial Officer	2008	\$137,711	-	-	-	\$255,750	\$393,461
Joanne Ferstman ⁽²⁾ Executive Vice President and Chief Financial Officer	2008	-	-	-	-	-	-
Bruce Sherley ⁽³⁾ Executive Vice President and Chief Operating Officer	2008	\$198,057	-	-	-	\$190,000	\$388,057
James Batchelor ⁽³⁾ Vice President, Exploration	2008	\$170,781	-	-	-	\$165,000	\$355,781

⁽¹⁾ Andrew Constantinidis ceased to be the Vice President and Chief Financial Officer of the Company on October 21, 2008. On the same date, Mr. Constantinidis entered into a Services Agreement with the Company whereby Mr. Constantinidis would provide certain services to the Company during a specified transition period. See "Management Agreement" below.

⁽²⁾ Joanne Ferstman became Executive Vice President and Chief Financial Officer on October 21, 2008.

⁽³⁾ Bruce Sherley and James Batchelor ceased to be employees and executive officers of the Company on October 21, 2008. The aggregate base salary amounts include payments to the NEO made by the Company up to October 21, 2008 and following such date payments from Dundee Resources Limited, a wholly-owned subsidiary of Dundee Corporation in respect of services provided by the NEO to the Company.

⁽⁴⁾ Represents severance and related termination payments earned by the NEO in 2008 pursuant to the NEO's termination of employment agreement. Certain of these amounts were paid in 2009. See "Termination Benefits" below.

⁽⁵⁾ An aggregate of \$200,000 was paid to Mr. Khan in 2008 by Eurogas International Inc., however \$100,000 represents compensation for services provided to the Company.

⁽⁶⁾ 20,000 DSU's were granted on May 22, 2008 at \$1.27. The value of \$25,400 is determined by multiplying the number of Units by the closing price of the underlying common shares on the grant date.

OUTSTANDING OPTION-BASED AWARDS TABLE

The following table provides a summary of all share based awards and option based awards granted before the fiscal year ended December 31, 2008 to each of the Named Executive Officers:

Name and Award Date	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ⁽²⁾ (\$)
<i>Jaffar Khan</i>						
Mar 16, 2005	600,000	-	-	-	-	-
Sept 6, 2006	-	-	-	-	10,000	\$4,200
May 17, 2007	200,000	\$1.12	May 17, 2012	\$0	15,000	\$6,300
May 22, 2008	-	-	-	-	20,000	\$8,400
<i>Andrew Constantinidis⁽³⁾</i>						
June 20, 2004	400,000	\$0.32	July 20, 2009	\$40,000	-	-
May 30, 2006	150,000	\$1.65	May 30, 2011	\$0	-	-
<i>Joanne Ferstman</i>						
May 17, 2007	500,000	\$1.12	May 17, 2012	\$0	-	-
<i>Bruce Sherley</i>						
Mar 23, 2005	100,000	\$1.26	Mar 23, 2010	\$0	-	-
May 30, 2006	200,000	\$1.65	May 30, 2011	\$0	-	-
<i>James Batchelor</i>						
Mar 23, 2005	50,000	\$1.26	Mar 23, 2010	\$0	-	-
May 30, 2006	100,000	\$1.65	May 30, 2011	\$0	-	-

⁽¹⁾ The value is based on the difference between the market value of the common shares underlying the options at December 31, 2008, and the exercise price of the option.

⁽²⁾ Deferred Share Units were issued to Jaffar Khan in each of 2006, 2007 and 2008, at a price of \$1.40, \$1.12 and \$1.27, respectively. The payout value of DSU's was determined by reference to the dollar value of the underlying shares on December 31, 2008.

⁽³⁾ On January 7, 2009, Mr. Constantinidis exercised 400,000 options. All remaining unexercised options held by Mr. Constantinidis expired on January 15, 2009, following termination of Mr. Constantinidis' employment.

Incentive Plan Awards

There were no in-the-money option-based or share-based awards during 2008 which vested to the NEO's in the fiscal year ended December 31, 2008.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as described in this Information Circular, and to the knowledge of the Company, none of the directors, officers or insiders of the Company, any proposed nominee for election as a director or any associate or affiliate of the foregoing has, or has had, any material interest in any transaction since the commencement of the last financial year or in any proposed transaction that has materially affected, or will materially affect, the Company or any of its affiliates.

TERMINATION BENEFITS

James Batchelor

Mr. Batchelor's employment with Eurogas ceased on October 21, 2008. Pursuant to his termination agreement, Mr. Batchelor received \$165,000 less applicable statutory deductions and any amounts owing by him to Eurogas. This aggregate amount included statutory pay in lieu of notice, a bonus payment in respect of the 2008 financial year (which was paid in 2009) and an additional compensation amount in connection with Mr. Batchelor executing a release in favour of Eurogas. The termination agreement signed by Mr. Batchelor also contains a confidentiality clause.

Andrew Constantinidis

Mr. Constantinidis' employment with Eurogas ceased on October 21, 2008. Pursuant to his termination agreement, Mr. Constantinidis received an amount totalling \$255,750 less applicable statutory deductions and any amounts owing by him to Eurogas. This aggregate amount included statutory pay in lieu of notice and an additional compensation payment comprised of a bonus payment in respect of the 2008 financial year, compensation for compliance with the terms of an interim services agreement, as described under "Management Contracts" below, entered into by Mr. Constantinidis and Eurogas, as well as in respect of Mr. Constantinidis executing a release in favour of Eurogas. The termination agreement signed by Mr. Constantinidis also contains a confidentiality clause and for a period of 24 months following termination of the interim services agreement a non-solicitation and non-competition clause.

Bruce Sherley

Mr. Sherley's employment with Eurogas ceased on October 21, 2008. Pursuant to his termination agreement, Mr. Sherley received an amount totalling \$190,000 less applicable statutory deductions and any amounts owing by him to Eurogas. This aggregate amount included statutory pay in lieu of notice, a bonus payment in respect of the 2008 financial year and an additional compensation amount in connection with Mr. Sherley executing a release in favour of Eurogas. The termination agreement signed by Mr. Sherley also contains a confidentiality clause.

MANAGEMENT CONTRACTS

Andrew Constantinidis Interim Services Agreement

The Company entered into a services agreement on October 21, 2008 with Mr. Constantinidis pursuant to which he agreed to provide certain services to the Company for approximately five (5) months. Mr. Constantinidis was entitled to compensation in consideration for his services equal to \$14,208 per month plus GST (if applicable). The Company is entitled to terminate the services agreement at any time prior to the end date upon two (2) weeks' prior written notice to Mr. Constantinidis or at any time without notice if Mr. Constantinidis' services are terminated for cause. Mr. Constantinidis is entitled to terminate the services agreement upon two (2) weeks prior written notice to the Company but in such event would forfeit all rights to a portion of the additional compensation payment described above.

Bruce Sherley and James Batchelor ceased to be employees and executive officers of the Company on October 21, 2008, however, they continue to provide services to the Company through Dundee Resources Limited, a wholly-owned subsidiary of Dundee Corporation.

AUDIT COMMITTEE

Composition

The Audit Committee of the directors of the Company is comprised of three directors, being Messrs. Buntain, MacRae and Poscente all of whom are independent and all of whom are financially literate.

Effective May 22, 2009, Mr. Poscente is not standing for re-election to the Board, therefore he will no longer be a member of the Audit Committee and will be replaced. This committee is responsible for reviewing the Company's financial reporting procedures, internal controls, the performance of the Company's auditor and reviewing the reserve evaluations prepared by the Company's independent engineering consultants. The committee is also responsible for reviewing quarterly and annual financial statements prior to their approval by the full Board.

RELEVANT EDUCATION AND EXPERIENCE

Derek Buntain, MBA, has served as a director of the Company since 1994. Mr. Buntain has nearly 30 years of experience in the investment industry in Canada and abroad and is a member of several public company boards and audit committees.

Garth A.C. MacRae, Chartered Accountant, has served as a director of the Company since 1994. Mr. MacRae has over 18 years of public accounting experience, and has held executive positions with Hudson Bay Mining, Brinco Limited and Denison Mines Limited. Mr. MacRae is currently a director and member of the audit committee of Breakwater Resources Ltd., Dundee Corporation, DundeeWealth Inc., Dundee Precious Metals Inc., GeneNews Limited, Torque Energy Inc. and Uranium Participation Corporation.

AUDIT COMMITTEE CHARTER

The full text of the Company's Audit Committee charter is attached as Schedule A to this Information Circular.

PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee pre-approves the retention of the independent auditor for any significant non-audit services permitted under applicable securities law and the fee for such services.

EXTERNAL AUDITOR SERVICE FEES

The following table provides information about the fees billed to the Company for professional services rendered by the auditors during the fiscal years 2008 and 2007:

	2008 ⁽⁴⁾	2007 ⁽⁵⁾
Audit Fees ⁽¹⁾	105,000	227,860
Audit-Related Fees ⁽²⁾	93,250	nil
Tax Fees ⁽³⁾	2,000	55,389
All Other Fees	91,844	nil
Total	292,134	283,249

⁽¹⁾ Audit fees consist of fees for the audit of the Company's annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements.

⁽²⁾ Audit-related fees consist of fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported as Audit Fees.

⁽³⁾ Tax services for 2008 and 2007 include corporate tax compliance work and tax planning.

⁽⁴⁾ Audited by PricewaterhouseCoopers LLP.

⁽⁵⁾ Audited by Ernst & Young LLP.

EXEMPTION

The Company is relying on the exemption in section 6.1 of Multilateral Instrument 52-110 – Audit Committees exempting it from the requirement of Parts 3 and 5 (Composition of the Audit Committee and Reporting Obligations).

PROPOSALS

Proposals for any matters that persons entitled to vote at the next annual shareholders meeting propose to raise at the said meeting must be received by the Company at the latest on January 24, 2010.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com and on the Company's website at www.eurogascorp.com. Shareholders can request copies of the Company's financial statements and Management's Discussion & Analysis by e-mailing eurogas@eurogascorp.com or by requesting a copy from the Company at (403) 264-4985. The Company's financial information is provided in the Company's comparative, consolidated financial statements and Management's Discussion & Analysis for its most recently completed financial year, all of which have been filed on SEDAR.

DIRECTORS' APPROVAL

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

DATED at Toronto, Ontario as of the 24th day of April, 2009.

SCHEDULE A

TO THE MANAGEMENT INFORMATION CIRCULAR OF EUROGAS CORPORATION

Dated April 24th, 2009

CHARTER OF THE AUDIT COMMITTEE

The primary responsibility of the Audit Committee (the "Committee") is to oversee the Company's financial reporting process and disclosure policies on behalf of the Board in order to assist the directors of the Company in meeting their responsibilities with respect to complete, timely and accurate regulatory filings by the Company, including financial reporting.

Management is responsible for the preparation, presentation and integrity of the Company's financial statements and for the appropriateness of the accounting principles, internal controls, and disclosure and reporting policies that are used by the Company. The independent auditors are responsible for auditing the Company's annual financial statements and for reviewing the Company's interim financial statements.

The role, responsibility, authority and power of the Committee shall include, but not be limited to:

1. The Committee shall be directly responsible for the appointment and termination (subject to board and shareholder ratification), compensation and oversight of the work of the independent auditors, including resolution of disagreements between management and the independent auditors regarding financial reporting;
 - (a) The Committee shall ensure that at all times there are direct communication channels between the Committee and the internal auditors, if applicable, and the external auditors of the Company to discuss and review specific issues, as appropriate;
 - (b) The Committee shall discuss with the independent auditors (and internal auditors, if applicable) the overall scope and plans for their audits, including the adequacy of staff. The Committee shall discuss with Management and the independent auditors the adequacy and effectiveness of the accounting and financial controls including the Company's policies and procedures to assess, monitor, and manage business risk, legal risk and adherence to the Company's ethical compliance programs;
 - (c) The Committee shall, at least annually, obtain and review a report by the independent auditors:
 - (i) describing their internal quality control procedures;
 - (ii) any material issues raised by the most recent internal quality control review, or peer review, or any inquiry or investigation by government or professional institute or society, within the preceding five years, respecting any independent audit carried out by the independent auditors, and any steps taken to deal with any such issues; and
 - (iii) all relationships between the independent auditor and the Company in order to assess auditor's independence;
 - (d) The Committee shall meet separately, on a regular basis, with Management and the independent auditors to discuss any issues or concerns warranting Committee attention. As part of this process, the Committee shall provide sufficient opportunity for the independent auditors to meet privately with the Committee;

- (e) The Committee shall receive regular reports from the independent auditors on critical policies and practices of the Company, including all alternative treatment of financial information within generally accepted accounting principles which have been discussed with management. Where alternative treatment exists, the independent auditors shall be invited to express their opinion as to whether the Company is using best practices;
- (f) The Committee shall review Management's policies and processes relating to its effectiveness of internal controls as of the end of the most recent fiscal year and the independent auditors' report on Management's assertion;
- (g) The Committee shall review and discuss earnings press releases, as well as information and earnings guidance provided to analysts and rating agencies;
- (h) The Committee shall review the interim and annual financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations with Management and with the independent auditors prior to recommending them to the Board of Directors for approval for release or inclusion in any reports to shareholders and/or regulatory authorities;
- (i) The Committee shall monitor the effectiveness of and compliance with the Company's disclosure procedures;
- (j) The Committee shall receive reports, if any, from the Company's legal representatives of evidence of material violation of securities laws or breaches of fiduciary duty;
- (k) The Committee should review and ensure that procedures are in place for the receipt, retention and treatment of complaints received by the Company regarding accounting and auditing matters, as well as the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;
- (l) The Committee shall meet as often as it deems appropriate to discharge its responsibilities and, in any event, at least four times per year. Additional meetings may be held as deemed necessary by the Chairman of the Audit Committee or as requested by any member or the external auditors;
- (m) The Committee shall review all issues related to a change of auditor, including the information to be included in the notice of change of auditor and the planned steps for an orderly transition;
- (n) At all times, the membership of the Committee shall be such that:
 - (i) it shall be comprised of no fewer than three members of the Board;
 - (ii) a majority of the members thereof shall be "independent" directors of the Company, within the meaning of Policy 3.1 of The Toronto Stock Exchange – Venture Company Manual; and
 - (iii) Committee members shall not receive any compensation from the Company other than in the member's capacity as a member of the Board of Directors and any Board committee;
- (o) No business shall be transacted by the Committee except:
 - (i) at a meeting of the members thereof at which:
 - (A) a majority of the members thereof are present;

- (B) a majority of the members thereof present are “independent” of the Company;
- (ii) by a resolution in writing signed by all of the members of the Committee.

April 2009