



Storm Resources Ltd.

Suite 800, 205 – 5th Avenue S.W.
Calgary, Alberta T2P 2V7

INFORMATION CIRCULAR for the Annual and Special Meeting of the Holders of Common Shares to be held on Thursday, May 17, 2012

THIS INFORMATION CIRCULAR (the “**Circular**”) IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY OR ON BEHALF OF THE MANAGEMENT OF STORM RESOURCES LTD. (the “**Corporation**”) for use at the Annual and Special Meeting of the holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of the Corporation to be held at Livingston Place Conference Centre, 2nd Floor, Livingston Place South Tower, 222 – 3rd Avenue S.W., Calgary, Alberta on Thursday, May 17, 2012 at 3:30 p.m. (Calgary time), and any adjournment or adjournments thereof (the “**Meeting**”) for the purposes set forth in the accompanying Notice of Meeting.

Unless otherwise specified, the information contained herein is given as at April 18, 2012.

SOLICITATION OF PROXIES

The solicitation of proxies is made on behalf of the management of the Corporation. Solicitation of proxies by management will be primarily by mail, but may also be in person or by telephone. The cost of solicitation will be borne by the Corporation.

RECORD DATE

The record date for the Meeting is April 5, 2012. Any Shareholder of record at the close of business on April 5, 2012 who either personally attends the Meeting or has completed and delivered a form of proxy in the manner and subject to the provisions described below will be entitled to vote or to have his or her Common Shares voted at the Meeting. To the extent that a registered Shareholder has transferred the ownership of any shares subsequent to April 5, 2012, the transferee of such Common Shares shall not be entitled to vote such Common Shares unless the transferee produces properly endorsed share certificates, or otherwise establishes that they own the Common Shares and requests, not later than ten (10) days before the Meeting, that their name be included on the shareholder list before the Meeting, in which case the transferee shall be entitled to vote their Common Shares at the Meeting.

COMPLETION OF PROXIES

The form of proxy affords Shareholders or intermediaries an opportunity to specify that the Common Shares registered in their name shall be voted for or against or withheld from voting in respect of fixing the number of directors for the ensuing year; the election of directors; the appointment of the auditor of the Corporation (including in the resolution the authority for the directors to fix the remuneration of the auditor); the continuance of the Corporation’s stock option plan and on certain other matters as specified in the accompanying Notice of Meeting or any other matter which may properly come before the Meeting or any adjournment or adjournments thereof.

The persons named in the enclosed form of proxy are the President and Chief Executive Officer and the Chief Financial Officer, respectively, of the Corporation.

A REGISTERED SHAREHOLDER OR AN INTERMEDIARY HOLDING COMMON SHARES ON BEHALF OF AN UNREGISTERED SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE THE SHAREHOLDER, TO ATTEND AND ACT ON THEIR BEHALF AT THE MEETING, IN THE PLACE OF THE PERSONS DESIGNATED IN THE FORM OF PROXY FURNISHED BY THE CORPORATION. TO EXERCISE THIS RIGHT, THE SHAREHOLDER OR INTERMEDIARY SHOULD STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE FORM OF PROXY AND INSERT THE NAME OF THEIR NOMINEE IN THE BLANK SPACE PROVIDED, OR SUBMIT ANOTHER APPROPRIATE PROXY.

A proxy must be dated and signed by the registered Shareholder, or by his or her attorney authorized in writing or by the intermediary. In the case of a Shareholder that is a corporation, the proxy must be executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation with proof of authority accompanying the proxy.

In order to be effective, the proxy, together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof, must be mailed so as to be deposited at the office of the Corporation's transfer agent, Alliance Trust Company, 450, 407 - 2nd Street S.W., Calgary, Alberta, T2P 2Y3, not later than 3:30 p.m. (Calgary time) on the second last business day preceding the day of the Meeting or any adjournment thereof or deposited with the Chairman of the Meeting on the day of the Meeting prior to the commencement of the Meeting. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date of its execution. If a proxy is not dated, it will be deemed to bear the date on which it was mailed by management of the Corporation.

EXERCISE OF DISCRETION BY PROXIES

A Shareholder or intermediary may indicate the manner in which the persons named in the enclosed form of proxy are to vote with respect to any matter by checking the appropriate space. On any poll, those persons will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the directions, if any, given in the form of proxy. If the Shareholder or intermediary wishes to confer a discretionary authority with respect to any matter, the space should be left blank. **IN SUCH INSTANCE, THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY INTEND TO VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MOTION.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing of the Circular, management of the Corporation knows of no such amendment, variation or other matter. However, if any other matters which are not now known to management should properly come before the Meeting, the proxies in favour of management nominees will be voted on such matters in accordance with the best judgment of the management nominees.

REVOCAION OF PROXIES

A Shareholder or intermediary who has submitted a proxy may revoke it by instrument in writing executed by the Shareholder or intermediary or his or her attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal and executed by a director, officer or attorney thereof duly authorized, and deposited either with the Corporation at its offices as aforesaid at any time prior to the close of business on the second last business day preceding the day of the Meeting, or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting, and upon such deposit the previous proxy is revoked.

ADVICE TO BENEFICIAL HOLDERS OF SECURITIES

The information set forth in this section is of significant importance to many public Shareholders of the Corporation, as a substantial number of the public Shareholders of the Corporation do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to in this Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the 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 nominee 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, brokers and nominees are prohibited from voting Common Shares for their clients. The directors and officers of the Corporation do not know for whose benefit the Common Shares registered in the name of CDS & Co. are held. Therefore, Beneficial Shareholders cannot be recognized at the Meeting for the purposes of voting the Common Shares in person or by way of proxy, except as set forth below.

Applicable regulatory policy requires intermediaries and brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary and 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. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“BFSI”). BFSI typically prepares its own proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to BFSI. BFSI 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 proxy from BFSI cannot use that proxy to vote Common Shares directly at the Meeting - the proxy must be returned to BFSI well in advance of the Meeting in order to have the Common Shares voted.**

IF YOU ARE A BENEFICIAL SHAREHOLDER AND WISH TO VOTE IN PERSON AT THE MEETING, PLEASE CONTACT YOUR BROKER OR AGENT WELL IN ADVANCE OF THE MEETING TO DETERMINE HOW YOU CAN DO SO.

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

Except as disclosed in this Circular, Management of the Corporation is not aware of any material interest, direct or indirect, of any director or nominee for director, or senior officer or any one who has held office as such, since the beginning of the Corporation’s last financial year or any associates or affiliates of any of the foregoing in any matter to be acted on at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of Common Shares, and an unlimited number of preferred shares, issuable in series. As at December 31, 2011, an aggregate of 26,376,970 Common Shares were issued and outstanding; no preferred shares were issued or outstanding. As at March 30, 2012, an aggregate of 61,824,256 Common Shares were issued and outstanding; no preferred shares were issued or outstanding. Shareholders of Common Shares are entitled to one vote for each share held.

Any registered Shareholder of the Corporation at the close of business on April 5, 2012 who either personally attends the Meeting or who completes and delivers a proxy will be entitled to vote or have his or her Common Voting Shares voted at the Meeting. However, a person appointed under the form of proxy will be entitled to vote the Common Voting Shares represented by that form only if it is effectively delivered in the manner set out under the heading “Completion of Proxies”.

To the best of the knowledge of the directors and officers of the Corporation, no person beneficially owns, directly or indirectly, or exercises control or discretion over more than 10% of the voting rights attached to voting securities of the Corporation other than funds managed by Libra Advisors, LLC which holds 7,094,037 Common Shares (11.5%) of the Corporation.

MATTERS TO BE ACTED UPON AT THE MEETING

1. Fixing the Number of Directors

It is proposed that the number of directors to be elected at the Meeting to hold office until the next annual meeting or until their successors are elected or appointed, subject to the Articles and By-Laws of the Corporation, be fixed at eight (8). There are presently eight (8) directors of the Corporation, each of whom will retire from office at the Meeting. Each of the current directors is a nominee for election as a director for the ensuing year at the Meeting.

IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE FOR THE RESOLUTION FIXING THE NUMBER OF DIRECTORS FOR THE ENSUING YEAR AT EIGHT (8), UNLESS OTHERWISE DIRECTED.

2. Election of Directors

Action is to be taken at the Meeting with respect to the election of directors. The board of directors (the “**Board**” or “**Board of Directors**”) of the Corporation presently consists of eight (8) members. It is proposed that the under mentioned persons will be nominated at the Meeting.

IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE FOR THE ELECTION OF THE FOLLOWING PERSONS TO THE BOARD OF DIRECTORS UNLESS OTHERWISE DIRECTED. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF SUCH NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. HOWEVER, IF FOR ANY REASON ANY OF THE PROPOSED NOMINEES DOES NOT STAND FOR ELECTION OR IS UNABLE TO SERVE AS SUCH, **THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, RESERVE THE RIGHT TO VOTE FOR ANY OTHER NOMINEE IN THEIR SOLE DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS OR HER PROXY THAT HIS OR HER COMMON SHARES ARE TO BE WITHHELD FROM VOTING ON THE ELECTION OF DIRECTORS.**

Each director elected will hold office until the next annual meeting of the Corporation or until his successor is duly elected or appointed, unless his office be earlier vacated in accordance with the Corporation's By-Laws. The following information relating to the nominees as directors 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 city of residence of each of the persons proposed to be nominated for election as a director, his principal occupation at present, all other positions and offices in the Corporation held by him, the year in which he was first elected a director, and 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.

Nominees as Directors	Position Presently Held	Director Since	Principal Occupation for Previous Five Years	Common Shares Beneficially Owned or Controlled as of March 30, 2012 ⁽⁴⁾
Stuart G. Clark ⁽¹⁾ Priddis, Alberta Age: 57	Chairman and Director	June 8, 2010	August 2010 – Present: Company Director and Officer; June 2004 – August 2010: Director and Officer of Storm Exploration Inc. (“SEO”).	3,068,193
Brian Lavergne Calgary, Alberta Age: 46	President, Chief Executive Officer and Director	June 8, 2010	August 2010 – Present: President and Chief Executive Officer and a Director of the Corporation; June 2004 – August 2010; President and Chief Executive Officer and a Director of SEO.	1,614,578
Matthew J. Brister ⁽³⁾ Calgary, Alberta Age: 53	Director	June 8, 2010	June 2003 - Present: President and Chief Executive Officer and a Director, Chinook Energy Inc. (“Chinook”); July 2004 – August 2010: Director and Officer of SEO.	1,449,797
John A. Brussa ⁽²⁾ Calgary, Alberta Age: 55	Director	June 8, 2010	Partner with Burnet, Duckworth & Palmer LLP.	278,560
James K. Wilson ⁽¹⁾ Calgary, Alberta Age: 59	Director	June 8, 2010	October 2010 – Present: Chief Financial Officer of Mako Energy Limited and Managing Director, Walwil Resources Ltd.; September 2004 – September 2010: Vice President, Finance and Chief Financial Officer, Grizzly Resources Ltd.; March to August 2010: Director and Officer of SEO.	55,200
Mark A. Butler ⁽¹⁾⁽²⁾ Calgary, Alberta Age: 50	Director	June 8, 2010	December 2007 – Present: Business Consultant; June 2005 – December 2007: President Westpac LNG Corporation; May – August 2010: Director and Officer of SEO.	196,363
P. Grant Wierzba ⁽³⁾ Calgary, Alberta Age: 61	Director	June 8, 2010	November 2004 - Present: Vice President, Production and Chief Operating Officer, Canada and a Director, Chinook; July 2004 – August 2010: Director and Officer of SEO.	497,518
Gregory G. Turnbull, QC ⁽²⁾ Calgary, Alberta Age: 57	Director	June 8, 2010	Partner with McCarthy Tétrault LLP.	147,830

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Compensation, Governance and Nomination Committee.
- (3) Member of the Reserves Committee.

- (4) In addition to Common Shares, the directors (other than Mr. Lavergne whose option holdings are disclosed on page 12 hereof) each own options to purchase 36,000 Common Shares, which options have an exercise price of \$3.28 per Common Share, of which 1/3 vested on August 18, 2011 and an additional 1/3 vest on August 18, 2012 and August 18, 2013 and expire on August 18, 2014.
- (5) Effective March 3, 2011, Mr. Butler was appointed to the Audit Committee and Mr. Brister ceased to be a member of the Audit Committee.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of management of the Corporation, other than as set forth below, there has been no director or officer, or any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation that is, or within the 10 years before the date of this Information Circular, has been a director or officer of any other issuer that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Gregory G. Turnbull, a director of the Corporation, was a director of Action Energy Inc., a corporation engaged in the exploration, development and production of oil and gas in Western Canada. Action Energy Inc. was placed into receivership on October 28, 2009 by its major creditor and Mr. Turnbull resigned as a director immediately thereafter.

Penalties or Sanctions

To the knowledge of management of the Corporation, no director or officer, or any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has:

- A. been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with the Canadian securities regulatory authority; or
- B. been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

To the knowledge of management of the Corporation, there has been no director or officer, or any shareholder holding sufficient number of securities of the Corporation to affect materially the control of the Corporation, or a personal holding company of any such person that has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

3. Appointment of Auditor

THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, INTEND TO VOTE FOR THE APPOINTMENT OF ERNST & YOUNG LLP, CHARTERED ACCOUNTANTS, CALGARY, ALBERTA, AS THE AUDITOR OF THE CORPORATION, TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF THE SHAREHOLDERS, AT A REMUNERATION TO BE FIXED BY THE BOARD OF DIRECTORS.

Ernst & Young LLP was appointed auditor by the Board of Directors on April 12, 2011 to fill the vacancy resulting from the resignation of PricewaterhouseCoopers LLP.

The aggregate fees billed to the Corporation by Ernst & Young LLP, the Corporation's auditors, in 2011 for audit services were \$37,000. In addition, Ernst & Young LLP billed the Corporation for non-audit services: \$19,000 for non-audit reviews of interim financial statements in 2011; \$29,000 for translation services and review of information circulars; and \$2,000 for tax services. The Audit Committee reviews the annual audit fees and considers the issue of auditor independence in the context of all services provided to the Corporation.

4. Approval of the Corporation's Amended and Restated Stock Option Plan

The Corporation has a Stock Option Plan that was approved by shareholders on August 16, 2010. The Stock Option Plan is a "rolling" plan under which up to 10% of the issued and outstanding common shares of the Corporation from time to time, subject to adjustment in certain circumstances, may be issued. The purpose of the Stock Option Plan is to provide an incentive for directors, officers, key employees and consultants to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Common Shares for the benefit of all the shareholders and increasing the ability of the Corporation to attract and retain individuals of exceptional skill.

As of December 31, 2011, there were 1,978,000 options outstanding of which 646,000 were exercisable at December 31, 2011.

Amendments to Stock Option Plan

Subject to shareholder approval, the Board approved amendments to the Stock Option Plan (the "**Proposed Amendments**"), which are reflected in the Amended and Restated Stock Option Plan attached as Appendix A to this Information Circular and is described in detail under the heading "*Long-Term Incentive Compensation – Stock Option Plan*" beginning on page 9 of this Information Circular.

The Proposed Amendments to the Stock Option Plan are to provide for the withholding and remittance of taxes upon the exercise of options as required by changes to the *Income Tax Act* (Canada).

If the resolution in respect of the Proposed Amendments is passed by shareholders, the Stock Option Plan will be amended such that the Proposed Amendments set forth above will be reflected in the Amended and Restated Plan. The TSX Venture Exchange (the "**TSX-V**") requires the Corporation to obtain annual shareholder approval of the Stock Option Plan. The Corporation is asking shareholders to vote affirmatively on the following resolutions to approve the Amended and Restated Stock Option Plan:

NOW THEREFORE BE IT RESOLVED THAT:

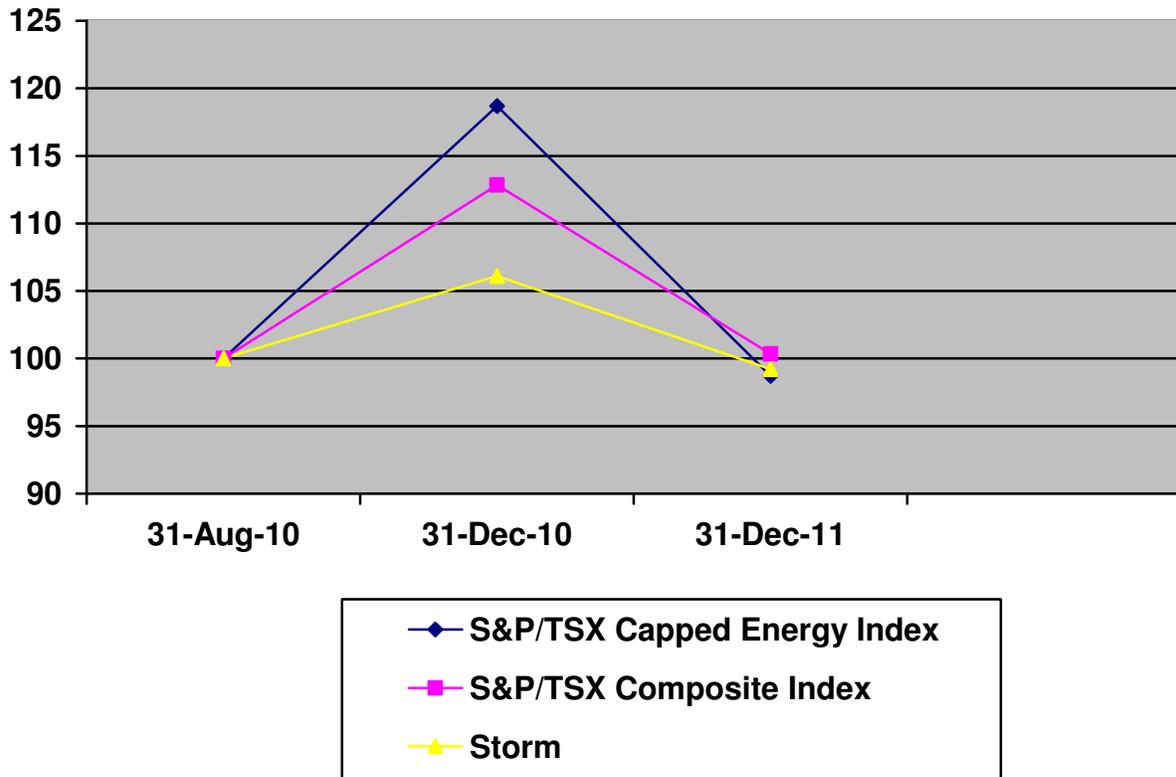
1. the Amended and Restated Stock Option Plan of the Corporation as tabled at the Meeting and the proposed amendments contained therein as substantially described in the Information Circular of the Corporation dated April 18, 2012 is ratified, confirmed and approved;
2. any director or officer of the Corporation is hereby authorized, for and on behalf of the Corporation to execute and deliver such other documents and instruments and take such other actions as such director or officer may determine to be necessary or advisable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such action; and
3. notwithstanding that this resolution has been duly passed by the shareholders of the Corporation, the Board of Directors, in its discretion, may choose not to implement any or all of such proposed amendments.

IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE FOR THE APPROVAL OF THE AMENDED AND RESTATED STOCK OPTION PLAN.

PERFORMANCE GRAPH

The following graph compares the change in the cumulative total Shareholder return since August 31, 2010, of a \$100 investment in the Corporation's Common Shares with the cumulative total return of the S&P/TSX Capped Energy Index and the S&P/TSX Composite Index assuming the reinvestment of dividends, where applicable, for the comparable period. During the period from August 31, 2010 until December 31, 2011, the price per Common Share of the Corporation decreased by 0.8%. During the same period total compensation paid to the Chief Executive Officer did

not increase. Given that the Corporation's executives are compensated at similar levels, the amounts paid to the Chief Executive Officer may be regarded as representative of overall executive compensation. Further executive compensation disclosure is provided on pages 8 through 13 in this Information Circular.



Index	31-Aug-10	31-Dec-10	31-Dec-11
Storm	100	106.10	99.20
S&P/TSX Capped Energy Index ⁽¹⁾	100	118.69	98.72
S&P/TSX Composite Index ⁽²⁾	100	112.84	100.35

Notes:

- (1) The S&P/TSX Capped Energy Index was previously called the S&P/TSX Oil & Gas Exploration and Production Index.
- (2) The S&P/TSX Composite Index was previously called the TSE 300 Index.

EXECUTIVE COMPENSATION

Composition of the Compensation, Governance and Nomination Committee

The Compensation, Governance and Nomination Committee of the Board (the “**Compensation Committee**”) exercises general responsibility regarding overall employee and executive officer compensation. It determines the total compensation of the Chief Executive Officer, subject to Board approval. The Compensation Committee meets with the Chief Executive Officer to review all other salaries and compensation items, but direct approval of these salaries and compensation items is approved by the Board annually in the overall general and administrative expense budget.

The Compensation Committee is comprised of three members: Gregory G. Turnbull, Chairman, Mark A. Butler and John A. Brussa. Mr. Butler is an independent director and is ineligible to participate in any of the Corporation's executive officer compensation programs, other than the Corporation's Stock Option Plan. Messrs. Turnbull and

Brussa are not independent directors as described in Section 1(c) of Appendix B, but are ineligible to participate in any of the Corporation's executive officer compensation programs, other than the Corporation's Stock Option Plan.

Each of Messrs. Brussa and Turnbull are or have been members of the compensation or equivalent committees of other publicly listed corporations and have direct experience with respect to the implementation and application of compensation policies, as well as assessment as to their effectiveness. Each member of the Compensation Committee was a member of the equivalent committee of Storm Exploration Inc. from June 2004 until August 2010.

Report to the Shareholders on Executive Compensation

The objectives of the Corporation's executive compensation policy are to attract and retain individuals of high calibre to serve as officers of the Corporation, to motivate their performance in order to achieve the Corporation's strategic objectives and to align the interests of executive officers with the long-term interests of the Corporation's shareholders. These objectives are designed to ensure that the Corporation continues to grow on an absolute basis as well as to grow cash flow and earnings per share. The Corporation's compensation policy is designed to reward performance and, accordingly, the performance of the Corporation and of the executive officers as individuals are both examined by the Compensation Committee. Some of the elements to be considered in detail by the Compensation Committee in assessing the performance of the executive officers are as follows: (a) annual growth in production and reserves on an aggregate basis and on a per share basis; (b) annual operating costs and general and administrative costs on an aggregate basis and on a per barrel of oil equivalent ("BOE"⁽¹⁾ - see page 11) basis; (c) finding and on stream costs (both annually and over longer periods); (d) overall oil and gas reserve changes, looking at both proved and probable reserves and technical revisions; (e) funds from operations per share changes; and (f) the Corporation's performance relative to its stated goals and objectives and the performance of its industry peer group. Different weight will be given to these factors each year, as determined by the Compensation Committee and communicated to management. It is expected that the primary focus will be on three equally weighted targets: production per share growth, cash costs, and finding, development and acquisition costs.

Element (e) in the preceding paragraph, funds from operations per share, does not conform to generally accepted accounting principles ("**GAAP**"). The most similar GAAP compliant measure is cash flows from operating activities. Non-GAAP funds from operations is derived from cash flows from operating activities by adding to or reducing cash flow from operating activities by the amount of the net change in related non-cash working capital items for the reporting period.

The Compensation Committee does not set specific performance objectives in assessing the performance of the Chief Executive Officer; rather the Compensation Committee reviews results and uses its experience and judgment in determining an overall compensation package for the executive officers.

Executive officer compensation consists of essentially two components: (a) base salary; and (b) bonuses and participation in long-term incentive compensation programs. More specifically, Storm's executive compensation philosophy is based on encouraging a higher relative level of share ownership by the executive group and includes: (i) options, which represent a longer term incentive as they do not fully vest until three years after date of grant; and (ii) cash compensation, which includes salaries based on industry compensation surveys plus a cash bonus if corporate performance has met or exceeded peer group comparisons.

Each component of the Corporation's executive officer compensation arrangements is briefly described as follows.

Base Salaries

The Corporation intends to pay base salaries that are competitive with, but not above, those of comparable companies in the oil and gas industry. The Compensation Committee compares the base salaries of the executive officers of the Corporation with that of executive officers at peer surveyed companies in the oil and gas industry and expects to set executive officers' pay levels at comparable levels for each position while attempting to adjust for the Corporation's size at the start of each year. Factors looked at in assessing peer companies include total revenue, total assets, funds from operations, total level of capital expenditures, total operating and general and administrative expenses, number of employees and daily production levels. The Compensation Committee may review comparative data provided by independent third parties. Typically, base salaries for executive officers are lower while equity ownership, including stock options, is at a higher level.

For the year ended December 31, 2011, a formal benchmark was not established as compensation levels for 2011 were unchanged from the prior period. The Compensation Committee recognizes that as the Corporation is at an early

stage in its development, the identification of a representative group of companies that could form a benchmark is not possible. As compensation levels of executive officers in 2011 were unchanged from the prior period, measurable performance goals were not established. Instead the Compensation Committee used its knowledge of compensation policies applicable to other junior oil and gas companies. It is the view of the Compensation Committee that the named executive officers were paid a level lower than peers at other similar enterprises.

Retention of named executive officers is a risk considered by the Compensation Committee. The Compensation Committee is of the view that the personal investment of these individuals in the Corporation provides considerable incentive for them to remain as officers of the Corporation.

Bonuses

The Compensation Committee's long-term philosophy with respect to executive officer bonuses is to bring overall executive officer cash compensation (i.e., salary and bonus if applicable) to a level similar to that of the average total cash compensation of peer surveyed companies during the year in question if performance of the Corporation justifies a bonus pool. The Compensation Committee reviews the performance elements above relative to peer companies in order to determine whether a bonus is in fact warranted. The amount of bonus paid is set in relation to specific criteria which typically includes all-in finding, development and acquisition costs, recycle ratio, total cash costs, production per share growth, and is approved by the Board based upon the recommendations of the Compensation Committee. No bonuses were paid for the 2011 year.

Long-Term Incentive Compensation

Stock Option Plan

Key to the Corporation's long-term incentive compensation program is its Stock Option Plan. Directors, key employees and officers, consultants of the Corporation and its subsidiaries (the "**Participants**") are eligible to participate in the Stock Option Plan. As of December 31, 2011, all of the Corporation's employees and directors participated in the Stock Option Plan. Awards are granted at varying levels consistent with the individual's level of responsibility within the Corporation. All awards are approved by the Board of Directors.

Description of the Plan

Pursuant to the TSX-V Option Policy, the Corporation is permitted to maintain a "rolling 10%" stock option plan. On July 8, 2010, the directors of the Corporation approved the Stock Option Plan, pursuant to which the Corporation options to purchase Common Shares may be granted. On August 16, 2010, the shareholders of the Corporation approved the Stock Option Plan. At the Meeting, shareholders of the Corporation will be asked to approve an Amended and Restated Stock Option Plan with the only material amendment being the provision of withholding and remittance of taxes upon the exercise of options as required by changes to the *Income Tax Act* (Canada). See "*Matters to be Acted Upon at the Meeting – 4. Approval of the Corporation's Amended and Restated Stock Option Plan*".

Eligibility

The Stock Option Plan provides for the granting of Options to purchase Common Shares to directors, officers, key employees and consultants of the Corporation.

Administration

The Stock Option Plan is administered by the Board of Directors and the Board of Directors may, subject to applicable law, delegate its powers to administer the Stock Option Plan to a committee of the Board of Directors. Options may be granted at the discretion of the Board of Directors, in such number that may be determined at the time of grant, subject to the limits set out in the Stock Option Plan.

Exercise Price

The exercise price of Options granted under the Stock Option Plan will be fixed by the Board of Directors at the time of grant, provided that the exercise price shall be not less than the greater of: (i) the Discounted Market Price (as such term is defined in the Stock Option Plan) of the Common Shares; or (ii) the VWAP (as such term is defined in the Stock Option Plan) of the Common Shares for the five trading days immediately preceding the date of grant. The

exercise price as calculated above is intended to be the fair market value of the Common Shares at the date of grant and, subject to the approval of the Board of Directors, the TSX-V and the shareholders of the Corporation (where required), the exercise price may be adjusted if necessary to achieve that result. Disinterested Shareholder Approval (as such term is defined in the Stock Option Plan) will be required for the reduction of the exercise price of any Options.

Maximum Percentage of Common Shares Reserved

The aggregate number of Common Shares that may be issued pursuant to the exercise of Options awarded under the Stock Option Plan and all other share compensation arrangements of the Corporation is 10% of the Common Shares outstanding from time to time, subject to the following limitations:

1. the aggregate number of Common Shares reserved for issuance to any one person under the Stock Option Plan, together with all other share compensation arrangements of the Corporation, within a 12-month period, must not exceed 5% of the outstanding issue of Common Shares (on a non diluted basis);
2. the aggregate number of Common Shares reserved for issuance to any one insider (as defined in the Stock Option Plan) and such insider's associates pursuant to the Stock Option Plan, together with all other share compensation arrangements of the Corporation, must not exceed 5% of the outstanding issue of Common Shares;
3. the aggregate number of Common Shares reserved for issuance to insiders pursuant to the Stock Option Plan, together with all other share compensation arrangements of the Corporation, within a 12-month period, must not exceed 10% of the outstanding issue of Common Shares;
4. the aggregate number of Common Shares reserved for issuance to any one participant employed to provide investor relations activities (as defined in the Stock Option Plan) within a 12-month period, must not exceed 2% of the outstanding issue of Common Shares;
5. the aggregate number of Common Shares reserved for issuance to consultants pursuant to the Stock Option Plan, together with all other share compensation arrangements of the Corporation, shall not exceed 2% of the outstanding issue of Common Shares; and
6. the aggregate number of Common Shares reserved for issuance to any single consultant under the Stock Option Plan, together with all other share compensation arrangements of the Corporation, within a 12-month period, shall not exceed 2% of the outstanding issue of Common Shares.

Transferability

The Options are not assignable or transferable by an optionee, except for a limited right of assignment in the event of the death of the optionee.

Term and Vesting

The term of Options granted shall be determined by the Board of Directors in its discretion, to a maximum of four years from the date of the grant of the Option. The vesting period or periods within this period during which an Option or a portion thereof may be exercised shall be determined by the Board of Directors. In the absence of any determination by the Board of Directors as to vesting, and subject to the policies of the TSX-V, vesting shall be as to one-third on each of the first, second and third anniversaries of the date of grant. Further, the Board of Directors may, in its sole discretion at any time or in the Option agreement in respect of any Options granted, accelerate or provide for the acceleration of, vesting of Options previously granted.

Early Expiration

Unless otherwise provided in an agreement evidencing the grant of Options, Options shall terminate at the earlier of: (i) the close of business 30 days after the optionee ceasing (other than by reason of death or termination with cause) to be at least one of an officer, director, employee (in active employment carrying out regular and normal duties), or consultant of the Corporation or a Subsidiary of the Corporation, as the case may be; (ii) the close of thirty (30) business days after the optionee has been provided with written notice of dismissal related to (i); and (iii) the expiry date of the Option. If before the expiry of an Option in accordance with the terms thereof a participant ceases to be an

employee, officer, director or consultant by reason of the death of the participant, any unvested portion of such Option shall immediately vest. In addition, such Option may, subject to the terms thereof and any other terms of the Stock Option Plan, be exercised by the legal personal representative(s) of the participant's estate or at any time before 5:00 p.m. (Calgary time) up to six months after the date of death of the participant, or until the expiry date of the Option, if earlier.

Change of Control

In the event of a Change of Control (as defined in the Stock Option Plan) occurring, all Options which have not otherwise vested in accordance with their terms shall immediately vest and be exercisable, notwithstanding the other terms of the Options, for a period of time ending on the earlier of the expiry time of the Option and the thirtieth (30th) day following the Change of Control.

Voluntary Black-Out Periods

The Corporation has adopted a policy on trading in the securities of the Corporation which includes self-imposed black-out periods from time to time, preventing officers, directors, employees and consultants from exercising options. For example, these black-out periods are imposed prior to the release of financial statements and when the Corporation is considering various possible transactions or is completing material operations that could, if consummated or successfully completed, have a significant effect on the trading price or value of the Corporation's securities. This policy was adopted as part of the Corporation's approach to responsible governance. However, the imposition of voluntary black-out periods can penalize the Corporation and its insiders and employees where their Options have not been exercised prior to the voluntary black-out period and such Options would expire during such period.

Pursuant to the Plan, the expiration of the term of any Options that would fall during a voluntary black-out period or within 10 Business Days following the termination of a voluntary black-out period will be extended for a period of 10 Business Days following the expiry of such black-out period such that all optionees will always have a maximum of 10 Business Days following a voluntary black-out period to exercise Options. This provision applies to all optionees.

Amendments to Options

The Board of Directors may amend or discontinue the Stock Option Plan at any time without the consent of the participants provided that such amendment shall not alter or impair any Option previously granted under the Stock Option Plan except as permitted by the provisions of the Stock Option Plan and that such amendment or discontinuance has been approved, if required, by the TSX-V. However, the Board of Directors of the Corporation is not entitled to amend the amendment provisions of the Stock Option Plan without the approval of the TSX-V and Disinterested Shareholder Approval. In addition, the Board of Directors of the Corporation may not amend the Stock Option Plan or any Option previously granted under the Stock Option Plan without the approval of the TSX-V and Disinterested Shareholder Approval in the event such amendment would: (i) reduce the exercise price of an Option; (ii) extend the expiry date of an Option other than as contemplated by Article 4.5 of the Stock Option Plan; (iii) permit Options to be transferable or assignable other than for normal estate settlement purposes; or (iv) increase the maximum number of Common Shares that may be issued upon the exercise of Options granted under the Stock Option Plan.

As at March 30, 2012, an aggregate of 6,182,425 Common Shares (10% of the issued and outstanding Common Shares) were available for issuance under the Stock Option Plan. Of this amount, options in respect of 2,118,000 Common Shares have been issued, of which all were unexercised at March 30, 2012.

As at March 30, 2012, there remained options in respect of 4,064,425 Common Shares which are available for further option grants under the Stock Option Plan.

Presented by the Compensation, Governance and Nominating Committee
Gregory G. Turnbull, Chairman
John A. Brussa
Mark A. Butler

Note:

- (1) Boe Presentation – For the purposes of calculating unit revenues and costs, natural gas is converted to a barrel of oil equivalent (“BOE”) using six thousand cubic feet (“Mcf”) of natural gas equal to one barrel of oil unless otherwise stated. BOE may be misleading,

particularly if used in isolation. A BOE conversion ratio of six Mcf to one barrel (“Bbl”) is based on an energy equivalent conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. All BOE measurements and conversions in this Circular are derived by converting natural gas to oil in the ratio of six thousand cubic feet of gas to one barrel of oil.

Summary of Executive Compensation

The following table provides a summary of compensation earned during the period ended December 31, 2011 by the Chief Executive Officer, Chief Financial Officer and the other three most highly compensated executive officers of the Corporation, other than the Chief Executive Officer and Chief Financial Officer, who were serving as executive officers as at December 31, 2011 (collectively, the “named executive officers”).

Name and principal position	Year	Salary (\$)	Share-based awards (#) ⁽³⁾	Option-based awards (#) ⁽³⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) ⁽⁵⁴⁾	Total compensation (\$)
					Annual incentive plans (\$)	Long term incentive plans (\$)			
Brian Lavergne ⁽¹⁾⁽²⁾ President and Chief Executive Officer	2010	20,250	-	144,000	-	-	-	-	20,250
	2011	81,000	-	-	-	-	-	-	81,000
Robert S. Tiberio ⁽¹⁾ Chief Operating Officer	2010	50,625	-	144,000	-	-	-	-	50,625
	2011	135,000	-	-	-	-	-	-	135,000
Donald G. McLean ⁽¹⁾⁽²⁾ Chief Financial Officer	2010	40,500	-	144,000	-	-	-	-	40,500
	2011	108,000	-	-	-	-	-	-	108,000
Daniel J. Fitzgerald ⁽¹⁾ Vice President, Corporate Development	2010	45,000	-	255,000	-	-	-	-	45,000
	2011	135,000	-	-	-	-	-	-	135,000
John Devlin ⁽¹⁾ Vice President, Finance	2010	40,500	-	144,000	-	-	-	-	40,500
	2011	135,000	-	-	-	-	-	-	135,000

Notes:

- (1) Annual Compensation for 2010 includes compensation paid to the applicable named executive officer by any subsidiary or affiliate of the Corporation during the period from August 18, 2010 to December 31, 2010 other than Mr. Fitzgerald who began his role as Vice President, Corporate Development on September 1, 2010.
- (2) Mr. Lavergne’s and Mr. McLean’s salaries reflect the pro-ration of an annual salary of \$135,000.
- (3) The grant date fair value for the share-based and option-based awards is the same as the financial statement fair value.
- (4) Perquisites and other personal benefits do not exceed \$10,000 for any of the named executive officers.

Incentive Plan Awards

Outstanding share-based awards and option-based awards

The following table provides a summary of share-based awards and option-based awards outstanding at December 31, 2011.

Name	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 (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Brian Lavergne President and Chief Executive Officer	144,000	3.28	August 18, 2014	66,240	-	-
Robert S. Tiberio Chief Operating Officer	144,000	3.28	August 18, 2014	66,240	-	-
Donald G. McLean Chief Financial Officer	144,000	3.28	August 18, 2014	66,240	-	-

Name	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 (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Daniel J. Fitzgerald Vice President, Corporate Development	255,000	3.28	August 18, 2014	117,300	-	-
John Devlin Vice President, Finance	144,000	3.28	August 18, 2014	66,240	-	-

Incentive Plan Awards – Value Vested or earned during the year

The following table provides a summary of the incentive plan awards earned during the period ended December 31, 2011, by the named executive officers.

Name	Option-based awards - Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Annual Incentive Plans - Value earned during the year (\$)
Brian Lavergne President and Chief Executive Officer	22,080	-	-
Robert S. Tiberio Chief Operating Officer	22,080	-	-
Donald G. McLean Chief Financial Officer	22,080	-	-
Daniel J. Fitzgerald Vice President, Corporate Development	39,100	-	-
John Devlin Vice President, Finance	22,080	-	-

The Stock Option Plan is described under the heading “*Long-Term Incentive Compensation – Stock Option Plan*” beginning on page 9 of this Information Circular and is reproduced in full at Appendix A. Details regarding the number of securities and exercise prices are described above.

Employment Contracts and Termination of Employment or Changes of Control

The Corporation does not have any written employment agreements in respect of the named executive officers.

Compensation of Directors

The following table provides a summary of compensation the non-executive directors earned during the period ended December 31, 2011.

Name	Fees Paid (\$)	Share-based awards (\$)	Option-based awards (#)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Stuart G. Clark	24,000	-	-	-	-	-	24,000
Matthew J. Brister	17,000	-	-	-	-	-	17,000
John A. Brussa	13,000	-	-	-	-	-	13,000
Mark A. Butler	16,000	-	-	-	-	-	16,000
P. Grant Wierzba	15,000	-	-	-	-	-	15,000
Gregory Turnbull	13,000	-	-	-	-	-	13,000

<u>Name</u>	<u>Fees Paid (\$)</u>	<u>Share-based awards (\$)</u>	<u>Option-based awards (#)</u>	<u>Non-equity incentive plan compensation (\$)</u>	<u>Pension value (\$)</u>	<u>All other compensation (\$)</u>	<u>Total (\$)</u>
James K. Wilson	26,500	-	-	-	-	-	26,500

In 2011, non-executive directors received an annual retainer of \$10,000 payable quarterly, received a per meeting fee of \$1,000 and were reimbursed for expenses incurred by them in attending directors' meetings and committee meetings. In addition, the Chairman received an additional \$5,000 and the Chairman of the Audit Committee received an additional \$7,500 for acting in those positions.

Retirement Plans

The Corporation has no retirement plans for its directors, officers or employees.

Management Contracts

The Corporation has no management contracts with any party.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation has in place a corporate liability insurance policy for its directors and officers through Lloyd's of London. The coverage is for \$20 million and expires on August 31, 2012. The annual premium for the policy is \$24,000.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

As at March 30, 2012, there exists no indebtedness of any of the directors or named executive officers to the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of directors, executive officers of the Corporation or any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares or any known associate or affiliate of such persons, in any transaction since the commencement of the Corporation's most recently completed financial year.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 – *Corporate Governance Guidelines* (the "**Guidelines**") came into force on June 30, 2005. These Guidelines address such matters as the constitution and independence of boards of directors, the functions to be performed by boards and their committees, and the relationship between boards of directors, management and shareholders. The Board of Directors and senior management consider good corporate governance to be central to the effective and efficient operation of the Corporation. The recommended disclosure is set out in matrix form and attached to this Circular as Appendix B. Given the history and nature of the Corporation's development, not all of the recommendations contained in the Guidelines have been followed. Disclosure respecting the Corporation's approach to corporate governance is set out below and in Appendix B hereto.

MANDATE OF THE BOARD

The Board of Directors is generally responsible for managing the business and affairs of the Corporation. The primary responsibility of the Board is to promote the best interests of the Corporation and its Shareholders. This responsibility includes: (i) approving annual capital expenditure budgets and general and administrative expense budgets and reviewing fundamental operating, financial and other corporate plans, strategies and objectives; (ii) outlining key operating parameters including debt levels and ratios; (iii) evaluating the performance of the Corporation and senior management; (iv) determining, evaluating and fixing the compensation of executive officers; (v) adopting policies of corporate governance and conduct; (vi) considering risk management matters and hedging policies; (vii) reviewing the process of providing appropriate financial and operational information to Shareholders and the public generally; and (viii) evaluating the overall effectiveness of the Board of Directors. The Board explicitly acknowledges its responsibility for the stewardship of the Corporation. The Board reviews with management matters of strategic planning, business risk identification, succession planning, communications policy and integrity of internal control and management

information systems. The Board fulfils its responsibilities through regular meetings. It meets a minimum of five times per year. In addition, the Board meets at such other times as may be required if it is not possible to deal with the Corporation's business at a regularly scheduled meeting.

COMPOSITION OF THE BOARD OF DIRECTORS

The Guidelines recommend that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who has no direct or indirect material relationship with the issuer. A "material relationship" means a relationship which could, in the view of the issuer's board of directors, reasonably interfere with the exercise of a member's independent judgement. Section 1.4 of Multilateral Instrument 52-110- *Audit Committees* contains further detail regarding the meaning of "independence" and "material relationship".

Based on these definitions, five of Storm's eight existing directors are independent directors. Mr. Lavergne (President and Chief Executive Officer), Mr. Turnbull and Mr. Brussa are the only board members who are not independent. Mr. Lavergne is not considered independent since he serves as an executive officer of the Corporation. Messrs. Turnbull and Brussa are not considered independent because each is a partner in a law firm that provides legal services, from time to time, to the Corporation.

BOARD COMMITTEES

The Board of Directors has established the Audit Committee, the Compensation, Governance and Nomination Committee, and the Reserves Committee, as committees of the Board. Terms of reference for each committee, which delineate the mandate of the committee, the composition of the committee, the frequency of committee meetings and other relevant matters, have been approved and adopted by the Board for each committee.

Audit Committee

The Audit Committee is composed of three directors, James K. Wilson (Chairman), Mark A. Butler and Stuart G. Clark, each of whom are independent directors. (Effective March 3, 2011 Mr. Butler was appointed to the Audit Committee and Mr. Brister ceased to be a member of the Audit Committee.) The Audit Committee is responsible for reviewing and approving the financial statements and public reports of the Corporation, considering the existence and adequacy of internal and management controls, reviewing the annual audit and quarterly reviews and communicating directly with the external auditors as to their findings and reviewing and approving material accounting policies or estimates. The Audit Committee's mandate provides for regularly scheduled meetings each year in conjunction with the review and approval of the annual financial statements and meets to review the quarterly financial statements and reports to shareholders. Additional meetings may be held as warranted with respect to public financing initiatives and other material transactions.

Compensation, Governance and Nomination Committee

The Compensation Committee is currently composed of three directors, Gregory G. Turnbull (Chairman), John Brussa and Mark A. Butler, one of whom is an independent director. The Compensation Committee is responsible for assisting the board in determining the compensation strategies for the Corporation, recommending the forms and amounts of compensation for directors, officers and other employees and assessing the performance of officers in fulfilling their responsibilities and meeting corporate objectives. The Compensation Committee is also responsible for assessing the performance of the Chief Executive Officer and reviewing and assisting with management succession planning and professional development for officers of the Corporation. The Compensation Committee holds meetings as warranted with respect to officer appointments or other compensation related matters.

Reserves Committee

The Reserves Committee is currently composed of two directors, Grant Wierzba (Chairman) and Matthew Brister, each of whom is an independent director. The Reserves Committee has the responsibility of meeting with the independent engineering firm commissioned to conduct the reserves evaluation on the Corporation's oil and natural gas assets and to discuss the results of such evaluation with each of the independent engineers and management. Specifically, the Reserves Committee's responsibilities include, but are not limited to, a review of management's recommendations for the appointment of independent engineers, review of the independent engineering reports and consideration of the principal assumptions upon which such reports are based, appraisal of the expertise of the independent engineering firms retained to evaluate the Corporation's reserves, review of the scope and methodology

of the independent engineers' evaluations, reviewing any problems experienced by the independent engineers in preparing the reserve evaluation, including any restrictions imposed by management or significant issues on which there was a disagreement with management and a review of reserve additions and revisions which occur from one report to the next. The Reserves Committee meets at least once annually or otherwise as circumstances warrant.

OTHER MATTERS COMING BEFORE THE MEETING

Management knows of no other matters to come before the Meeting other than referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the Shares represented by proxy solicited hereby will be voted on such matters in accordance with the best judgment of the person voting such proxy.

ADDITIONAL INFORMATION

Additional information regarding the business of the Corporation is contained in the Corporation's annual information form for the fiscal year ended December 31, 2011, and documents incorporated by reference therein, including the Corporation's Management's Discussion & Analysis for the fiscal year ended December 31, 2011. Additional financial information regarding the Corporation is provided in the Corporation's financial statements for the year ended December 31, 2011. Copies of these documents, any interim financial statements for periods subsequent to December 31, 2011 and additional copies of this Circular are available on the SEDAR website at www.sedar.com and on the Corporation's website at www.stormresourcesltd.com. In addition, these documents may also be obtained upon request from the Corporation's Investor Relations Department, Storm Resources Ltd., Suite 800, 205 - 5th Avenue S.W., Calgary, Alberta, T2P 2V7.

DIRECTORS' APPROVAL

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

CERTIFICATE

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

(signed) **"Brian Lavergne"**

Brian Lavergne
President and Chief Executive Officer

(signed) **"Donald G. McLean"**

Donald G. McLean
Chief Financial Officer

Calgary, Alberta
April 18, 2012

APPENDIX A

AMENDED AND RESTATED STOCK OPTION PLAN

STORM RESOURCES LTD.

1. PURPOSE OF THE PLAN

1.1 The purpose of the Plan is to provide certain directors, officers and key employees and consultants of the Corporation or a Subsidiary with an opportunity to purchase Shares and to benefit from the appreciation thereof. This will provide an increased incentive for these directors, officers, key employees and consultants to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Shares for the benefit of all the shareholders and increasing the ability of the Corporation to attract and retain individuals of exceptional skill.

2. DEFINED TERMS

2.1 Where used herein, the following terms shall have the following meanings, respectively:

- (a) **“Blackout Period”** means the period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any holder of an Option;
- (b) **“Board”** means the board of directors of the Corporation;
- (c) **“Change of Control”** means any of the following:
 - (i) the purchase or acquisition of any Voting Shares or Convertible Securities by a Holder which results in the Holder beneficially owning, or exercising control or direction over, Voting Shares or Convertible Securities such that, assuming only the conversion of Convertible Securities beneficially owned or over which control or direction is exercised by the Holder, the Holder would beneficially own, or exercise control or direction over, Voting Shares carrying the right to cast more than 50% of the votes attaching to all Voting Shares, but excluding any issue or sale of Voting Shares of the Corporation to an investment dealer or group of investment dealers as underwriters or agents for distribution to the public either by way of prospectus or private placement; or
 - (ii) the Corporation completes an amalgamation, arrangement, merger or other consolidation or combination of the Corporation with another corporation which requires approval of the shareholders of the Corporation pursuant to its statute of incorporation and pursuant to which the shareholders of the Corporation immediately thereafter do not own shares of the successor or continuing corporation, which would entitle them to cast more than 50% of the votes attaching to all shares in the capital of the successor or continuing corporation, which may be cast to elect directors of that corporation; or
 - (iii) the election at a meeting of the Corporation’s shareholders of that number of persons which would represent a majority of the Board, as directors of the Corporation who are not included in the slate for election as directors proposed to the Corporation’s shareholders by the Corporation; or
 - (iv) the liquidation, dissolution or winding-up of the Corporation; or
 - (v) the sale, lease or other disposition of all or substantially all of the assets of the Corporation; or
 - (vi) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in subsections (i), (ii), (iii), (iv) and (v) referred to above; or
 - (vii) a determination by the Board that there has been a change, whether by way of a change in the holding of the Voting Shares of the Corporation, in the ownership of the Corporation’s assets or by any other means, as a result of which any person or group of persons acting jointly or in concert is in a position to exercise effective control of the Corporation;

- (d) **“Convertible Securities”** means any securities convertible or exchangeable into Voting Shares or carrying the right or obligation to acquire Voting Shares;
- (e) **“Corporation”** means Storm Resources Ltd., and includes any successor corporation thereof;
- (f) **“Discounted Market Price”** means the closing trading price per Share on the TSX-V less, subject to Board approval, the maximum discounts allowed by the TSX-V (or if the Shares are not listed on the TSX-V, on such stock exchange as the Shares are then traded) on the last trading day preceding: (i) the issuance of a news release in respect of the Option grant; or (ii) if a news release is not issued announcing the Option grant, the date of grant, in both cases less the applicable discount as may be permitted by the TSX-V or such stock exchange on which the Shares are listed and posted for trading, or, if the Shares are not listed on any stock exchange, a price determined by the Board acting reasonably;
- (g) **“Disinterested Shareholder Approval”** means approval by a majority of the votes cast by all shareholders of the Corporation at a meeting of shareholders of the Corporation, excluding votes attaching to Shares beneficially owned by: (i) Insiders to whom Options may be granted under this Plan; and (ii) Associates (as defined in the policies of the Exchange) of persons referred to in (i);
- (h) **“Exchange”** means the TSX-V or, if the Shares are not then listed and posted for trading on the TSX-V, on such stock exchange in Canada on which such shares are listed and posted for trading as may be selected for such purpose by the Board;
- (i) **“Exercise Price”** means the price per share at which Shares may be purchased under the Option, as the same may be adjusted in accordance with Articles 4 and 6 hereof;
- (j) **“Holder”** means a person, a group of persons or persons acting jointly or in concert or persons associated or affiliated, within the meaning of the *Business Corporations Act* (Alberta), with any such person, group of persons or any of such persons acting jointly or in concert;
- (k) **“Insider”** means an insider as defined in subsection 1(aa) of the *Securities Act* (Alberta) and includes an associate, as defined in subsection 1(c) of the *Securities Act* (Alberta), as such provisions are from time to time amended, varied or re enacted, of any insider;
- (l) **“Investor Relations Activities”** means any activities, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
 - (A) to promote the sale of products or services of the Corporation; or
 - (B) to raise public awareness of the Corporation;
 that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
 - (ii) activities or communications necessary to comply with the requirements of:
 - (A) applicable securities laws; or
 - (B) Exchange Requirements (as defined in the policies of the Exchange) or the by-laws, rules or other regulatory instruments of any other self regulatory body or exchange having jurisdiction over the Corporation;
 - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:

- (A) the communication is only through the newspaper, magazine or publication; and
 - (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (iv) activities or communications that may be otherwise specified by the Exchange.
- (m) **"Market Price"** per Share at any date shall be as defined in the Corporate Finance Manual of the TSX-V (or, if the Shares are not then listed and posted for trading on the TSX-V, such price as required by such stock exchange in Canada on which such Shares are listed and posted for trading as may be selected for such purpose by the Board). In the event that the Shares are not listed and posted for trading on any stock exchange in Canada, the Market Price shall be determined by the Board in its sole discretion, acting reasonably;
 - (n) **"Option"** means an option to purchase Shares granted by the Board to certain directors, officers, key employees or consultants of the Corporation or a Subsidiary, subject to the provisions contained herein;
 - (o) **"Participants"** means certain directors, officers, *bona fide* employees or *bona fide* consultants of the Corporation or a Subsidiary to whom Options are granted and which Options or a portion thereof remain unexercised;
 - (p) **"Plan"** means the stock option plan of the Corporation, as the same may be amended or varied from time to time;
 - (q) **"Shares"** means the common shares in the capital of the Corporation or, in the event of an adjustment contemplated by Article 6 hereof, such other Shares to which a Participant may be entitled upon the exercise of an Option as a result of such adjustment;
 - (r) **"Subsidiary"** has the meaning ascribed thereto in the *Securities Act (Alberta)* as from time to time amended, supplemented or re-enacted;
 - (s) **"Take-over Proposal"** means (i) any proposal or offer by a third person, whether or not subject to a due diligence condition and whether or not in writing, to acquire in any manner, directly or indirectly, beneficial ownership of or control or direction over more than 50% of the Corporation's outstanding Voting Shares whether by way of arrangement, amalgamation, merger, consolidation or other business combination, including any single or multi-step transaction or series of related transactions that is structured to permit such third person to acquire in any manner, directly or indirectly, more than 50% of its outstanding Voting Shares; or (ii) any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution, reorganization into a royalty trust or income fund or similar transaction or other business combination involving the Corporation;
 - (t) **"TSX-V"** means the TSX-Venture Exchange, Inc.
 - (u) **"Voting Shares"** means any securities of the Corporation ordinarily carrying the right to vote at elections of directors; and
 - (v) **"VWAP"** means the volume weighted average trading price of the listed Shares, calculated by dividing the total value of the total volume of Shares traded for the relevant period.

3. ADMINISTRATION OF THE PLAN

3.1 The Plan shall be administered by the Board. The Corporation shall effect the grant of Options under the Plan, in accordance with determinations made by the Board pursuant to the provisions of the plan as to:

- (a) the directors, officers, key employees and consultants of the Corporation and, if applicable, any Subsidiaries to whom Options will be granted; and
- (b) the number of Shares which shall be the subject of each Option;

by the execution and delivery of instruments in writing in the form approved by the Board.

3.2 The Board may, from time to time, adopt such rules and regulations for administering the Plan as it may deem proper and in the best interests of the Corporation and may, subject to applicable law, delegate its powers hereunder to administer the Plan to a committee of the Board.

4. GRANTING OF OPTIONS

4.1 The Board from time to time shall grant Options to certain directors, officers, key employees and consultants of the Corporation or a Subsidiary. The grant of Options will be subject to the conditions contained herein and may be subject to additional conditions determined by the Board from time to time.

4.2 The aggregate number of Shares that may be issued pursuant to the exercise of Options awarded under the Plan and all other share compensation arrangements of the Corporation is 10% of the Shares outstanding from time to time, subject to the following limitations:

- (a) the aggregate number of Shares reserved for issuance to any one person under the Plan, together with all other share compensation arrangements of the Corporation, within a 12-month period, must not exceed 5% of the outstanding issue of Shares (on a non-diluted basis);
- (b) the aggregate number of Shares reserved for issuance to any one Insider and such Insider's associates pursuant to the Plan, together with all other share compensation arrangements of the Corporation, must not exceed 5% of the outstanding issue of Shares;
- (c) the aggregate number of Shares reserved for issuance to Insiders pursuant to the plan, together with all other share compensation arrangements of the Corporation, within a 12-month period, must not exceed 10% of the outstanding issue of Shares;
- (d) the aggregate number of Shares reserved for issuance to any one Participant employed to provide Investor Relations Activities within a 12-month period, must not exceed 2% of the outstanding issue of Shares;
- (e) the aggregate number of Shares reserved for issuance to consultants pursuant to the Plan, together with all other share compensation arrangements of the Corporation, shall not exceed 2% of the outstanding issue of Shares; and
- (f) the aggregate number of Shares reserved for issuance to any single consultant under the Plan, together with all other share compensation arrangements of the Corporation, within a 12-month period, shall not exceed 2% of the outstanding issue of Shares.

The Shares in respect of which Options are not exercised shall be available for subsequent Options. The "reloading" of Options is permitted under the Plan. This prescribed maximum may be subsequently increased to any other specified amount, provided the change is authorized by a vote of the shareholders of the Corporation and approved by the TSX-V. If any Options granted under this Plan shall expire, terminate or be cancelled for any reason without having been exercised in full, any unpurchased Shares to which such Options relate shall be available for the purposes of the granting of further Options under this Plan. No fractional shares may be purchased or issued hereunder.

4.3 Subject to the policies of the TSX-V, the Exercise Price of any Option shall be fixed by the Board when such Option is granted, provided that such price shall not be less than the greater of: (i) the Discounted Market Price of the Shares; or (ii) the VWAP of the Shares for the five trading days immediately preceding the date of grant. The Exercise Price as calculated above is intended to be the fair market value of the Shares at the date of grant and, subject to the approval of the Board, the Exchange and the shareholders of the Corporation (where required), the Exercise Price may be adjusted if necessary to achieve that result. Disinterested Shareholder Approval will be required for the reduction of the Exercise Price of any Options.

4.4 The term of Options granted shall be determined by the Board in its discretion, to a maximum of four years from the date of the grant of the Option. The vesting period or periods within this period during which an Option or a portion thereof may be exercised by a Participant shall be determined by the Board. In the absence of any

determination by the Board as to vesting, vesting shall be as to one-third on each of the first, second and third anniversaries of the date of grant. Further, the Board may, in its sole discretion at any time or in the Option agreement in respect of any Options granted, accelerate or provide for the acceleration of, vesting of Options previously granted. In the case of options granted on February 29th of any year, the “anniversary date” shall be deemed to be February 28th of each of the subsequent years.

4.5 If the normal expiry date of any Option (the “**Restricted Options**”) falls within any Blackout Period or within 10 Business Days (being a day other than a Saturday, Sunday or other than a day when banks in Calgary, Alberta are not generally open for business) following the end of any Blackout Period, then the expiry date of such Restricted Options shall, without any further action, be extended to the date that is 10 Business Days following the end such Blackout Period. The foregoing extension applies to all Options whatever the date of grant and shall not be considered an extension of the term of the Options as referred to in Section 10 hereof.

5. EXERCISE OF OPTION

5.1 Subject to the Plan, an optionee (or his or her legal personal representative) may exercise an Option from time to time by the delivery to the Corporation, at its head office in Calgary, Alberta, of a written notice of exercise (“**Exercise Notice**”) specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full in cash of the purchase price of the Shares then being purchased. Upon exercise of the Option, the Corporation will cause to be delivered to the optionee a certificate or certificates, representing such Shares in the name of the optionee or the optionee’s legal personal representative or otherwise as the optionee may or they may in writing direct. Unless otherwise authorized by the Board and permitted by the Exchange, no financial assistance shall be provided by the Corporation to any optionee to facilitate the exercise of Options granted pursuant to the Plan.

5.2 In order to fulfill the Corporation’s obligations under the *Income Tax Act (Canada)* (the “**ITA**”) in respect of withholding and remittance on account of tax payable by Participants on the exercise of Options under Section 5.1, the Corporation shall advise each Participant, on receiving such Participant’s notice of intention to exercise, the amount of such remittance (the “**Remittance Amount**”) required under subsection 153(1) of the ITA. The Participant shall pay to the Corporation, as an additional amount on the exercise of their Options, the Remittance Amount; upon receipt of this amount, the Corporation shall issue to the Participant the Common Shares for which the Option was exercised.

5.3 Should a Participant not pay the Remittance Amount at the time of exercise of their Options, the Corporation shall retain and sell on behalf of the Participant such number of Common Shares having a value equal to the Remittance Amount (and any reasonable costs of disposing of such shares) on the Exchange to satisfy the Remittance Amount.

5.4 Notwithstanding anything else contained herein, each Participant shall be responsible for the payment of all applicable taxes, including, but not limited to, income taxes payable in connection with the exercise of any Options under this Plan and the Corporation, its directors, officers, employees and agents shall bear no liability in connection with the payment of such taxes.

6. ADJUSTMENTS IN SHARES

6.1 Appropriate adjustments in the number of Shares subject to the Plan and, as regards Options granted or to be granted, in the number of Shares optioned and in the Exercise Price, shall be made by the Board to give effect to adjustments in the number of Shares resulting from subdivisions, consolidations or reclassifications of the Shares, the payment of distributions or dividends by the Corporation (other than dividends in the ordinary course) or other relevant changes in the authorized or issued capital of the Corporation, which changes occur subsequent to the approval of the Plan by the Board.

6.2 Options granted to Participants hereunder are non-assignable and non-transferable, except in the case of the death of a Participant (which is provided for in Section 8), and are exercisable only by the Participant to whom the Option has been granted.

7. DECISIONS OF THE BOARD

7.1 All decisions and interpretations of the Board respecting the Plan or Options granted thereunder shall be conclusive and binding on the Corporation and the Participants and their respective legal personal representatives and on all directors, officers, employees and consultants eligible under the provisions of the Plan to participate therein.

8. TERMINATION OF EMPLOYMENT/DEATH

8.1 Unless otherwise provided in the agreement evidencing the grant of Options, Options shall terminate at the earlier of (the "**Termination Date**"): (i) the close of business 30 days after the optionee ceasing (other than by reason of death but including termination with or without cause) to be at least one of an officer, director, employee (in active employment carrying out regular and normal duties), or consultant of the Corporation or a Subsidiary of the Corporation, as the case may be; (ii) the close of business 30 days after the optionee has been provided with written notice of dismissal related to (i) above; and (iii) the expiry date of the Option, provided that the number of Shares that the optionee shall be entitled to purchase until the Termination Date shall be the number of Shares which the optionee was entitled to purchase on the date the optionee ceased to be an officer, director, employee (in active employment carrying out regular and normal duties), or consultant of the Corporation, as the case may be.

8.2 If before the expiry of an Option in accordance with the terms thereof a Participant ceases to be an employee, officer, director or consultant by reason of the death of the Participant, any unvested portion of such Option shall immediately vest. In addition, such Option may, subject to the terms thereof and any other terms of the Plan, be exercised by the legal personal representative(s) of the Participant's estate at any time before 5:00 p.m. Calgary time up to six months after the date of death of the Participant, or until the expiry date of the Option, if earlier.

8.3 The Plan does not confer upon a Participant any right with respect to continuation of employment by the Corporation or any Subsidiary, nor does it interfere in any way with the right of the Participant, the Corporation or the Subsidiary to terminate the Participant's employment at any time.

8.4 Options shall not be affected by any change of employment of the Participant where the Participant continues to be employed by the Corporation or any of its Subsidiaries.

9. CHANGE OF CONTROL

9.1 In the event of a Change of Control occurring, all Options which have not otherwise vested in accordance with their terms shall immediately vest and be exercisable, notwithstanding the other terms of the Options or the Plan for a period of time ending on the earlier of the expiry time of the Option and the thirtieth (30th) day following the Change of Control.

9.2 If approved by the Board, Options may provide that, whenever the Corporation's shareholders receive a Take-over Proposal, such Option may be exercised as to all or any of the Shares in respect of which such Option has not previously been exercised (including in respect of Options not otherwise vested at such time) by the Participant (the "**Take-over Acceleration Right**"), but any such Option not otherwise vested and deemed only to have vested in accordance with the foregoing may only be exercised for the purposes of tendering to such Take-Over Proposal. If for any reason any such Shares are not so tendered or, if tendered, are not, for any reason taken up and paid for by the offeree pursuant to the Take-Over Proposal, any such Shares so purchased by the Participant shall be and shall be deemed to be cancelled and returned to the treasury of the Corporation, and shall be added back to the number of Shares, if any, remaining unexercised under the Option (and shall thus be available for exercise of the Option in accordance with the terms thereof) and upon presentation of the Corporation of share certificates representing such Shares properly endorsed for transfer back to the Corporation, the Corporation shall refund to the Participant all consideration paid by him or her in the initial purchase thereof. The Take-over Acceleration Right shall commence at such time as is determined by the Board, provided that, if the Board approves the Take-over Acceleration Right but does not determine commencement and termination dates regarding same, the Take-over Acceleration Right shall commence on the date of the Take-over Proposal and end on the earlier of the expiry time of the Option and the tenth (10th) day following the expiry date of the Take-over Proposal. Notwithstanding the foregoing, the Take-over Acceleration Right may be extended for such longer period as the Board may resolve.

10. AMENDMENT OR DISCONTINUANCE OF PLAN

10.1 The Board may amend or discontinue the Plan at any time without the consent of the Participants provided that such amendment shall not alter or impair any Option previously granted under the Plan except as permitted by the provisions of Article 6 hereof and that such amendment or discontinuance has been approved, if required, by the Exchange. The Board may, with the approval of the Participant, if required, amend the terms of any Option issued pursuant to the Plan without approval of shareholders, unless otherwise required by the Exchange. However, the Board is not be entitled to amend the provisions of this Article 10 without the approval of the Exchange and Disinterested Shareholder Approval. In addition, the Board may not amend the Plan or any Option previously granted under the Plan without the approval of the Exchange and Disinterested Shareholder Approval in the event such amendment would: (i) reduce the exercise price of an Option; (ii) extend the expiry date of an Option other than as contemplated by Article 4.5 hereof; (iii) permit Options to be transferable or assignable other than for normal estate settlement purposes as contemplated by Article 6 hereof; or (iv) increase the maximum number of Shares that may be issued upon the exercise of Options granted under the Plan.

11. COMPLIANCE WITH LAWS AND EXCHANGE RULES

11.1 The Plan, the grant and exercise of Options under the Plan and the Corporation's obligation to issue Shares on exercise of Options will be subject to all applicable federal, provincial and foreign laws, rules and regulations and the rules of any regulatory authority or stock exchange on which the securities of the Corporation are listed. No Option will be granted and no Shares will be issued under the Plan where such grant or issue would require registration of the Plan or of such Shares under the securities laws of any foreign jurisdiction and any purported grant of any Option or issue of Shares in violation of this provision will be void. Shares issued to Optionholders pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws.

11.2 The Option Agreement shall be governed by, interpreted and enforced in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. The Corporation's obligation to issue and deliver Shares under any Option is subject to:

- (a) the satisfaction of all requirements under applicable securities laws in respect thereof and obtaining all regulatory approvals as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Shares to listing on any Exchange on which such Shares may then be listed; and
- (c) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

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

12. PARTICIPANTS' RIGHTS

12.1 A Participant shall not have any rights as a shareholder of the Corporation until the issuance of a certificate for Shares upon the exercise of an Option or a portion thereof, and then only with respect to the Shares represented by such certificate or certificates.

13. OPTION AGREEMENT

13.1 The Option agreement between the Corporation and each Participant to whom an Option is granted hereunder will be in writing and will set out the number of Shares subject to option, the Exercise Price, the vesting dates, the expiry date and any other terms approved by the Board, all in accordance with the provisions of this Plan. The agreement will be in such form as the Board may from time to time approve or authorize the officers of the Corporation to enter into and may contain such terms as may be considered necessary in order that the Option will comply with any provisions respecting options under the income tax or other applicable or relevant laws in force in any

country or jurisdiction of which the person to whom the Option is granted may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

14. INDEPENDENT ADVICE

14.1 Participants are encouraged to seek tax advice in respect of the grant and exercise of Options and the issuance of the resulting Shares. **Participants who are not employees, officers or directors of the Corporation (i.e. consultants and other service providers) should be aware that the tax consequences of being granted and exercising Options and selling Shares may be materially different than the Consequences to employees, officers and directors of the Corporation who are granted stock options as such and receive the benefit of the “stock option rules” under the *Income Tax Act (Canada)*.**

15. HOLD PERIOD

15.1 In addition to any resale restrictions imposed under applicable securities laws, if required by the Exchange or any other regulatory authority, Options granted under the Plan and Shares issued on exercise of such Options may be required to be legended evidencing that the Options and the Shares issued upon exercise of the Options are subject to a hold period or restricted period as required by the Exchange or other applicable regulatory authority and the optionee by accepting the Option agrees to comply therewith.

16. VOTING SHARES DULY ISSUED

16.1 Shares issued upon the exercise of an Option granted hereunder will be validly issued and allotted as fully paid and non-assessable upon receipt by the Corporation of the Exercise Price therefore in accordance with the terms of the Option, and the issuance of Shares thereunder will not require a resolution or approval of the Board.

17. MERGERS, AMALGAMATION AND SALE

17.1 If the Corporation shall become merged (whether by plan of arrangement or otherwise) or amalgamated in or with another corporation or entity or shall sell the whole or substantially the whole of its assets and undertakings for shares or securities of another corporation or other entity, the Corporation shall, subject to this Section 17, make provision that, upon exercise of an Option after the effective date of such merger, amalgamation or sale, the optionee shall receive such number of shares of the continuing successor corporation or other entity in such merger or amalgamation or the securities or shares of the purchasing corporation or other entity as the optionee would have received as a result of such merger, amalgamation or sale if the optionee had purchased the shares of the Corporation immediately prior thereto for the same consideration paid on the exercise of the Option and had held such shares on the effective date of such merger, amalgamation or sale and, upon such provision being made, the obligation of the Corporation to the optionee in respect of the Shares subject to the Option shall terminate and be at an end and the optionee shall cease to have any further rights in respect thereof. Adjustments under this section or any determinations as to fair market value of any securities shall be made by the Board, and any reasonable determination made by the Board shall be binding and conclusive.

18. OPTIONS TO COMPANIES

18.1 The provisions herein in respect of the grant of Options shall apply, with appropriate modifications, to the grant of Options to a company either: (i) wholly-owned by any person whom Options may otherwise be granted hereunder; or (ii) controlled by any person to whom Options may otherwise be granted hereunder (and the shares of which are held directly or indirectly by any such person and such person's spouse, minor children and/or minor grandchildren), subject to any requirements of any applicable regulatory authority having jurisdiction, including any Exchange.

19. EFFECTIVE DATE

19.1 This Plan is effective on ●.

APPENDIX B

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The board of directors (the “**Board**”) and management (“**Management**”) of Storm Resources Ltd. (the “**Corporation**”) believe in the importance of good corporate governance and its effectiveness in promoting enhanced shareholder value. In disclosing its approach to corporate governance, the Corporation makes particular reference to the guidelines set out in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”). When the Corporation’s corporate governance system differs from these guidelines, an explanation of the differences is provided. The guidelines contained in NI 58-101 are not mandatory.

The Board and Management will continue to monitor the current initiatives of the securities regulatory authorities in Canada with respect to corporate governance in order to ensure that the Corporation’s corporate governance practice complies with all applicable legal requirements.

Management believes that good corporate governance is effective in promoting enhanced shareholder value. Management has the responsibility for the day to day management of the business of the Corporation. The Board retains responsibility for significant matters such as acquisitions and divestitures, major capital expenditures and debt and equity financing transactions.

The Board has ultimate oversight for adoption of the Corporation’s strategic planning process and receives regular updates on execution of the Corporation’s business plan.

The Board is responsible for understanding the principal risks associated with the Corporation’s business and it is the responsibility of Management to ensure that the Board and its committees are kept well informed of these changing risks. The Board has adopted policies designed to ensure the good governance of the Corporation. Directors and officers are subject to an insider trading policy. In addition, the Corporation has adopted a disclosure policy requiring the timely dissemination of all material information. Communications with the Shareholders are undertaken through a variety of means, including the publication of its year-end report, quarterly reports, annual information form, news releases, and the Corporation’s website. The Corporation’s website, www.stormresourcesltd.com, contains annual/year-end and quarterly reports, news releases, corporate presentations and other information considered helpful to investors.

As a publicly listed company on the TSX-V, the Corporation is subject to a variety of corporate governance guidelines and requirements which have been enacted by Canadian Securities Administrators. The Corporation’s corporate governance compliance is as follows:

FORM 58-101F2 – CORPORATE GOVERNANCE DISCLOSURE

Guidelines	Does the Corporation Comply?	Description of Approach
1. Board of Directors	In Part	
(a) Disclose the identity of directors who are independent.		<ul style="list-style-type: none">The Board has affirmatively determined that Messrs. Brister, Clark, Wilson, Wierzba and Butler have no direct or indirect material relationship with the Corporation which could reasonably be expected to interfere with the exercise of independent judgement and are independent in accordance with NI 58-101. The Compensation Committee and the Board participate in the determination of director independence. The determination is based on information concerning the personal, business and other relationships and dealings between the directors and the Corporation, its affiliates and the

Guidelines	Does the Corporation Comply?	Description of Approach
(b) Disclose the identity of directors who are not independent, and describe the basis for that determination.	<ul style="list-style-type: none"> Messrs. Lavergne, Turnbull and Brussa are not independent. Mr. Lavergne is the President and Chief Executive Officer of the Corporation. Mr. Turnbull is a partner of McCarthy Tétrault LLP, a law firm which provides legal services to the Corporation. Mr. Brussa is a partner of Burnet, Duckworth & Palmer LLP, a law firm which provides legal services to the Corporation. 	external auditors, collected through biographical material, reports and information provided by the directors.
(c) Disclose whether or not a majority of directors are independent.	<ul style="list-style-type: none"> A majority of the directors are independent, as the Board has five directors who have been determined to be independent and three directors who are related to the Corporation. 	
(d) Disclose the names of directors who are directors of any other reporting issuer and the name of the reporting issuer.	<ul style="list-style-type: none"> Mr. Wierzba serves as a director of Chinook Energy Inc. and Standard Exploration Ltd. Mr. Brister serves as a director of Bridge Energy ASA and Chinook Energy Inc. Mr Brussa is a director of Baytex Energy Corp., Calmena Energy Services Inc., Chinook Energy Inc., Crew Energy Inc., Deans Knight Income Corporation, Enseco Energy Services Corp., Guide Exploration Ltd., Just Energy Group Inc., Midway Energy Ltd., North American Energy Partners Inc., RMP Energy Inc., Penn West Petroleum Ltd., Pinecrest Energy Inc., Progress Energy Resources Corp., WestFire Energy Ltd., Yoho Resources Inc., and Twin Butte Energy Ltd. Mr. Clark serves as a director of Chinook Energy Inc. and Rock Energy Inc. Mr. Wilson serves as a director of Rock Energy Inc. Mr. Turnbull is a director of Crescent Point Energy Corp., Heritage Oil PLC, Hyperion Exploration Corp., Hawk Exploration Ltd., Sonde Resources Corp., Online Energy Inc., Porto Energy Corp. and Sunshine Oilsands Ltd. 	
(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of	<ul style="list-style-type: none"> The independent Directors do not hold regularly scheduled in camera meetings. The Board does, however, hold in camera sessions within regularly scheduled meetings where the subject matter of the Board's discussions warrants such sessions. 	

Guidelines	Does the Corporation Comply?	Description of Approach																																													
meetings held since the beginning of the issuer's most recently completed fiscal year.																																															
(f) Disclose whether or not the Chairman of the board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities.		<ul style="list-style-type: none"> The Chairman of the Board, Mr. Stuart Clark, is an independent director. His role and responsibilities are to chair all Board and Shareholder meetings, to ensure that the Board reviews and approves the Corporation's corporate strategy as developed by Management, to ensure that the Board receives regular updates on all issues of importance to the Corporation, to work closely with each Committee chair to ensure that each of the Committee's functions are carried out, to communicate with the President and Chief Executive Officer to provide feedback and coaching as required and to work collectively and individually with members of the Board to ensure optimum performance of the Board. 																																													
(g) Disclose the attendance record of each director for all Board meetings held since the beginning of the issuer's most recently completed fiscal year.		<ul style="list-style-type: none"> Each Director's attendance at Board and Committee meetings during 2011 is as follows: 																																													
		<table border="1"> <thead> <tr> <th data-bbox="813 936 889 961">Name</th> <th data-bbox="997 936 1073 961">Board</th> <th data-bbox="1143 936 1219 961">Audit</th> <th data-bbox="1256 936 1333 961">Comp</th> <th data-bbox="1370 936 1479 961">Reserve</th> </tr> </thead> <tbody> <tr> <td data-bbox="813 995 938 1020">Mr. Brister</td> <td data-bbox="997 995 1008 1020">5</td> <td data-bbox="1143 995 1154 1020">1</td> <td data-bbox="1256 995 1300 1020">N/A</td> <td data-bbox="1370 995 1382 1020">1</td> </tr> <tr> <td data-bbox="813 1054 943 1079">Mr. Brussa</td> <td data-bbox="997 1054 1008 1079">4</td> <td data-bbox="1143 1054 1187 1079">N/A</td> <td data-bbox="1256 1054 1300 1079">N/A</td> <td data-bbox="1370 1054 1414 1079">N/A</td> </tr> <tr> <td data-bbox="813 1113 927 1138">Mr. Butler</td> <td data-bbox="997 1113 1008 1138">5</td> <td data-bbox="1143 1113 1154 1138">3</td> <td data-bbox="1256 1113 1300 1138">N/A</td> <td data-bbox="1370 1113 1414 1138">N/A</td> </tr> <tr> <td data-bbox="813 1171 922 1197">Mr. Clark</td> <td data-bbox="997 1171 1008 1197">5</td> <td data-bbox="1143 1171 1154 1197">5</td> <td data-bbox="1256 1171 1300 1197">N/A</td> <td data-bbox="1370 1171 1414 1197">N/A</td> </tr> <tr> <td data-bbox="813 1230 971 1255">Mr. Lavergne</td> <td data-bbox="997 1230 1008 1255">5</td> <td data-bbox="1143 1230 1187 1255">N/A</td> <td data-bbox="1256 1230 1300 1255">N/A</td> <td data-bbox="1370 1230 1382 1255">1</td> </tr> <tr> <td data-bbox="813 1289 959 1314">Mr. Turnbull</td> <td data-bbox="997 1289 1008 1314">4</td> <td data-bbox="1143 1289 1187 1314">N/A</td> <td data-bbox="1256 1289 1300 1314">N/A</td> <td data-bbox="1370 1289 1414 1314">N/A</td> </tr> <tr> <td data-bbox="813 1348 959 1373">Mr. Wierzba</td> <td data-bbox="997 1348 1008 1373">5</td> <td data-bbox="1143 1348 1187 1373">N/A</td> <td data-bbox="1256 1348 1300 1373">N/A</td> <td data-bbox="1370 1348 1382 1373">1</td> </tr> <tr> <td data-bbox="813 1407 938 1432">Mr. Wilson</td> <td data-bbox="997 1407 1008 1432">5</td> <td data-bbox="1143 1407 1154 1432">5</td> <td data-bbox="1256 1407 1300 1432">N/A</td> <td data-bbox="1370 1407 1414 1432">N/A</td> </tr> </tbody> </table>	Name	Board	Audit	Comp	Reserve	Mr. Brister	5	1	N/A	1	Mr. Brussa	4	N/A	N/A	N/A	Mr. Butler	5	3	N/A	N/A	Mr. Clark	5	5	N/A	N/A	Mr. Lavergne	5	N/A	N/A	1	Mr. Turnbull	4	N/A	N/A	N/A	Mr. Wierzba	5	N/A	N/A	1	Mr. Wilson	5	5	N/A	N/A
Name	Board	Audit	Comp	Reserve																																											
Mr. Brister	5	1	N/A	1																																											
Mr. Brussa	4	N/A	N/A	N/A																																											
Mr. Butler	5	3	N/A	N/A																																											
Mr. Clark	5	5	N/A	N/A																																											
Mr. Lavergne	5	N/A	N/A	1																																											
Mr. Turnbull	4	N/A	N/A	N/A																																											
Mr. Wierzba	5	N/A	N/A	1																																											
Mr. Wilson	5	5	N/A	N/A																																											
2. Board Mandate	Yes																																														
(a) Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the board delineates its roles and responsibilities.		<ul style="list-style-type: none"> A description of how the Board delineates its roles and responsibilities can be found under the heading "Mandate of the Board" in this Circular. 																																													
3. Position Descriptions	In Part																																														
(a) Disclose whether or not the Board has developed written position descriptions for the Chairman and the Chairman of each Board Committee.		<ul style="list-style-type: none"> The Corporation does not have a formal position description for the Chairman although 1(f) above sets out his responsibilities. The Board considers the Board's Committee charters, including the position description for each Committee Chairman 																																													

Guidelines	Does the Corporation Comply?	Description of Approach
(b) Disclose whether or not the Board and CEO have developed a written position description for the CEO.		<p>contained therein, to be sufficiently comprehensive of the roles and responsibilities of each Committee Chairman and of each director who participates on a Committee.</p> <ul style="list-style-type: none"> A formal position description for the CEO has not been developed.
4. Orientation and Continuing Education		<ul style="list-style-type: none"> Directors or the Chairman will provide an initial orientation where required for new directors with respect to the role of the Board and its Committees. Management provides an initial orientation for new directors with respect to operations.
(a) Briefly describe what measures, if any, the Board of Directors takes to orient new Board members regarding:		
(i) the role of the Board, its Directors and the committees of the Board; and		
(ii) the nature and operation of the Company's business.		
(b) Briefly describe what measures, if any, the Board of Directors takes to provide continuing education for its members.		<ul style="list-style-type: none"> Although the Corporation does not currently have any formal ongoing education programs for directors, the services of outside experts may be retained for specific matters.
5. Code of Business Conduct and Ethics	No	<ul style="list-style-type: none"> The Corporation has not adopted a written code of conduct for directors, officers and employees. The Corporation believes that the oversight role of the Board, linked to the management practices of the Corporation, ensures that the Corporation carries out its business in an ethical and responsible fashion with due recognition to its obligations to all stakeholders. The Corporation believes that the recruitment of appropriate officers and employees will also result in the Corporation's business being conducted in a responsible ethical fashion.
(a) Disclose whether or not the Board has adopted a written code for directors, officers and employees. If the board has adopted a written code;		
(i) disclose how a person or company may obtain a copy of the code;		
(ii) disclose how the Board monitors compliance with its code;		
(iii) provide a cross reference to any material change		

Guidelines	Does the Corporation Comply?	Description of Approach
<p>report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.</p>		
6. Nomination of Directors	In Part	
(a) Disclose the process by which the Board identifies new candidates for Board nomination.		<ul style="list-style-type: none"> The Board's Compensation, Governance and Nomination Committee has the mandate to recommend candidates for filling vacancies on the Board and considers the governance processes of the Corporation.
(b) Disclose whether or not the Board has a nominating committee composed entirely of independent directors.		<ul style="list-style-type: none"> Mr. Butler, one of the three members of the Compensation, Governance and Nomination Committee is an independent director. The other members, Messrs. Turnbull and Brussa, are not independent directors; however, neither is an executive officer of the Corporation. Messrs. Butler, Turnbull and Brussa are ineligible to participate in any of the Corporation's executive officer compensation programs, other than the Stock Option Plan.
(c) If the Board has a nominating committee, describe its responsibilities, powers and operation.		<ul style="list-style-type: none"> The responsibilities, powers and operation of the Compensation, Governance and Nomination Committee are described in this Information Circular under "Statement of Corporate Governance Practice – Board Committees – Compensation, Governance and Nomination Committee".
7. Compensation	Yes	
(a) Disclose who determines compensation.		<ul style="list-style-type: none"> The Compensation, Governance and Nomination Committee determines compensation. The members of the Committee are Messrs. Turnbull, Brussa and Butler.
(b) Describe the processes by which the Board determines the compensation for the Company's directors and officers.		<ul style="list-style-type: none"> The Compensation, Governance and Nomination Committee obtains the results of a survey of the compensation provided to directors and officers of similar sized Corporations and makes annual recommendations to the Board regarding director and officer compensation. The Committee does not believe that it is possible to remunerate directors for all of the risks and responsibilities assumed.
(c) Disclose whether or not the board has a compensation committee composed entirely of independent Directors.		<ul style="list-style-type: none"> Mr. Butler, one of the three members of the Compensation, Governance and Nomination Committee is an independent director. The other members, Messrs. Turnbull and Brussa, are not

Guidelines	Does the Corporation Comply?	Description of Approach
(d) Describe the responsibilities, powers and operation of the Compensation, Governance and Nomination Committee.	<ul style="list-style-type: none"> The Compensation, Governance and Nomination Committee reviews annually employment and remuneration policies and recommendations. It also reviews the performance of the Chief Executive Officer and other officers as required. 	<p>independent directors; however, neither is an executive officer of the Corporation. Messrs. Turnbull, Brussa and Butler are ineligible to participate in any of the Corporation's executive officer compensation programs, other than the Stock Option Plan.</p>
(e) If a compensation consultant or advisor has, at any time since the beginning of the Company's most recently completed fiscal year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform other work for the Corporation, state that fact and briefly describe the nature of the work.	<ul style="list-style-type: none"> N/A. 	
8. Other Board Committees	Yes	<ul style="list-style-type: none"> The Corporation also has a Reserves Committee. The composition and function of the Reserves Committee are described in this Circular under "Statement of Corporate Governance Practice - Board Committees – Reserves Committee".
9. Regular Board Assessments	Yes	<ul style="list-style-type: none"> No formal process exists for assessing the effectiveness of the Board or individual directors and Committees, however, effectiveness is assessed on an ad hoc basis.
(a) Describe the manner in which the Board of Directors regularly assesses its own effectiveness and performance, the effectiveness and performance of each of the committees of the board, and the effectiveness and performance of each board member.		