

CANOEL INTERNATIONAL ENERGY LTD.
ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

JULY 26, 2010

INFORMATION CIRCULAR

Except where otherwise indicated, information contained herein is effective as of June 24, 2010.

REVOCAION OF PROXIES

A shareholder who has submitted a proxy may revoke it. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing signed by the shareholder or his attorney authorized in writing, or, if the shareholder is a corporation, signed under its corporate seal or by an officer or attorney of the corporation authorized in writing, and depositing the instrument either at the registered office of the Corporation or at the office of Olympia Trust Company, Suite 2300, 125 – 9th Avenue S.E., Calgary, Alberta, T2G 0P6, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof at which the proxy is to be used. Upon such deposit the proxy will be revoked as to any matter in respect of which a vote has not already been cast.

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the Management of Canoel International Energy Ltd. (the "Corporation") for use at the Annual and Special Meeting (the "Meeting") of Shareholders of the Corporation to be held on July 26, 2010, at the time and place and for the purposes set forth in the accompanying Notice of Annual [and Special Meeting] of Shareholders ("Notice of the Meeting") and at any adjournment or adjournments thereof. The solicitation of proxies will be made primarily by mail but proxies may also be solicited personally or by telephone or other means, by directors, officers or employees of the Corporation to whom no additional compensation will be paid for so doing. The cost of the solicitation will be borne by the Corporation.

PROXY INSTRUCTIONS

Mr. Andrea Cattaneo and Mr. Dario Sodero, the persons named in the form of proxy enclosed with the Notice of the Meeting, are respectively the President & CEO of the Corporation as well as a member of the Board of Directors and a Director of the Corporation. Shareholders have the right to appoint some other person (who need not be a shareholder of the Corporation) to represent them at the meeting. To exercise that right, a shareholder may either insert the name of the desired representative in the blank space provided in the form of Proxy enclosed with the Notice of the Meeting, or submit another form of Proxy appointing the desired representative. Proxies will not be valid unless received by Olympia Trust Company at its offices at Suite 2300, 125 – 9th Avenue S.E., Calgary, Alberta, T2G 0P6, not later than forty-eight (48) hours, excluding Saturdays and holidays, before the time set for the meeting or any adjournment thereof at which the proxy is to be used. **The proxy must be in writing and must be signed by the shareholder or his attorney authorized in writing, or, if the shareholder is a corporation, the proxy must be signed under its corporate seal or by a duly authorized officer or attorney of the corporation authorized in writing.**

The form of proxy enclosed with the Notice of the Meeting affords a means for shareholders to specify that their shares will be voted or withheld from voting on the election of directors and the appointment of auditors and to specify that their shares will be voted for or against all other business identified in the Notice of the Meeting. If appointed proxy, Mr. Cattaneo or Mr. Sodero will vote the shares or withhold from voting the shares as specified by the shareholder on any ballot that may be called for. **The shares will be voted "for" each matter for which no specification has been given. The form**

of proxy enclosed with the Notice of the Meeting confers discretionary authority upon the person appointed proxy thereunder to vote on amendments or variations to matters identified in the Notice of the Meeting, and on other matters which may properly come before the Meeting. At the date of this Information Circular, Management of the Corporation knows of no such amendment, variation or other matter which may come before the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The only outstanding voting securities of the Corporation are common shares of which 21,618,715 common shares are outstanding, each entitling the holder to one vote.

The Board of Directors of the Corporation has fixed the close of business on the 28th of June 2010 as the record date, for determination of the registered holders of common shares entitled to receive notice of the Meeting. The Corporation will prepare a list of the names of and the number of shares held by each shareholder who is entitled to receive notice of the Meeting. At the Meeting a shareholder will be entitled to vote the shares shown opposite that shareholder's name on the list except to the extent that the shareholder has transferred any shares after the record date and the transferee produces properly endorsed share certificates, or otherwise establishes ownership of such shares and demands the inclusion of the transferee's name in the list of shareholders not later than 10 days before the date of the Meeting.

To the knowledge of the directors and executive officers of the Corporation, no person or company beneficially owns, controls or directs, directly or indirectly, more than 10% of the common shares of the Corporation except:

Name	No. of Shares Owned, Controlled or Directed	Percentage of Class
CDS & Co.*	13,374,465	61.87%

* Beneficial ownership, control and direction are unknown.

ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES

The information in this section is of significant importance to shareholders who do not hold their common shares in their own name ("**Beneficial Shareholders**"). Beneficial Shareholders should note that only proxies deposited by registered holders of common shares (those 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 the common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the name of the shareholder on the records of the Corporation. Common shares listed in an account statement will more likely be registered under the name of the shareholder's broker or their broker's agent. In Canada, the vast majority of shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common shares held by brokers or their agents or nominees can only be voted as instructed by the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting common shares held for their clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that the common shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Services, Inc. ("**Broadridge**"). Broadridge typically mails a scannable Voting Instruction Form in lieu of the form of proxy. The Beneficial Shareholder is asked to complete and return the Voting Instruction Form to Broadridge by mail or facsimile or to call a toll-free number or visit a website to give voting instructions electronically. Broadridge tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be

represented at the Meeting. A Beneficial Shareholder receiving a Voting Instruction Form cannot use that Voting Instruction Form to vote common shares directly at the Meeting. The Voting Instruction Form must be returned as directed by Broadridge or voting instructions must be given electronically 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, you should contact your broker or agent well in advance of the Meeting to determine how you can do so.

PARTICULARS OF MATTERS TO BE ACTED UPON

Election of Directors

The size of the Board of the Company is currently determined at 6. The board proposes that the number of directors be increased to 7. Shareholders will therefore be asked to approve an ordinary resolution that the number of directors elected be fixed at 7, subject to the provisions of the Articles of the Company permitting the board to appoint up to one-third additional directors until the next annual general meeting.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) ("BCA"), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table contains the names of all persons proposed to be nominated by Management for election as directors, their principal occupation or employment for the past five years, the year in which they first became a director of the Corporation and the number of common shares of the Corporation beneficially owned or over which control or direction is exercised, directly or indirectly, by each of them:

Name, Residence and Position with the Corporation	Director Since	Principal Occupation	No. of Common Shares owned or controlled
Emmanuel J. Olympitis ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾ Wiltshire, England Director	June 20, 2008	Executive Chairman of Pacific Media Plc from October 1999 to May 2004. Chairman of Lyra Investments Limited since May 2004. Mr. Olympitis has served as Executive Chairman, Chairman, CEO or non-executive director of several UK public companies, quoted both on the main board of the London Stock Exchange as well as the AIM. Mr. Olympitis also previously served as an Executive Director of Bankers Trust International Limited, an international investment banking firm.	Nil
James H. Grossman ⁽²⁾⁽³⁾ Paris, France Director	December 17, 2007	Self employed attorney/arbitrator and company director since January 2005. Lawyer with the firm of Reid Smith LLP from January 2003 to January 2005. Mr. Grossman has been an international and venture capital lawyer for over 35 years and over the past ten years has acted as an international arbitrator. He has served on boards of directors of public companies listed on the London Stock Exchange, AIM, OTCBB and the TSX Venture Exchange.	30,000
Jose Ramon Lopez-Portillo ⁽¹⁾ Oxford, England Director	September 24, 2008	Founder and Coordinator of the Centre for Mexican Studies at Oxford University since 2002 and organizer of annual conference and seminar on energy security in Mexico at Oxford, and a Director of World SkyCat Ltd since 2000.	480,000

Name, Residence and Position with the Corporation	Director Since	Principal Occupation	No. of Common Shares owned or controlled
Luigi (Gino) Regis Milano ⁽²⁾ Genoa, Italy Director	September 24, 2008	Director and owner of D.P.L. Srl. an Italian oil refinery.	475,000
Andrea Cattaneo London, England Director, President and CEO ⁽³⁾	December 9, 2008	Energy consultant specialized in emerging countries. He began his career in trading with Comecon,; subsequently moved into banking where he specialized in sovereign loans and trade finance with emerging countries, principally socialist countries in Africa, Eastern Europe and Asia; finally he moved to petroleum trading and exploration. He has thirty years experience in advising governments in financial and energy related matters. He has matured some experience in manufacturing. He presently serves as Executive Member & Energy Coordinator of the Business Advisory Council to the Great Tumen Initiative, a project, sponsored by the United Nations Development Program, involving China, Mongolia, Russia, North Korea and South Korea. In a non-business capacity, in 2007 he organized in Genoa the first worldwide exhibition of artists from North Korea.	1,761,115
Dario E. Sodero ⁽³⁾ ⁽⁶⁾ Calgary, Alberta Director	June 24, 2009	President and Chief Executive Officer of Cygam Energy Inc., a publicly traded Calgary based petroleum and natural gas exploration and producing company.	Nil ⁽⁶⁾
Francesco Zofrea, Rome, Italy, Director	June 24, 2009	An outstanding career in the Eni Group, the major state controlled Italian oil company. Before he has been for 12 years the Managing Director of Agip Petroli spa, the largest operative arm of the ENI group; presently the Chairman of Eni Power Spa	Nil

Notes:

- (1) Audit Committee member.
- (2) Remuneration Committee member.
- (3) Corporate Governance Committee member.
- (4) To the knowledge of the Corporation, no proposed director together with the proposed director's associates and affiliates beneficially own or control or direct, directly or indirectly, 10% or more of the voting rights attached to all voting securities of the Corporation. Information regarding ownership of securities by the proposed directors and their respective associates and affiliates, not being within the knowledge of the Corporation, has been provided by the respective proposed directors.
- (5) Mr. Olympitis had advised the Board that he would resign from the Board as of July 31, 2009 and become a member of the Advisory Committee of the Board; he subsequently determined to remain a member of the Board.
- (6) Dario E. Sodero is the President and Chief Executive Officer of Cygam Energy Inc. which owns 1,960,000 of the outstanding common shares of the Corporation.

No proposed director:

- (a) is or, within 10 years before to the date of this Information Circular, has been a director or chief executive officer or chief financial officer of any company that:
 - (i) while the proposed director was acting in that capacity, was the subject of:

- (A) a cease trade or similar order (including a management cease trade order that applied to the directors or executive officers of the company) for a period of more than 30 consecutive days; or
 - (B) an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days;
- (ii) was subject to an order of the type referred to in subparagraphs (A) or (b) above that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer of the company that resulted from an event that occurred while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer of that company;
- (b) except as set out below, is or, within 10 years before to the date of this Information Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity or within a year of the proposed director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within 10 years before to the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the proposed director's assets; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for the proposed director.

Mr. Olympitis was a director of Sirius Retail Television Limited from January 2003 to May 2003, whilst that company was in the ownership of Pacific Media Plc. The company was sold in May 2003 back to the management at which time Mr. Olympitis ceased to be a director. In July 2003 the company proposed a voluntary arrangement with its creditors which was approved. The company voluntary arrangement was completed and discharged on November 21, 2006.

Mr. Grossman was Chairman of World Gaming Plc, a company listed on AIM and the OTC of NASDAQ. Mr. Grossman resigned as a director in September, 2006. Subsequent thereto and prior to the end of 2006, the company ceased operations and a receiver was appointed. The receiver completed its assignment by working out various arrangements with creditors to the extent funds were available.

Mr. Cattaneo was the Chief Executive Officer of Pex Plc and certain related companies which were international manufacturers of socks. In the late 1990's the companies became insolvent and most of such companies shortly after entered into a form of insolvency proceedings.

APPOINTMENT OF AUDITOR

At the Meeting, the shareholders will be called upon to appoint an auditor to serve until the close of the next Annual Meeting of the Corporation.

Management recommends that the shareholders vote for the appointment of KPMG, LLP, Chartered Accountants, and Calgary, Alberta, who have acted as auditors since January 7, 2008.

Approval of Stock Option Plan

The Corporation has a stock option plan (the "Plan") pursuant to which, non-transferable options to purchase common shares of the Corporation may be granted to directors, officers, consultants and employees of the Corporation, exercisable for a period of up to 5 years from the date of grant, provided

that, the number of Common Shares reserved for issuance under options will not exceed 10% of the issued and outstanding Common Shares. A copy of the Plan is attached hereto as Appendix B.

The policies of the TSX Venture Exchange require that the Plan receive shareholder approval yearly at the Corporation's annual general meeting.

At the Meeting, shareholders will be asked to consider and if thought fit, pass the following ordinary resolution:

“BE IT RESOLVED that:

- 1. the stock option plan of the Corporation (the “Plan”) in the form attached as Appendix B (the “Plan”) to the Management Information Circular accompanying the notice of this Meeting be and is hereby ratified as the stock option plan of the Corporation;*
- 2. the issued and outstanding stock options previously granted shall continue to be governed by the Plan;*
- 3. any one (or more) director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal or otherwise) that may be necessary or desirable to give effect to this resolution and obtain acceptance of the Plan by the TSX Venture Exchange.”*

Amendment to Articles

Management wishes to alter the Articles of the Company to permit meetings of shareholders to be held anywhere in the world as shareholders of the Company reside in many different countries, subject to the consent of the Registrar of Companies for British Columbia.

At the Meeting, shareholders will be asked to consider and if thought fit, pass the following special resolution:

“BE IT RESOLVED as a special resolution that the Articles of the Company be altered to permit annual meetings to be held in any country in the world.

The majority required to pass a special resolution is two-thirds of those votes cast at a properly constituted meeting of shareholders.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Corporation has a Remuneration Committee consisting of Messrs. Olympitis, Chairman, and Messrs. Grossman, and Regis Milano. All of these individuals are independent in that they are neither employees nor executive officers of the Corporation or any of its affiliates. Mr. Olympitis is the Chair of the Remuneration Committee. The role of the Remuneration Committee is to assist the Board of Directors in its oversight role with respect to the Corporation's global human resources strategy, policies and programs and with respect to all matters relating to proper utilization of human resources within the Corporation, with special focus on management succession, development and compensation.

The Corporation has entered into a formal executive compensation plan with its President and Chief Executive Officer, the only salaried employee of the Corporation. This compensation plan at present consists of salary, stock options under the Corporation's Stock Option Plan, a life insurance benefit, and a future bonus plan.

The Corporation has entered into a formal executive compensation plan with its President and Chief Executive Officer, pursuant to a Consulting Agreement. This compensation plan at present consists of fees of \$64,800 per year, stock options under the Corporation's Stock Option Plan (400,000 granted in the fiscal year ended March 31, 2009), a benefit in the form of a payment by the Corporation of an

annual life insurance premium of US\$5000 wherein his heirs are the beneficiaries, and a future bonus plan.

In setting executive compensation the Board of Directors takes into consideration the balance between the Corporation's capacity to pay cash compensation, the need to offer competitive compensation packages in order to attract and retain qualified individuals, and short and long-term compensation objectives.

Salary

Base salaries are established by the Board of Directors on the recommendation of the Remuneration Committee after negotiation with the executive and taking into consideration the executive's duties, performance and experience. Although the Corporation does not have a policy regarding bonuses, bonuses may be used to provide short term compensation to executives to recognize both individual performance, overall performance of the Corporation and to provide additional compensate on where, due to limited financial resources, the Corporation has been unable to pay appropriate levels of compensation in prior periods. Bonuses, if awarded, will be in amounts determined at the discretion of the Board of Directors on the recommendation of the Remuneration Committee and may be paid in cash or otherwise as determined by the Board of Directors.

Stock Options

Stock options are awarded as a long-term incentive that includes the opportunity for gain based on overall performance of Corporation and to align the interests of board members and an executive with the interests of the Shareholders of the Corporation. Options are granted by the Board of Directors based on the recommendation of the Remuneration Committee and the Board's assessment of the appropriate level of incentive having regard to the duties, performance, experience and overall compensation of the option holder. Option grants are made having regard to the number of options previously granted to the executive and the appropriate level of overall incentive for the executive.

Summary Compensation Table

The following table summarizes annual compensation and long-term compensation of the Corporation's "Named Executive Officers" (as defined by Form 51-102F6) during the financial year ended March 31, 2010:

Name and principal position	Year ⁽³⁾	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽⁴⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation ⁽⁵⁾ (\$)	Total Compensation (\$)
Andrea Cattaneo ⁽²⁾	2010	64,800	Nil	Nil	Nil	Nil	Nil	Nil	64,800
Jose Ramon Lopez-Portillo ⁽¹⁾	2009	Nil	Nil	2,741	Nil	Nil	Nil	3,244	5,985
Andrea Cattaneo ⁽²⁾	2009	16,200	Nil	8,120	Nil	Nil	Nil	Nil	24,320

Notes:

1. Jose Ramon Lopez-Portillo served as Chief Executive Officer from December 9, 2009 to January 16, 2008
2. Andrea Cattaneo was appointed President and Chief Executive Officer effective January 1, 2009. Mr. Cattaneos' annual consulting fee payment is \$64,800, payable in equal monthly instalments.
3. Financial years ended March 31.
4. Fair value determined by using the Black-Scholes pricing model on the date of grant.
5. Directors fees received.

Outstanding Share-Based and Option-Based Awards

The following table summarizes for each Named Executive Officer, all share-based and option-based awards outstanding as at March 31, 2010, including awards granted in previous financial years.

Name	Number of securities underlying unexercised options (#)	Option exercise price	Option expiration date	Value of unexercised in-the-money options ⁽²⁾	Share-based awards	
					Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Jose Ramon Lopez-Portillo ⁽³⁾	135,000	\$0.10	March 13, 2014	5,400	Nil	Nil
Andrea Cattaneo	400,000	\$0.10	March 13, 2014	16,000	Nil	Nil

Note:

. Value determined by subtracting the market price of the underlying shares from the exercise price of the options. The closing price of the common shares on the TSX Venture Exchange on March 31, 2010 \$0.14.

Incentive Plan Awards – Value Vested During the Year

The following table summarizes for each Named Executive Officer the value of option-based awards and share-based awards that vested during the year ended March 31, 2010.

Name	Option-based awards - Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Jose Ramon Lopez-Portillo	16,000	Nil	Nil
Andrea Cattaneo	5,400	Nil	Nil

Note:

1. Value determined by subtracting the market price of the underlying shares on the vesting date from the exercise price of the options.

Pension Plan Benefits

The Corporation does not have a pension plan.

Deferred Compensation Plans

The Corporation does not have a deferred compensation plan.

Termination and Change of Control Benefits

The Corporation does not have any contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in a Named Executive officer's responsibilities other than Andrea Cattaneo. The Corporation entered into a consulting agreement with Mr. Cattaneo to act as President and Chief Executive Officer for a term of two years commencing March 13, 2009. In the event of a change of control of the Corporation, Mr. Cattaneo will be entitled to terminate the contract and receive consulting fees and a payment equal to the estimated present value on the date of termination of benefits and incentive options that Mr. Cattaneo would have received had the contract remained in force for its entire term.

DIRECTOR COMPENSATION

Director Compensation Table

The following table summarizes compensation provided during the year ended March 31, 2010 to Directors of the Corporation who were not also Named Executive Officers during the year:

Name	Fees earned (\$)	Share based awards (\$)	Option based awards⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other compensation (\$)	Total (\$)
Emmanuel J. Olympitis	Nil	Nil	Nil	Nil	Nil	Nil	Nil
James Grossman	Nil	Nil	Nil	Nil	Nil	18,334 ⁽³⁾	18,334
Luigi (Gino) Regis Milano	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Dario Sodero	Nil	Nil	11,457	Nil	Nil	Nil	11,457
Francesco Zofrea	Nil	Nil	11,457	Nil	Nil	Nil	11,457
Adolfo Vannucci	Nil	Nil	8,900	Nil	Nil	Nil	8,900

Note:

1. Compensation for Jose Ramon Lopez-Portillo and Andrea Cattaneo appear elsewhere in this Information Circular.
2. Fair value determined by using the Black-Scholes pricing model on the date of grant.
3. Mr. Grossman received \$2,583 per month effective December 8, 2008 for legal services acting as Counsel to the Corporation. This arrangement terminated in September of 2009 and he received \$2,500 during March, 2010.

Outstanding Share-Based and Option-Based Awards

The following table summarizes for each Director who was not also a Named Executive Officer during the year ended March 31, 2010, all share-based and option-based awards outstanding as at March 31, 2010, including awards granted in previous financial years.

Name	Number of securities underlying unexercised options (#)	Option exercise price	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾	Share-based awards	
					Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Emmanuel J. Olympitis	125,000	\$0.10	March 13, 2014	5,000	Nil	Nil
James Grossman	125,000	\$0.20	April 8, 2013	Nil	Nil	Nil
	165,000	\$0.10	March 13, 2014	6,600		
Luigi (Gino) Regis Milano	125,000	\$0.10	March 13, 2014	5,000	Nil	Nil
Dario Soderò	72,500	0.23	Sept 11, 2014	Nil	Nil	Nil
	52,500	0.125	Sept 25, 2014	788	Nil	Nil
Francesco Zofrea	72,500	0.23	Sept 11, 2014	Nil	Nil	Nil
	52,500	0.125	Sept 25, 2014	788	Nil	Nil
Adolfo Vannucci	100,000	0.17	February 8, 2015	Nil	Nil	Nil

Note:

- Value determined by subtracting the market price of the underlying shares from the exercise price of the options. The closing price of the common shares on the TSX Venture Exchange on March 31, 2010 was \$0.14.
- Awards for Jose Ramon Lopez-Portillo and Andrea Cattaneo appear elsewhere in this Information Circular.

Incentive Plan Awards

The following table summarizes for each Director who was not also a Named Executive Officer during the year ended March 31, 2010, the value of option-based awards and share-based awards that vested during the year ended March 31, 2010.

Name	Option-based awards - Value vested during the year⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Emmanuel J. Olympitis	5,000	Nil	Nil
James Grossman	6,600	Nil	Nil
Luigi (Gino) Regis Milano	5,000	Nil	Nil
Dario Sodero	788	Nil	Nil
Francesco Zofrea	788	Nil	Nil
Adolfo Vannucci	Nil	Nil	Nil

Note:

1. Value determined by subtracting the market price of the underlying shares on the vesting date from the exercise price of the options.
2. Awards for Jose Ramon Lopez-Portillo and Andrea Cattaneo appear elsewhere in this Information Circular.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

At the end of the Corporation's most recently completed financial year, the Corporation had the following compensation plans under which equity securities of the Corporation were authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Plans approved by security holders	1,565,000	\$0.13	596,872
Plans not approved by security holders	Nil	Nil	Nil
Totals	1,565,000	\$0.13	596,872

INDEBTEDNESS OF DIRECTORS, SENIOR OFFICERS AND ASSOCIATES

As of June 15, 2010 none of the directors, executive officers or employees of the Corporation and the former executive officers, directors or employees of the Corporation and its subsidiaries, were indebted to:

- (a) the Corporation or any of its subsidiaries; or
- (b) to any other entity where the indebtedness is the subject of a guarantee, support agreement (including, but not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness), letter of credit or similar arrangement or understanding provided by the Corporation or any of its subsidiaries:

During the last completed financial year of the Corporation:

- (a) no director or executive officer of the Corporation;
- (b) no nominees for election as director of the Corporation; and
- (c) no associate of any person referred to in paragraphs (a) and (b),
was
- (d) indebted to the Corporation or any of its subsidiaries; or
- (e) indebted to any other entity where the indebtedness is the subject of a guarantee, support agreement (including, but not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower), letter of credit or similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Since the commencement of the Corporation's last completed financial year:

- (a) no informed person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*);
- (b) no proposed director of the Corporation; and
- (c) no associate or affiliate of any person referred to in paragraph (a) or (b);

had a material interest, direct or indirect, in any transaction or proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

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

None of:

- (a) the persons who have been directors or executive officers of the Corporation at any time since the beginning of the Corporation's last financial year;
- (b) the proposed nominees for election as a director of the Corporation at the Meeting; or
- (c) the associates or affiliates of any of the persons or companies listed in paragraphs (a) or (b),

has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

MANAGEMENT CONTRACTS

None of the management functions of the Corporation or any subsidiary are to any substantial degree performed other than by the directors or executive officers of the Corporation or subsidiary.

AUDIT COMMITTEE INFORMATION

Securities regulations require disclosure of certain information regarding the Corporation's audit committee, the way it functions and the fees paid to the Auditor. This information can be found in Appendix A.

CORPORATE GOVERNANCE PRACTICES

Securities regulations require disclosure of certain information regarding the Corporation's corporate governance practices. This information can be found in Appendix B.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is on SEDAR at www.sedar.com. Shareholders may obtain copies of the Corporation's financial statements and MD&A by contacting Steve Austin, its Chief Financial Officer at info@canoenergy.com.

Financial information is provided in the Corporation's comparative financial statements and MD&A for its most recently completed financial year.

APPENDIX A

CANOEL INTERNATIONAL ENERGY LTD.

Audit Committee Charter

OVERALL ROLE AND RESPONSIBILITY

The Audit Committee shall:

- (a) assist the Board of Directors in its oversight role with respect to:
 - (i) the quality and integrity of financial information;
 - (ii) the independent auditor's performance, qualifications and independence;
 - (iii) the performance of the Corporation's internal audit function, if applicable; and
 - (iv) the Corporation's compliance with legal and regulatory requirements and
- (b) prepare such reports of the Audit Committee required to be included in the Proxy Circular in accordance with applicable laws or the rules of applicable securities regulatory authorities.

MEMBERSHIP AND MEETINGS

The Audit Committee shall consist of three or more Directors appointed by the Board of Directors, all of whom shall be independent and unrelated to the Corporation and as such shall not be officers (other than a non-executive Chairman or Corporate Secretary who is not an employee of the Corporation) or employees of or have a meaningful business relationship with the Corporation or any of the Corporation's affiliates or be an immediate family member of any of the foregoing. Each of the members of the Audit Committee shall satisfy the applicable independence and financial literacy of the laws governing the Corporation, the applicable stock exchanges on which the Corporation's securities are listed and applicable securities regulatory authorities.

The Board of Directors shall designate one member of the Audit Committee as the Committee Chair. Each member of the Audit Committee shall be financially literate as such qualification is interpreted by the Board of Directors in its business judgment.

STRUCTURE AND OPERATIONS

The affirmative vote of a majority of the members of the Audit Committee participating in any meeting of the Audit Committee is necessary for the adoption of any resolution.

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall report to the Board of Directors on its activities after each of its meetings at which time minutes of the prior Committee meeting shall be tabled for the Board.

The Audit Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board of Directors for its approval.

The Audit Committee is expected to establish and maintain free and open communication with management and the independent auditor and shall periodically meet separately with each of them.

SPECIFIC DUTIES

Oversight of the Independent Auditor

- Make recommendations to the board for the appointment and replacement of the independent auditor.
- Responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.
- Authority to pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.
- Evaluate the qualifications, performance and independence of the independent auditor, including (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Corporation, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
- Obtain from the independent auditor and review the independent auditor's report regarding the management internal control report of the Corporation to be included in the Corporation's annual proxy circular, as required by applicable law.
- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law (currently at least every 5 years).

Financial Reporting

- Review and discuss with management and the independent auditor:
 - prior to the annual audit the scope, planning and staffing of the annual audit,
 - the annual audited financial statements,
 - the Corporation's annual and quarterly disclosures made in management's discussion and analysis,
 - approve any reports for inclusion in the Corporation's Annual Report, as required by applicable legislation,
 - the Corporation's quarterly financial statements, including the results of the independent auditor's review of the quarterly financial statements and any matters required to be communicated by the independent auditor under applicable review standards,
 - significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements,
 - any significant changes in the Corporation's selection or application of accounting principles, or any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies, and
 - other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

- Discuss with the independent auditor matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.

AUDIT COMMITTEE'S ROLE

The Audit Committee has the oversight role set out in this Charter. Management, the Board of Directors, the independent auditor and the internal auditor (if any) all play important roles in respect of compliance and the preparation and presentation of financial information. Management is responsible for compliance and the preparation of financial statements and periodic reports. Management is responsible for ensuring the Corporation's financial statements and disclosures are complete, accurate, in accordance with generally accepted accounting principles and applicable laws. The Board of Directors in its oversight role is responsible for ensuring that management fulfills its responsibilities. The independent auditor, following the completion of its annual audit, opines on the presentation, in all material respects, of the financial position and results of operations of the Corporation in accordance with Canadian generally accepted accounting principles.

FUNDING FOR INDEPENDENT AUDITOR AND RETENTION OF OTHER INDEPENDENT ADVISORS

The Corporation shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Audit Committee. The Audit Committee shall also have the authority to retain such other independent advisors as it may from time to time deem necessary or advisable for its purposes and the payment of compensation therefore shall also be funded by the Corporation.

Approval of Audit and Remitted Non-Audit Services Provided by External Auditors

Over the course of any year there will be two levels of approvals that will be provided. The first is the existing annual Audit Committee approval of the audit engagement and identifiable permitted non-audit services for the coming year. The second is in-year Audit Committee pre-approvals of proposed audit and permitted non-audit services as they arise.

Any proposed audit and permitted non-audit services to be provided by the External Auditor to the Corporation or its subsidiaries must receive prior approval from the Audit Committee, in accordance with this Protocol. The Chief Financial Officer shall act as the primary contact to receive and assess any proposed engagements from the External Auditor.

Following receipt and initial review for eligibility by the primary contacts, a proposal would then be forwarded to the Audit Committee for review and confirmation that a proposed engagement is permitted.

In the majority of such instances, proposals may be received and considered by the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority to approve audit and permitted non-audit services), for approval of the proposal on behalf of the Audit Committee. The Audit Committee Chair will then inform the Audit Committee of any approvals granted at the next scheduled meeting.

COMPOSITION OF THE COMMITTEE

The following table contains the name of each member of the Audit Committee and indicates whether the member is "independent" and "financially literate", as those terms are defined by Multilateral Instrument 52-110 – Audit Committees ("MI 52-110"):

<u>Name</u>	<u>Independent</u>	<u>Financially Literate</u>
Jose Ramon Lopez-Portillo	Yes	Yes
Luigi Regis Milano	Yes	Yes
Emmanuel J. Olympitis (1)	Yes	Yes

Notes:

1. Chairman of the Audit Committee.

AUDIT COMMITTEE OVERSIGHT

Since the commencement of the Corporation's most recently completed financial year, there has been no recommendation of the audit committee to nominate or compensate an external auditor that was not adopted by the Board of Directors.

RELIANCE OF CERTAIN EXEMPTIONS

Since the commencement of the Corporations most recently completed financial year, the Corporation has not relied on:

- (a) the exemption in section 2.4 (De minimus Non-audit Services) of MI 52 110; or
- (b) an exemption from MI 52 110 in whole or in part, granted under Part 8 (Exemptions) of MI 52 110.

PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

AUDIT FEES AND PRE APPROVAL OF AUDIT SERVICES

The following table summarizes the fees paid during the last two financial years to the Corporation's auditor:

<u>Item</u>	<u>2010</u>	<u>2009</u>
Audit Fees	\$25,000	\$40,000
Audit Related Fees	-	-
Other Fees	\$500	\$19,000

RELIANCE ON EXEMPTION

The Corporation is a "venture issuer" as defined in MI 52-110 and as such is relying on the exemption in section 6.1 of MI 52-110 from the requirement to comply with the requirements of Part 3 (Composition of Audit Committee) and Part 5 (Reporting Obligations) of MI 52-110.

APPENDIX C

CORPORATE GOVERNANCE DISCLOSURE

GENERAL

The Board of Directors believes that good corporate governance improves corporate performance and benefits all shareholders. While it is the responsibility of the Corporation to develop its own corporate governance practices, National Policy 58-201 - *Corporate Governance Guidelines* ("NP 58 201") provides guidelines to be considered in developing those practices. National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") requires annual disclosure of the Corporation's corporate governance practices. The following discussion sets out the Corporation's approach to certain aspects of corporate governance as required by NI 58-101

BOARD OF DIRECTORS

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the Corporation's Board of Directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

Management has been delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Corporation's business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board of Directors facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its Audit Committee, the Board of Directors examines, among other things, the effectiveness of the Corporation's internal control processes and management information systems. The Board of Directors as a whole reviews executive compensation and recommends stock option grants.

The independent non-executive members of the Board of Directors of the Corporation are:

Emmanuel J. Olympitis
James H. Grossman
Jose Ramon Lopez-Portillo
Luigi (Gino) Regis Milano
Dario Sodero
Adolfo Vannucci
Francesco Zofrea

The non-independent director is:

Andrea Cattaneo

The Board of Directors has a majority of independent non-executive directors.

DIRECTORSHIPS

The following directors are directors of the issuers, other than the Corporation, whose names are set out opposite their respective names below. These issuers are reporting issuers in Canada or the equivalent in a foreign jurisdiction.

<u>Name</u>	<u>Other reporting issuers of which the Director is a director</u>
Emmanuel Olympitis	Photo-Me International Plc China Cable Com Holdings Ltd
James Grossman	Thalassa Energy Ltd. Unicorn AIM VCT Plc

ORIENTATION AND CONTINUING EDUCATION

The Board of Directors has not developed any specific orientation procedures for new directors or continuing education procedures for current directors.

ETHICAL BUSINESS CONDUCT

The Board of Directors has not developed specific procedures to promote a culture of ethical business conduct. Applicable laws impose duties on individual Directors to act honestly and in good faith with a view to the best interests of the Corporation. The Corporation's governing legislation also places restriction on an individual Director's participation in decisions of the Board of Directors where the Director has a personal interest. In view of these obligations and restrictions, the Board of Directors has not developed specific procedures to promote a culture of ethical conduct and believes that this is appropriate in view of the Corporation's size and stage of development.

NOMINATION OF DIRECTORS

Prior to recommending nominee Directors to shareholders at the Corporation's Annual General Meeting, the Board of Directors as a whole considers the number of Directors and the skills and experience required to carry out the Board's duties effectively. The Board does not have a separate nominating committee.

COMPENSATION

The Board of Directors on the recommendation of its Remuneration Committee determines compensation for the Directors and the President and Chief Executive Officer.

OTHER BOARD COMMITTEES

In addition to the Audit Committee and the Remuneration Committee, the Board of Directors has established a Corporate Governance Committee.

The Corporate Governance Committee is comprised of four directors, three of whom are independent. The Corporate Governance Committee's mandate includes: (i) identify individuals qualified and suitable to become Board members and make recommendations to the Board in that regard; (ii) assist the Board of Directors in its oversight role with respect to the development of the Corporation's corporate governance policies, practices and processes, the effectiveness of the Board of Directors and its committees, and the contributions of individual Directors; (iii) review on a periodic basis the composition of the Board members ensuring that an appropriate number of directors sit on the Board, as well as analyzing what competencies and skills the board, as a whole, should possess; and (iv) assess what competencies and skills each existing director possess. These responsibilities include reporting and making recommendations to the Board of Directors for their consideration and approval. The Corporate Governance Committee is comprised of Messrs. James Grossman, Dario Sodero, Andrea Cattaneo and Emmanuel Olympitis.

ASSESSMENTS

The Board of Directors has not established any formal procedure to satisfy itself that the Board, its Committees and individual Directors are performing effectively.