



**NOTICE OF ANNUAL AND SPECIAL MEETING  
AND  
INFORMATION CIRCULAR**

**FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD MAY 17, 2013**

April 16, 2013

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**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD FRIDAY, MAY 17, 2013**

TAKE NOTICE that the Annual and Special Meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares in the capital of Jura Energy Corporation (the “**Corporation**” or “**Jura**”) will be held on Friday, May 17, 2013 at the office of the Corporation located at #1170, 700 - 4<sup>th</sup> Avenue SW, Calgary, Alberta at 8:00 a.m. (Mountain Standard Time) for the following purposes:

1. to receive and consider the consolidated financial statements of the Corporation for the year ended December 31, 2012 and the auditors’ report thereon;
2. to appoint PricewaterhouseCoopers LLP as auditors and to authorize the directors to fix the remuneration to be paid to them;
3. to fix the number of directors to be elected at eight;
4. to elect directors;
5. to re-approve options that remain unallocated under the Corporation’s Amended and Restated Stock Option Plan; and
6. to transact any other business which may properly come before the Meeting.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice.

**Proxies are being solicited by management of the Corporation and the cost of the solicitation will be borne by the Corporation. Shareholders of the Corporation who wish to be represented at the Meeting by proxy must complete, date and sign the enclosed form of proxy and return it to the Corporation’s transfer agent, Olympia Trust Company (“Olympia”), Attn: Proxy Department, #2300, 125 - 9th Avenue SE, Calgary, Alberta T2G 0P6 (fax number: (403) 265-1455). In order to be valid, proxies must be received by Olympia no later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the date of the Meeting or any adjournment thereof.**

Pursuant to the *Canada Business Corporations Act* and in accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, a record date for determining shareholders entitled to receive notice and vote at the Meeting has been set at April 9, 2013. Only those shareholders of record at the close of business on April 9, 2013 are entitled to receive notice of and to vote at the Meeting.

DATED at Calgary, Alberta, this 16<sup>th</sup> day of April, 2013.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) “*Graham Garner*”

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Graham Garner  
Chief Executive Officer

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**INFORMATION CIRCULAR**

**for the Annual and Special Meeting of Shareholders  
to be held on Friday, May 17, 2013**

**SOLICITATION OF PROXIES**

**This Information Circular is provided in connection with the solicitation of proxies by and on behalf of the management of Jura Energy Corporation** (the “**Corporation**” or “**Jura**”) for use at the Annual and Special Meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) of the Corporation to be held on Friday, May 17, 2013 at the office of the Corporation located at #1170, 700 – 4<sup>th</sup> Avenue SW, Calgary, Alberta at 8:00 a.m. (Mountain Standard Time) and at any adjournment(s) thereof, for the purposes set forth in the Notice of Annual and Special Meeting (the “**Notice**”) that is attached hereto. The information contained herein is given as of April 16, 2013 unless otherwise noted.

No person has been authorized by the Corporation to give any information or make any representations in connection with the transactions described herein other than those contained in this Information Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by the Corporation.

Shareholders of the Corporation who wish to be represented at the Meeting by proxy must complete and deliver the enclosed form of proxy (the “**Proxy**”) to the Corporation’s transfer agent, Olympia Trust Company (“**Olympia**”), Attn: Proxy Department, #2300, 125 - 9th Avenue SE, Calgary, Alberta T2G 0P6 (fax number: (403) 265-1455). In order to be valid, proxies (together with any additional documents which may be required as are set out under the heading “Appointment and Revocation of Proxies” that is provided below) must be received by Olympia no later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the time of the Meeting or any adjournment(s) thereof.

The board of directors of the Corporation (the “**Board of Directors**” or the “**Board**”) has fixed the record date for those entitled to receive notice of and vote at the Meeting as at the close of business on April 9, 2013 (the “**Record Date**”). Only Shareholders of record as at the Record Date are entitled to receive notice of and vote the Common Shares held as at the Record Date at the Meeting. A transferee who acquires his, her or its Common Shares after the Record Date that wants to vote those Common Shares at the Meeting must obtain from the vendor an executed form of proxy relating to the transferred Common Shares and an undertaking from the vendor that he, she or it will not revoke the executed proxy or personally attend the Meeting to vote the transferred Common Shares.

All amounts presented in this Information Circular are presented in Canadian dollars, unless otherwise stated.

**Appointment and Revocation of Proxies**

The person named as proxyholder in the enclosed Proxy is a director and officer of the Corporation (the “**Management Nominee**”). Each Shareholder has the right to appoint a proxyholder other than the Management Nominee, who need not be a Shareholder, to attend and to act for the Shareholder and on the Shareholder’s behalf at the Meeting. To exercise such right, the name of the Management Nominee in the Proxy should be crossed out and the name of the Shareholder’s appointee should be legibly printed in the blank space provided.

A Proxy, to be valid, must be in writing and must be executed by the Shareholder or the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, its name must be completed in the signature section of the Proxy, and the Proxy must be signed by a duly authorized officer or attorney of the corporation, with the corporate seal of the corporation affixed thereto.

A Shareholder who has given a Proxy may revoke it at any time before it is exercised. A Proxy may be revoked by depositing an instrument in writing executed by the Shareholder, or by the Shareholder's duly authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal executed by a duly authorized officer or attorney thereof, with Olympia at the aforementioned address at any time up to and including the last business day preceding the date of the Meeting, or any adjournment(s) thereof, or with the chairperson of the Meeting on the day of the Meeting or any adjournment(s) thereof, and upon either of such deposits the Proxy shall be revoked. In addition, a Proxy may be revoked in any other manner permitted by law.

### **Persons Making the Solicitation**

**This solicitation is made by and on behalf of management of the Corporation.** The costs incurred in the preparation and mailing of the Proxy, the Notice and this Information Circular will be borne by the Corporation. In addition to the solicitation by mail, proxies may be solicited by personal interviews, telephone, or other means of communication and by directors, officers, and employees of the Corporation, who will not be specifically remunerated for such services.

### **Voting of Proxies and Exercise of Discretion by Proxy**

The Management Nominee has been selected by the directors of the Corporation and has indicated his willingness to represent as proxyholder the Shareholders who appoint him. Each Shareholder may instruct his, her or its proxyholder how to vote his, her or its Common Shares by completing the blanks on the Proxy. Common Shares of the Corporation represented by a properly executed Proxy in favour of the Management Nominee will be voted or withheld from voting in accordance with the instructions given by the Shareholder on the Proxy on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **In the absence of such instructions, such Common Shares will be voted in favour of all matters set out in the Notice.**

**The enclosed Proxy confers discretionary authority upon the proxyholders named in the Proxy with respect to amendments or variations to matters identified in the Notice and with respect to other matters that may properly come before the Meeting.** At the time of printing of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice and this Information Circular. If any matters that are not now known to the directors and senior officers of the Corporation should properly come before the Meeting, the proxyholders named in the accompanying Proxy will vote on such matters in accordance with their best judgment.

### **Advice to Beneficial Shareholders**

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold their Common Shares in their own name.** Shareholders who do not hold Common Shares in their own name (referred to herein 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 shares will not be registered in the Shareholder's name on the records of the Corporation. Such 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 shares are registered in the name of a clearing agency (such as CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) in accordance with instructions received from Beneficial Shareholders. Without specific instructions, a broker and its agents and nominees are

prohibited from voting Common Shares for their clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person or that the Common Shares are duly registered in their name.**

Applicable Canadian regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. In Canada, the majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). In most cases, Broadridge mails a scannable voting instruction form in lieu of the form of proxy provided by the Corporation, and asks Beneficial Shareholders to return the voting instruction form to Broadridge. Alternatively, Beneficial Shareholders can either call a toll-free telephone number to vote their Common Shares, or access Broadridge's dedicated voting web site at [www.proxyvote.com](http://www.proxyvote.com) to deliver their voting instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote Common Shares directly at the Meeting or any adjournment(s) thereof, as the voting instruction form must be returned to Broadridge, or alternatively instructions must be received by Broadridge, well in advance of the Meeting or any adjournment(s) thereof, as the case may be, in order to have the Common Shares voted.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his, her or its broker (or an agent of the broker), a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. A Beneficial Shareholder who wishes to attend the Meeting and indirectly vote his, her or its Common Shares as proxyholder for the registered shareholder, should enter his, her or its own name in the blank space on the form of proxy provided and return the same to his, her or its broker (or broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Corporation's authorized capital consists of an unlimited number of Common Shares and an unlimited number of preferred shares (issuable in series), of which 69,076,328 Common Shares and no preferred shares are issued and outstanding as of April 16, 2013. A holder of Common Shares is entitled to one vote on all matters to be considered and acted upon at the Meeting for each Common Share held. The Board of Directors may from time to time fix, before issuance, the designation, rights, privileges, restrictions and conditions attaching to each series of preferred shares.

There are no cumulative or similar voting rights attached to the Common Shares or preferred shares of the Corporation.

Any registered Shareholder of the Corporation at the close of business on the Record Date who either personally attends the Meeting or who completes and delivers a Proxy will be entitled to vote or have his, her or its Common Shares voted at the Meeting. However, a person appointed as proxyholder under the Proxy will be entitled to vote the Common Shares represented by that Proxy only if the Proxy is effectively delivered in the manner set forth under the headings "Solicitation of Proxies" and "Appointment and Revocation of Proxies" set out above.

As of the date hereof, to the knowledge of the directors and executive officers of the Corporation, the only person or company which beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying ten percent (10%) or more of the voting rights attached to the issued and outstanding Common Shares is set out in the table below.

Name	Number of Common Shares	Percentage of Common Shares
Eastern Petroleum Limited ("EPL")	50,659,076	73.3%

## MATTERS TO BE ACTED UPON AT THE MEETING

### **Appointment of Auditors**

At the Meeting, the Shareholders will be asked to vote for the appointment of PricewaterhouseCoopers LLP, Chartered Accountants, of Calgary, Alberta as auditors of the Corporation to serve until the close of the next annual meeting of Shareholders, and to authorize the directors of the Corporation to fix the remuneration to be paid to the auditors. PricewaterhouseCoopers LLP were first appointed auditors of the Corporation by the Board of Directors on January 26, 2007. Fees paid to the Auditors for the fiscal years ended September 30, 2011 and December 31, 2012 are more fully described in the Corporation's Annual Information Form dated March 20, 2013. The Annual Information Form is available for viewing on the internet on the System for Electronic Document Analysis and Retrieval ("**SEDAR**"), which can be accessed at [www.sedar.com](http://www.sedar.com).

The resolution appointing auditors must be passed by a simple majority of the votes cast with respect to the resolution by Shareholders present in person or by proxy at the Meeting. **Unless otherwise directed, it is the intention of the Management Nominee to vote proxies in the accompanying form in favour of the appointment of PricewaterhouseCoopers LLP, Chartered Accountants, of #3100, 111 - 5th Avenue SW, Calgary, Alberta, T2P 5L3, as auditors of the Corporation to hold office until the next annual meeting of Shareholders, or until their successor is appointed, and to authorize the directors to fix the remuneration to be paid to the auditors.**

### **Number of Directors**

The Corporation is required by its articles to have a minimum of three and a maximum of seventeen directors. Shareholders will be asked at the Meeting to pass a resolution setting the number of directors to be elected at the Meeting at eight.

The resolution setting the number of directors to be elected must be passed by a simple majority of the votes cast with respect to the resolution by Shareholders present in person or by proxy at the Meeting. **Unless otherwise directed, it is the intention of the Management Nominee to vote Proxies in the accompanying form in favour of setting the number of directors to be elected at the Meeting at eight.**

There is a provision in the articles of the Corporation which permits the Board of Directors to appoint additional directors between annual meetings of Shareholders, provided that the total number of directors so appointed does not exceed one-third of the number of directors elected at the previous annual meeting. Accordingly, a maximum of two additional directors could be appointed by the Board of Directors between annual meetings of Shareholders in this manner, although at the date of this Information Circular, management of the Corporation has no knowledge of any intention by the Board of Directors to appoint any additional directors following the Meeting and prior to the next annual meeting.

### **Election of Directors**

**Unless otherwise directed, management proposes to nominate the following eight individuals as directors and it is the intention of the Management Nominee to vote Proxies in the accompanying form in favour of the election of the following eight nominees as directors:**

Stephen C. Akerfeldt  
Shahzad Ashfaq  
Timothy M. Elliott

Graham Garner  
 Shahid Hameed  
 Akbar Kazmi  
 Stephen Smith  
 Hussain Sultan

All proposed nominees have consented to be named in this Information Circular and to serve as directors if elected. Each elected director will hold office until the close of the next annual meeting or until his successor is duly elected or appointed. The names and municipalities of residence of each of the persons that may be nominated for election as directors, the number of Common Shares beneficially owned, directly or indirectly, or controlled or directed by each of them, the offices held by each of them in the Corporation and the principal occupation of each of them in the preceding five years are as follows:

Name and Municipality of Residence <sup>(1)</sup>	Director of the Corporation Since	Additional Positions Held with the Corporation	Principal Occupation, Business or Employment at Present and Held During the Preceding Five Years <sup>(1)</sup>	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>
Stephen C. Akerfeldt <sup>(5)(6)(7)(9)(10)(13)</sup> <i>Toronto, Ontario, Canada</i>	January 24, 2003	Chairman of the Board of Directors of the Corporation from January 24, 2003 until March 14, 2007. Interim President and CEO of the Corporation from February 18, 2003 until May 10, 2005.	Mr. Akerfeldt has been President and a director of Ritz Plastics Inc., a private company that produces plastic parts primarily for the automotive industry by injection moulding, since 1999. Since June 14, 2011, Mr. Akerfeldt has been a director of Kulczyk Oil Ventures Inc. ("KOV"), an international oil and gas exploration company. Since January 2012, Mr. Akerfeldt has been a director of Armistice Resources Corp., a gold mining exploration company. From June 2007 until February 2011, he was chairman of the board and a director of Firstgold Corp., a gold mining exploration company and he was the Chief Executive Officer of Firstgold Corp. from January 2008 to July 2009.	90,363
Shahzad Ashfaq <sup>(5)(9)(13)</sup> <i>Singapore</i>	July 11, 2012	N/A	Mr. Ashfaq is currently the Managing Director of Stanhill Capital Partners, a merchant banking group that invests principally in the natural resources sector. Mr. Ashfaq joined Stanhill Capital Partners in 1999. Prior thereto, Mr. Ashfaq served as Vice President with Nomura International Plc.	Nil
Timothy M. Elliott <sup>(7)(11)(12)(13)</sup> <i>Dubai, United Arab Emirates</i>	March 14, 2007	N/A	Mr. Elliott has been President and CEO of KOV (formerly Loon Energy Inc.), a public company with international oil and gas exploration and development projects in Southeast Asia, the Middle East and Europe since	390,638 <sup>(2)</sup>



Name and Municipality of Residence <sup>(1)</sup>	Director of the Corporation Since	Additional Positions Held with the Corporation	Principal Occupation, Business or Employment at Present and Held During the Preceding Five Years <sup>(1)</sup>	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>
			February 2006. He has also been Consultant to KOV since 2001 and chairman of Loon Energy Corporation, a public company with international oil and gas exploration and development projects in Colombia and Peru since December 2008.	
Graham Garner <sup>(11)</sup> <i>Calgary, Alberta, Canada</i>	May 13, 2005	CEO of the Corporation since April 2009. President of the Corporation from April 2009 to July 2012. Director and officer of the Corporation's subsidiaries.	Mr. Garner has been CEO of the Corporation since April 2009. He was previously President of the Corporation from April 2009 to July 2012, Acting President and CEO of the Corporation from May 2008 until April 2009, Executive Vice President of the Corporation from June 2006 until May 2008, President of the Corporation from May 2005 until June 2006 and Executive Vice President of the Corporation from April 2003 to May 2005. Mr. Garner is a former lawyer practicing in the area of corporate law.	266,969
Shahid Hameed <i>Punjab, Pakistan</i>	July 11, 2012	President of the Corporation since July 2012.	Mr. Hameed has been President of the Corporation since July 2012 and Director and Chief Executive Officer of Spud Energy Pty Limited since June 2009. From 2004 to 2009, he served as Chief Operating Officer of Dewan Petroleum Private Ltd.	611,500 <sup>(3)</sup>
Akbar Kazmi <i>Dubai, United Arab Emirates</i>	February 25, 2013	Director of the Corporation's subsidiary, Spud Energy Pty Limited ("Spud").	Since July 2011, Mr. Kazmi has been a director of JS Investment Consultancy FZE, JS Group's principal finance office in Dubai. Since 2009, Mr. Kazmi has additionally acted as a consultant and alternate director for RAK Ghani Glass LLC, a JS Group investment specializing in the glass packaging for pharmaceutical brands. From March 2006 to July 2011, Mr. Kazmi was previously a director of JSPE Management Limited, another member of the JS Group. Mr. Kazmi also served as chief executive officer of Spud from 2005 to 2009.	Nil <sup>(4)</sup>
Stephen Smith	July 11,	Chairman of the Board	In 2004, Mr. Smith joined Jahangir	478,752

Name and Municipality of Residence <sup>(1)</sup>	Director of the Corporation Since	Additional Positions Held with the Corporation	Principal Occupation, Business or Employment at Present and Held During the Preceding Five Years <sup>(1)</sup>	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup>
<i>Hong Kong, People's Republic of China</i>	2012	of Directors of the Corporation from July 11, 2012 until February 25, 2013.	Siddiqui & Co. Ltd., a publicly-listed financial services and investment group in Pakistan, where he is now a board director. Mr. Smith is chairman of an Asian credit bureau business and a director of a company developing affordable housing in India. Prior to January 2011, Mr. Smith was chairman of Hameldon Resources Ltd. (an AIM-listed company investing in natural resources).	
Hussain Sultan <sup>(5)(7)(8)(9)(11)(13)</sup> <i>Dubai, United Arab Emirates</i>	February 25, 2013	Chairman of the Board of Directors of the Corporation since February 25, 2013.	Since 2006, Mr. Sultan has been chairman of Riverside Investments LLC, the holding company for his family business. Since 1995, Mr. Sultan has also acted as a director of Dubai Investments PJSC, one of the largest investment groups in the United Arab Emirates. Prior to December 2007, Mr. Sultan was a Group Chief Executive and board member of the Emirates National Oil Co. (ENOC). Mr. Sultan is also a former Executive Chairman and CEO of Dragon Oil plc, an upstream oil and gas company.	93,200 <sup>(14)</sup>

**Notes:**

- (1) The information as to residence, principal occupation and Common Shares beneficially owned, not being within the knowledge of Jura, has been furnished by the respective individuals as at April 16, 2013.
- (2) Mr. Elliott is President and Chief Executive Officer of KOV. KOV holds 747,941 Common Shares of Jura. By virtue of his position with KOV, Mr. Elliott is deemed to have direction over the KOV shares in addition to those Common Shares that are shown above.
- (3) Of the 50,659,076 Common Shares held by EPL, 611,500 are beneficially owned by Mr. Hameed pursuant to an arrangement between the parties.
- (4) Mr. Kazmi is a director of EPL. EPL holds 50,659,076 Common Shares of Jura. By virtue of his position with EPL, Mr. Kazmi is deemed to have direction over the EPL shares in addition to those Common Shares that are shown above.
- (5) Member of the Audit Committee.
- (6) Mr. Akerfeldt is Chairman of the Audit Committee.
- (7) Member of the Compensation Committee.
- (8) Mr. Sultan is Chairman of the Compensation Committee.
- (9) Member of the Corporate Governance and Nominating Committee.
- (10) Mr. Akerfeldt is Chairman of the Corporate Governance and Nominating Committee.
- (11) Member of the Reserves Committee.
- (12) Mr. Elliott is Chairman of the Reserves Committee.
- (13) Independent Director.
- (14) Mr. Sultan owns 40% of Riverside Investments L.L.C. which holds 233,000 Common Shares. Mr. Sultan is the Chairman of Riverside.

As of the date hereof, to the knowledge of the directors and executive officers of the Corporation, no proposed director, or the proposed director's associates or affiliates, beneficially own, or control or direct, directly or indirectly, securities carrying 10% or more of the voting rights attached to Common Shares

other than Mr. Kazmi, who is a director of EPL, which holds 50,659,076 Common Shares, representing approximately 73.3% of the issued and outstanding Common Shares.

***Corporate Cease Trade Orders, Penalties or Sanctions with respect to Proposed Directors***

As of the date hereof, no proposed director of the Corporation is or has been, within the past ten years, a director, chief executive officer or chief financial officer of any company that, while that person was acting in that capacity:

- (i) was the subject of a cease trade or similar order or an order that denied the company access to any statutory exemptions under securities legislation that was in effect for a period of more than 30 consecutive days;
- (ii) was subject to an order 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 while acting in that capacity; or
- (iii) became (or within a year of that person ceasing to act in that capacity became) bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets,

except that:

- on January 27, 2010, Firstgold Corp. ("**Firstgold**"), a company for which Stephen C. Akerfeldt served as a director, filed for Chapter 11 protection under the United States Bankruptcy Code. On January 28, 2010, Firstgold's shares were delisted from the Toronto Stock Exchange ("**TSX**") for failure to meet the TSX's minimum listing requirements;
- on July 22, 2009 a cease trade order was issued by the Ontario Securities Commission against the insiders, management, officers and directors of Firstgold, including Stephen C. Akerfeldt, for failure to file various continuous disclosure materials within the prescribed time frame as required by Ontario securities law. All outstanding continuous disclosure materials were subsequently filed and the cease trade order expired on October 10, 2009;
- on February 24, 2003, Stephen C. Akerfeldt was appointed as a director of Newmex Minerals Inc. ("**Newmex**"). On February 25, 2003 a cease trade order was issued by the British Columbia Securities Commission against Newmex for failing to file its September 30, 2002 annual financial statements within the required timeframe. The financial statements were filed on February 26, 2003 and the cease trade order was revoked on February 27, 2003; and
- in August 2002, the Corporation was cease traded by regulatory authorities in British Columbia, Alberta, Manitoba, Ontario and Quebec, before the current management and directors were appointed. The cease trade orders were lifted in May 2004.

No proposed director has:

- (i) within 10 years before the date of hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (ii) 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

- (iii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### ***Majority Voting Policy***

Shareholders should note that the form of Proxy allows for voting for individual directors rather than for directors as a slate. The Board adopted a Majority Voting Policy effective March 20, 2013, pursuant to which, in an uncontested election of directors, if a director nominated for re-election does not receive more votes cast for such nominee's election than votes withheld from voting, excluding abstentions, that director will submit his or her resignation for consideration by the Corporate Governance and Nominating Committee. The Corporate Governance and Nominating Committee will consider all of the relevant facts and circumstances, including the director's qualifications, the director's past and expected future contributions to the Corporation, the overall composition of the Board and whether accepting the tendered resignation would cause the Corporation to fail to meet any applicable rule or regulation (including stock exchange listing requirements and applicable securities laws). On that basis the Corporate Governance and Nominating Committee will recommend to the Board the action to be taken with respect to the offer of resignation. Within 90 days of receiving the final voting results, the Board will issue a press release announcing either the resignation of the director or the Board's decision not to accept the resignation of the director, with reasons justifying such decision.

### **Approval of Unallocated Entitlements under the Amended and Restated Stock Option Plan**

The Corporation established a stock option plan to secure for the Corporation and the Shareholders the benefits of the incentive inherent in Common Share ownership by directors, officers, employees and consultants to the Corporation who could have a significant impact on the future growth and success of the Corporation. On December 13, 2006, the Board approved amendments to the stock option plan of the Corporation (as amended and restated (the "**Option Plan**")) to, among other things, update it to reflect the current requirements of the Toronto Stock Exchange (the "**TSX**") with respect to security based compensation arrangements. The Option Plan was ratified and approved by Shareholders at the annual and special meeting of the Corporation held on March 23, 2010.

The Board administers the Option Plan, designates from time to time those directors, officers, employees and consultants to the Corporation (the "**Participants**") to whom options ("**Options**") are to be granted and determines the number of Common Shares covered by such Options. Options are granted by the Corporation pursuant to the recommendations and approval of the Board.

The complete text of the Option Plan is filed on SEDAR at [www.sedar.com](http://www.sedar.com). Provided below is a summary of the material terms of the Option Plan, as required by TSX Rule 613(d):

- Eligible participants in the Option Plan include directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation, selected at the discretion of the Board.
- The maximum number of Common Shares that may be issued under the Option Plan is currently 6,907,632, representing 10% of the number of issued and outstanding Common Shares. As at April 16, 2013, 2,693,312 Options to purchase Common Shares are outstanding in accordance with the Option Plan (representing 3.9% of the outstanding Common Shares) and 4,214,320 Options to purchase Common Shares remain issuable thereunder (representing 6.1% of the outstanding Common Shares).
- The number of Common Shares (i) issued to insiders within any one year period; and (ii) issuable to insiders at any time, under the Option Plan and under all other security based compensation arrangements of the Corporation, if any, is limited to not more than 10% of the number of Common Shares that are outstanding from time to time.
- The Board is responsible for determining the exercise price for Options issued under the Option Plan. However, Options granted under the Option Plan must have an exercise price of not less than the "Market Price" of the Common Shares at the time of grant, calculated in accordance with

the TSX rules based on the volume weighted average trading price of the Common Shares as reported on the TSX for the five trading days immediately preceding the day on which the Option is granted.

- There is no provision under the Option Plan for the Corporation to convert a stock option into a stock appreciation right.
- The Board is given the authority to (i) construe and interpret the Option Plan and all agreements entered into under the Option Plan; (ii) prescribe, amend and rescind rules and regulations relating to the Option Plan; and (iii) make all other determinations necessary or advisable for the administration of the Option Plan, in each case, without obtaining the approval of Shareholders.
- Subject to the other provisions of the Option Plan, the specific terms of an Option including the number of Common Shares subject to each Option, the exercise price, the vesting period, the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option are determined by the Board; provided however, that if no specific determination is made by the Board with respect to the expiration of Options, each option will, subject to any other specific provisions of the Option Plan, be exercisable for a maximum term of 10 years from the date the option is granted.
- If any Options expire during, or within nine business days immediately following, a black-out period or other trading restricted period imposed by the Corporation, then the expiry date of such Options are automatically extended to the tenth business day following the date the relevant black-out period or other trading restricted period imposed by the Corporation is lifted, terminated or removed.
- An Option will terminate if (i) a Participant ceases to be a director, officer, employee or consultant of the Corporation for any reason other than cause, death, permanent disability or normal retirement then such Participant's Options to purchase Common Shares granted pursuant to the terms of the Option Plan will terminate on the earlier of the termination of such Options and the ninetieth day after which such person ceases to be a director, officer, employee or consultant of the Corporation, or (ii) a Participant who is a director, officer or employee of the Corporation is terminated for cause, or in the case of a consultant, if the consulting agreement or arrangement between the Corporation and/or a subsidiary of the Corporation and the consultant is terminated as a result of a material breach by the consultant, in each case as determined in the opinion of the Corporation's legal counsel, then all Options previously granted to him or her will immediately expire and terminate.
- In the event of the death, permanent disability or retirement of a Participant, any Options previously granted to him or her will be exercisable until the end of the term for such Options or until the expiration of 12 months after the date of death, permanent disability or retirement of such Participant, whichever is earlier, and then, in the event of death or permanent disability, only by the person or persons to whom the Participant's rights under such Options will pass by the Participant's will or applicable law; and to the extent that he or she was entitled to exercise the Options as at the date of his or her death or permanent disability.
- In the event of the subdivision or consolidation of the outstanding Shares, the number of Shares subject to the Option Plan shall be increased or decreased proportionately and in any such event a corresponding adjustment shall be made changing the number of Shares deliverable upon the exercise of any Option granted prior to such event without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Share covered by the Option. If the Corporation is reorganized or merged or consolidated or amalgamated with another corporation, appropriate provisions shall be made for the continuance of the Options outstanding under this Plan and to prevent their dilution or enlargement.
- In the event of an actual or potential Change of Control Event, the Board may, in its discretion, without the necessity or requirement for the agreement of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any Option; (ii) permit

the conditional exercise of any Option, on such terms as it sees fit; (iii) otherwise amend or modify the terms of the Option, including for greater certainty permitting Participants to exercise any Option on a “cashless” basis, to assist the Participants to tender the underlying Common Shares to, or participate in, the actual or potential Change of Control Event or to obtain the advantage of holding the underlying Common Shares during such Change of Control Event; and (iv) terminate, following the successful completion of such Change of Control Event, on such terms as it sees fit, the Options not exercised prior to the successful completion of such Change of Control Event.

- All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of the Option Plan will not be transferable or assignable unless specifically provided for under the Option Plan.
- Other than potentially assisting Participants to exercise Options on a “cashless” basis in a Change of Control Event (as defined in the Option Plan), the Corporation will not provide any financial assistance to Participants to purchase the Common Shares underlying the Options issued under the Option Plan.
- Subject to any required approval of the TSX, the Board may at any time amend, revise, suspend or terminate the terms of the Option Plan or any Options, without obtaining the approval of Shareholders, provided that no such amendment or revision can in any manner materially adversely affect the rights of any Participant under any Options previously granted under the Option Plan without such Participant's consent except as expressly provided in the Option Plan.

Pursuant to TSX Rule 613(a), every three years both a majority of an issuer's board of directors and a majority of an issuer's securityholders must approve unallocated options, rights or other entitlements under a security based compensation arrangement that does not have a maximum aggregate of securities issuable. The Option Plan requires such approvals as the aggregate number of authorized but unissued Common Shares that may be subject to the Option Plan is 10% of the total number of Common Shares issued and outstanding from time to time.

Jura has not received Shareholder approval for the Option Plan since March 23, 2010 and approval is being sought at the Meeting to approve the grant of unallocated Options under the Option Plan. If approval is obtained at the Meeting, the Corporation will not be required to seek further approval of the grant of unallocated Options under the Option Plan until May 17, 2016. Unallocated Options under the Option Plan expired on March 23, 2013. 1,765,764 Options were granted by the Corporation between the date of expiry and the Meeting date. Regardless of whether or not Shareholder approval is obtained, all Options granted prior to March 23, 2013 will be unaffected. However, if Shareholder approval is not obtained, all unallocated Options available for grant under the Option Plan and all Options granted between the date of expiry and the Meeting date will be cancelled and no further Options will be granted under the Option Plan. Further, any outstanding Options which are subsequently cancelled or terminated will not be available for re-grant.

The Board has unanimously approved, subject to regulatory and Shareholder approval, all of the unallocated Options available for grant under the Option Plan, and accordingly, at the Meeting, the following ordinary resolution will be presented:

“RESOLVED AS AN ORDINARY RESOLUTION THAT all unallocated options available to be granted under the Corporation's Amended and Restated Stock Option Plan be approved and are authorized to be granted and issued until May 17, 2016.”

**Unless otherwise directed, it is the intention of the Management Nominee to vote Proxies in the accompanying form in favour of the ordinary resolution approving the unallocated Options.**

## EXECUTIVE COMPENSATION

### Compensation Discussion & Analysis

The Compensation Committee of the Board is responsible for reviewing the compensation policy for all executive officers of the Corporation and making recommendations to the Board. The Corporation's executive compensation program is designed to attract highly qualified and motivated individuals and to compensate executives based on performance and at a level competitive with peer companies. In 2008, Jura retained Mercer Human Resource Consulting to provide advice on the competitiveness and appropriateness of compensation programs for Jura's directors and executive officers. This report is now out of date and will be updated in the coming year.

In determining 2013 base salaries for executive officers, the Compensation Committee conducted its own review of comparable publicly-traded oil and gas companies with a similar market capitalization as Jura. The companies reviewed were as follows:

- Geoglobal Resources Inc.
- Dejour Energy Inc.
- Caspian Energy, Inc.
- Insignia Energy Ltd.
- Bengal Energy Ltd.

In the most recently completed financial year, the compensation program consisted of three components: (1) base salaries, (2) Options granted pursuant to the Option Plan; (3) discretionary bonuses; and (4) provident fund contributions. The Compensation Committee reviews the various aspects of the Corporation's compensation program from time to time to ensure the effectiveness of the program and whether it adequately reflects the Corporation's business objectives. Details regarding the components of the compensation package are as follows:

- *Annual Base Salary* - Base salaries are typically determined by periodically reviewing external market data as described above and assessing the executives' abilities, experience, level of responsibility and relative value to the Corporation. Consideration is also given to general marketplace demand for individuals with similar qualifications, and the level of ease or difficulty in filling key positions.
- *Options* - The Corporation's long-term incentive program involves the granting of Options to the executive officers of the Corporation. It is intended to encourage the maximization of Shareholder value by better aligning the interests of the executive officers with the interests of Shareholders. Previous Option grants are taken into account when considering grants of new Options. Significant terms of the Option Plan are outlined under the heading "Matters to be Acted Upon at the Meeting – Approval of Unallocated Entitlements under the Amended and Restated Stock Option Plan" above.
- *Bonuses* - Bonuses for senior management are determined by the Board on the recommendation of the Compensation Committee based on the individual performance of the officer in question and in particular, the officer's achievement of performance goals, which may be evaluated by the Board using both objective and subjective criteria.
- *Provident Fund* – Pursuant to a trust arrangement, a third party trustee maintains a fund (the "**Provident Fund**") for the benefit of employees of Jura's wholly-owned subsidiary, Spud Energy Pty Limited, in Pakistan. Pursuant to the fund rules, employees may contribute up to 10% of their salary to the fund, which is matched by the employer. Employees receive their share of the fund upon termination of their employment for any reason.

In recent years executive compensation has been determined based on Board discussion without any formal criteria. In part, this is due to Jura's history and past uncertainty regarding its future. In light of recent developments, in particular the reverse takeover by Spud Energy Pty Limited in July of 2012, the Compensation Committee will adopt formal objective criteria for evaluating management performance and determining executive officer compensation in 2013.

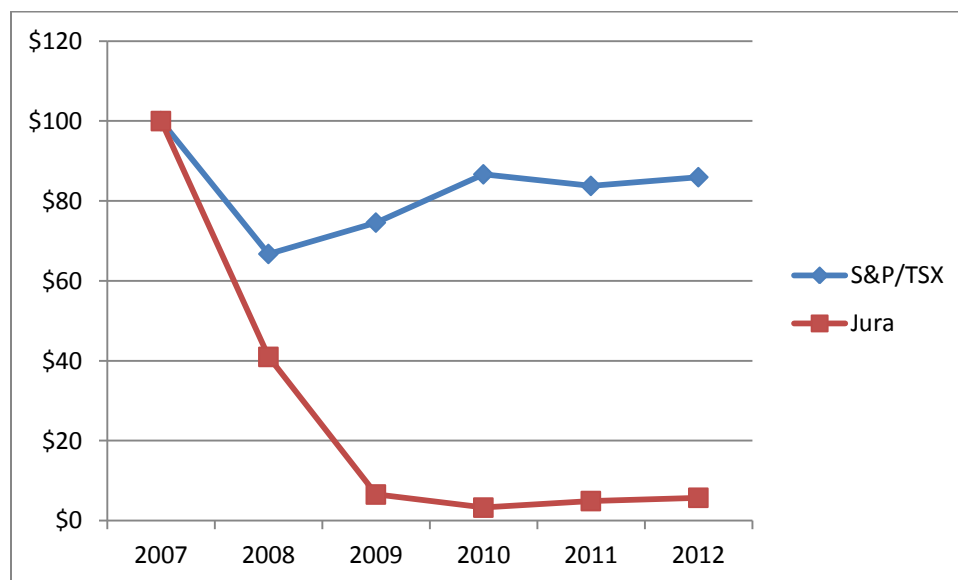
Management's performance will be evaluated in the context of its progress towards implementing corporate strategy, achieving goals, and success in meeting annual personal objectives. The corporate strategy and goals will be developed by management and the Board, and reviewed and updated on a periodic basis. Consideration will be given to the Corporation's areas of interest, the timing and evaluation of exploration and development activities, partnership, joint venture and property opportunities, and the overall financial health of the Corporation. Annual personal objectives of individual executives will be developed and reviewed by the executive team. The personal objectives in turn will be reviewed by the Compensation Committee and recommended to the Board for approval. Such objectives will include leadership in the executive's area of responsibility, teamwork and personal development.

The Compensation Committee considers the implications of risks associated with Jura's compensation policies and practices to determine and identify significant areas of risk, if any. Since Options and bonuses have, in recent years, been determined on qualitative measures at the sole discretion of the Board, the Compensation Committee does not consider that there are any significant risks that are reasonably likely to have an adverse affect on Jura.

Pursuant to the Corporation's insider trading policy, directors and officers of the Corporation are prohibited from engaging in transactions that could reduce or limit their economic risk with respect to equity securities of the Corporation granted as compensation or held, directly or indirectly, by such director or officer. Prohibited transactions include hedging strategies, equity monetization transactions, transactions using short sales, puts, calls, exchange contracts, derivatives and other types of financial instruments (including, but not limited to, prepaid variable forward contracts, equity swaps, collars and exchange funds), and limited recourse loans to the director or officer secured by equity securities of the Corporation.

### **Performance Graph**

The following graph illustrates the yearly percentage change in the Corporation's cumulative total shareholder return on its Common Shares beginning September 30, 2007 and thereafter, at the Corporation's fiscal year ends on September 30, 2008, 2009, 2010 and 2011 and December 31, 2012 compared with the cumulative total return of the S&P/TSX Composite Index over the same period, assuming an initial investment of \$100 and reinvestment of dividends.





## Compensation Governance

The Compensation Committee assists the Board in establishing and monitoring the compensation of the directors, officers and key employees of the Corporation and aligning compensation with the strategies, business plans and objectives of the Corporation with the assistance of independent professional consultants when deemed necessary in fulfilling its duties under its mandate. The responsibilities, powers and operation of the Compensation Committee are summarized under “Statement of Corporate Governance Practices – Compensation” below.

The Compensation Committee is currently comprised of three directors, namely Hussain Sultan, who acts as chairman of the Compensation Committee, Stephen C. Akerfeldt and Timothy M. Elliott. Each member of the Compensation Committee was determined to be independent by the Board in accordance with prescribed independence rules. Each member of the Compensation Committee has knowledge about compensation design and administration and has direct experience that is relevant to his responsibilities for executive compensation within the Corporation as each of the members of the Compensation Committee has served as an officer and/or director of publicly listed companies of a size comparable to or larger than Jura. The skills and experience possessed by the members of the Compensation Committee enable them to make decisions on the suitability of the Corporation’s compensation policies and practices and fulfill the committee mandate.

The Compensation Committee meets at least once each year in the fourth quarter to review the compensation package for the officers of the Corporation, including finalizing bonus amounts. The Compensation Committee also meets at other times during the year as necessary, such as when annual option grants are considered and when a component of the Corporation’s overall compensation package, including the Option Plan or the bonus program, is being amended or reviewed. In the year ended December 31, 2012, the Compensation Committee met three times to discuss compensation related matters.

Since the beginning of Jura’s most recently completed financial year, no compensation consultant or advisor has been retained to assist the Board or the Compensation Committee in determining compensation for any of Jura’s directors or executive officers.

## Summary Compensation Table for Named Executive Officers

The following table sets forth the compensation of the Chief Executive Officer (“**CEO**”), the Chief Financial Officer (“**CFO**”), the former CFO and of the only other executive officer of the Corporation whose total salary and bonus earned during the financial year ended December 31, 2012 exceeded \$150,000. These individuals are referred to collectively as the “**Named Executive Officers**” or “**NEOs**”:

Name, Position and Municipality of Residence	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$)	Non-equity Incentive Plan Compensation (\$)		Pension Value <sup>(10)</sup> (\$)	All Other Compensation <sup>(11)</sup> (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
Graham Garner <sup>(1)</sup> CEO and Director Calgary, Alberta	2012 <sup>(2)</sup>	240,000	Nil	Nil	Nil	Nil	Nil	17,246	257,246
	2011	217,500	168,650 <sup>(3)</sup>	136,619 <sup>(5)</sup>	Nil	Nil	Nil	300,597	823,366
	2010	394,000	39,000 <sup>(4)</sup>	Nil	Nil	Nil	Nil	15,137	448,137
Nadeem Farooq <sup>(6)</sup> CFO Punjab, Pakistan	2012 <sup>(2)</sup>	36,431 <sup>(7)</sup>	Nil	Nil	55,593	Nil	Nil	8,691	100,715 <sup>(7)</sup>
Shahid Hameed <sup>(1)(8)</sup> President Punjab, Pakistan	2012 <sup>(2)</sup>	72,542 <sup>(7)</sup>	Nil	Nil	Nil	Nil	Nil	16,178	88,720 <sup>(7)</sup>
Paul Rose <sup>(9)</sup> Former CFO Calgary, Alberta	2012 <sup>(2)</sup>	23,275	Nil	Nil	Nil	Nil	Nil	Nil	23,375
	2011	31,166	Nil	Nil	Nil	Nil	Nil	Nil	31,166
	2010	58,667	Nil	Nil	Nil	Nil	Nil	Nil	58,667

**Notes:**

- (1) Messrs. Garner and Hameed are members of the Board but receive no compensation for their roles as director.
- (2) Following its acquisition of Spud Energy Pty Limited (“Spud”) on July 11, 2012 by way of reverse takeover (the “Acquisition”), the Corporation changed its financial year end from September 30 to December 31 to be consistent with the financial year end of Spud. As such Jura’s year ended December 31, 2012 comprised the 15-month period from October 1, 2011 to December 31, 2012.
- (3) On December 17, 2010, Mr. Garner was granted 5,000,000 Deferred Share Units (“DSUs”) under the Corporation’s Deferred Share Unit Plan. As of the date of the grant, the value of the DSUs was \$168,650 based upon the 5 day volume weighted average trading price per Common Share, as reported on the TSX during the five consecutive trading days immediately preceding the date of the grant (the “5 day VWAP”), on the date of the grant. On March 21, 2011, the DSUs were cancelled and Mr. Garner was issued Common Shares equal to the number of DSUs that he previously held. As at March 21, 2011, the value of the shares issued was \$250,000 based on the closing price of the Common Shares on the date of issue. The Deferred Share Unit Plan was terminated by ordinary resolution of the Shareholders passed at the annual and special meeting of the Corporation held on March 18, 2011.
- (4) A portion of Mr. Garner’s salary was paid in the form of DSUs. Over the course of fiscal 2010, 1,565,878 DSUs were granted to Mr. Garner. At September 30, 2010, the value of the DSUs was \$31,318. The number of DSUs granted to each director or employee is determined by dividing the director’s fees or salary payable by the 5 day VWAP on the date of the grant. The value of the DSUs earned by a director or employee was matched by the Corporation on a 2:1 basis. The number of DSUs attributed to each individual was re-valued as at each balance sheet date to reflect the then-current share price of the Corporation. As such, the difference between the grant date fair value and the accounting fair value was represented by the change in the share price of the Corporation.
- (5) Calculated using the Black-Scholes valuation method on the grant date assuming a risk free rate of 1.77% and volatility of 181%.
- (6) Mr. Farooq commenced employment as CFO of Jura on July 11, 2012 following the Acquisition and, accordingly, his compensation represents less than a full year.
- (7) Compensation reported in this table for Messrs. Farooq and Hameed was paid or otherwise awarded to them in Pakistani rupees (“PKR”) and converted into Canadian dollars using the average rate of conversion provided by the State Bank of Pakistan for 2012 as follows: 1.00 C\$ = 93.67 PKR.
- (8) Mr. Hameed commenced employment as President of Jura on July 11, 2012 following the Acquisition and, accordingly, his compensation represents less than a full year.
- (9) Mr. Rose was retained as CFO of Jura pursuant to a shared services agreement with KOV which provided that Jura was responsible for a portion of the total salary of Mr. Rose (who was also employed as Chief Financial Officer of KOV) based on the percentage of his time allocated to Jura, which was estimated at 20%. Mr. Rose resigned as CFO of Jura on July 11, 2012.
- (10) Jura does not sponsor or maintain any pension plans.
- (11) Other compensation for Mr. Garner in 2011 includes payments of \$175,000 and \$100,000 in consideration of the amendment of his employment agreement. Other compensation for Messrs. Farooq and Hameed in 2012 was as follows:

Particulars	Shahid Hameed	Nadeem Farooq
	C\$*	
Provident Fund contributions (10% of salary)	4,982	2,502
Vehicle rental	6,850	3,337
Medical expenses reimbursement	1,116	201
Fuel allowance	3,230	2,651
<b>Total</b>	<b>16,178</b>	<b>8,691</b>

\*Compensation reported in this table for Messrs. Farooq and Hameed was paid or otherwise awarded to them in PKR and converted into Canadian dollars using the average rate of conversion provided by the State Bank of Pakistan for 2012 as follows: 1.00 C\$ = 93.67 PKR.

**Incentive Plan Awards**

Historically, the Board has made option grants to officers to align the interests of management and shareholders, to reward good performance and to attract and retain quality employees. Options are granted from time to time as the Corporation hires new executives, including Named Executive Officers, and when compensation is reviewed by the Compensation Committee, at the request of and with input from the CEO, in order to rebalance the compensation package throughout the Corporation. This review is done at least annually and when there has been a significant compensation event which could be a significant new hire, promotions or a significant exercise or cancellation of options. When reviewing Option grants, consideration is given to the total compensation package of the executives, including past grants, and performance by the executive. At the time an Option is granted, consideration is also given to the available Option pool remaining. No Options were granted by the Corporation in the financial year ended December 31, 2012.

The following table sets out all incentive plan awards that were outstanding for each NEO at the end of the most recently completed financial year.

## **Outstanding Share-Based Awards and Option-Based Awards**

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 (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Graham Garner CEO	250,000	0.35	December 22, 2015	Nil	Nil	Nil	Nil
	225,000	0.70	December 22, 2015	Nil	Nil	Nil	Nil
Nadeem Farooq CFO	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Shahid Hameed President	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Paul Rose Former CFO	Nil	Nil	Nil	Nil	Nil	Nil	Nil

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

The following table sets forth the aggregate dollar value for each NEO for the most recently completed financial year that would have been realized if the Options that were granted had been exercised on the applicable vesting date.

Name	Option-based Awards Value vested during the year (\$)	Share-based Awards Value vested during the year (\$)	Non-equity Incentive Plan Compensation Value vested during the year (\$)
Graham Garner President and CEO,	Nil	Nil	Nil
Nadeem Farooq CFO	Nil	Nil	Nil
Shahid Hameed President	Nil	Nil	Nil
Paul Rose Former CFO	Nil	Nil	Nil

## **Employment and Management Contracts**

### *Chief Executive Officer*

Graham S. Garner was appointed President and CEO on April 21, 2009. Mr. Garner served as Acting President and CEO from May 12, 2008 until April 21, 2009, Executive Vice President from June 26, 2006 until May 12, 2008, President and CEO from May 13, 2005 until June 26, 2006, and Executive Vice President from April 1, 2003 until May 13, 2005. Mr. Garner resigned as President effective July 11, 2012 but continues to act as CEO.

On November 23, 2011, Jura entered into an acquisition agreement with EPL providing for, among other things, the Acquisition. As a condition to completion of the Acquisition, Jura was required to enter into a new consulting agreement with Mr. Garner in replacement of his prior employment agreement. Accordingly, Mr. Garner's employment agreement was not renewed upon its expiry on December 31, 2011. Mr. Garner and the Corporation entered into a consulting agreement effective January 1, 2012. The terms of the agreement provided for a monthly fee of \$25,000 for the first three months of the agreement, and \$15,000 per month thereafter. The agreement could be terminated by the Corporation with 60 days notice and by Mr. Garner with 30 days notice. Upon termination, Mr. Garner would have

been entitled to be paid for all services rendered up to and including the date of termination and the Corporation would additionally have been required to maintain benefit coverage for Mr. Garner under its benefit plans for a period of three months following the termination. Accordingly, had Mr. Garner's consulting agreement been terminated by the Corporation at December 31, 2012, \$32,400 would have been paid to him to satisfy the Corporation's obligations under the consulting agreement. The Options issued to Mr. Garner were not "in-the-money" on that date and would have had no value.

Effective March 1, 2013, Mr. Garner entered into a new employment agreement with the Corporation providing for his employment as CEO of Jura. Under the employment agreement, Mr. Garner is entitled to an annual salary of \$240,000 plus an annual bonus to be granted at the discretion of the Board and other benefits. Upon: (i) the termination of Mr. Garner's employment without cause or (ii) a change of control of the Corporation and the subsequent termination of Mr. Garner's employment without cause or the voluntary resignation of Mr. Garner within twelve months of the date of the change of control, the Corporation shall be obligated to continue to pay Mr. Garner the salary, bonus amount and benefits provided in the employment agreement for a period of six months following the termination date. In the event of his termination without cause, Mr. Garner shall be required to (i) remain available to the Corporation on a full-time basis for 45 days following the termination date; and (ii) remain available on reasonable notice to answer questions or assist with the transition of his replacement during the remainder of the six month period.

*President*

Shahid Hameed was appointed President of the Corporation effective July 11, 2012 following completion of the Acquisition of Spud. Under his written employment agreement with the Corporation, Mr. Hameed is entitled to a salary of 1.32 million Pakistani rupees per month (approximately \$14,100 per month based on the average exchange rate of \$1 = 93.67 Pakistani rupees for 2012), plus a vehicle allowance, medical benefits and a 10% company contribution to Mr. Hameed's Provident Fund. See "Compensation Discussion & Analysis" above. Upon termination of his employment by Jura prior to March 31, 2014, Mr. Hameed would be entitled to six months' salary. Accordingly, had Mr. Hameed's employment been terminated by the Corporation at December 31, 2012, \$84,552 would have been paid to him to satisfy the Corporation's obligations under his employment agreement. The term of Mr. Hameed's current employment agreement expires March 31, 2014.

*Chief Financial Officer*

Nadeem Farooq was appointed CFO of the Corporation effective July 11, 2012 following completion of the Acquisition of Spud. Under his written employment agreement with the Corporation, Mr. Farooq is entitled to a salary of 600,000 Pakistani rupees per month (approximately \$6,400 per month based on the average exchange rate of \$1 = 93.67 Pakistani rupees for 2012), plus a vehicle allowance, medical benefits and a 10% company contribution to Mr. Farooq's Provident Fund. See "Compensation Discussion & Analysis" above. Upon termination of his employment by Jura, Mr. Farooq would be entitled to one month's notice or pay in lieu of notice. Accordingly, had Mr. Farooq's employment been terminated by the Corporation at December 31, 2012, \$6,405 would have been paid to him to satisfy the Corporation's obligations under his employment agreement.

**Termination and Change of Control Benefits for Named Executive Officers**

The following table sets forth estimates of the amounts payable to each of the NEOs upon termination without cause or termination following change in control, as applicable, assuming that each such event took place on the last business day of the year ended December 31, 2012. For details of the determination of such payments, see "Employment and Management Contracts Above".

	<b>Graham Garner (\$)</b>	<b>Nadeem Farooq (\$)</b>	<b>Shahid Hameed (\$)</b>
Involuntary Termination/Termination without Cause			
Cash Portion	32,400	6,405	84,552
Incremental Value of	Nil	Nil	Nil

Options <sup>(1)</sup>			
<b>Total</b>	32,400	6,405	84,552
Termination following Change of Control			
Cash Portion	32,400	6,405	84,552
Incremental Value of Options <sup>(1)</sup>	Nil	Nil	Nil
<b>Total</b>	32,400	6,405	84,552

**Note:**

- (1) For estimates of incremental payments for Options, the closing market price of \$0.30 per Common Share on December 31, 2012 (the last trading day of the Corporation's financial year) was used.
- (2) Amounts reported in this table for Messrs. Farooq and Hameed are payable in PKR and have been converted into Canadian dollars using the average rate of conversion provided by the State Bank of Pakistan for 2012 as follows: 1.00 C\$ = 93.67 PKR.

### DIRECTOR COMPENSATION

Effective January 1, 2011, directors' fees were eliminated and directors were granted Options under the Option Plan in lieu thereof. Accordingly, no director received compensation in the financial year ended December 31, 2012.

#### Director Incentive Plan Awards

The following table sets out all incentive plan awards that were outstanding for each director of the Corporation at the end of the most recently completed financial year.

#### ***Outstanding Share-Based Awards and Option-Based Awards***

Name <sup>(1)</sup>	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 (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Stephen Akerfeldt	90,000	0.35	December 22, 2015	Nil	Nil	Nil	Nil
	47,342	0.70	December 22, 2015	Nil	Nil	Nil	Nil
Shahzad Ashfaq	Nil	N/A	N/A	Nil	Nil	Nil	Nil
Timothy Elliott	90,000	0.35	December 22, 2015	Nil	Nil	Nil	Nil
	25,729	0.70	December 22, 2015	Nil	Nil	Nil	Nil
Zachary Iscol	Nil	N/A	N/A	Nil	Nil	Nil	Nil
Nigel McCue	90,000	0.35	December 22, 2015	Nil	Nil	Nil	Nil
	34,477	0.070	December 22, 2015	Nil	Nil	Nil	Nil
Stephen Smith	Nil	N/A	N/A	Nil	Nil	Nil	Nil

**Note:**

- (1) Messrs. Garner and Hameed are directors of the Corporation and also served as officers during the most recently completed financial year. Their respective incentive plan awards are disclosed under the heading "NEO Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards" above.

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

The following table sets forth the aggregate dollar value for each director of the Corporation for the most recently completed financial year that would have been realized if the Options that were granted had been exercised on the applicable vesting date.

<b>Director</b>	<b>Option-based Awards Value vested during the year (\$)</b>	<b>Share-based Awards Value vested during the year (\$)</b>	<b>Non-equity Incentive Plan Compensation Value vested during the year (\$)</b>
Stephen Akerfeldt	Nil	Nil	Nil
Shahzad Ashfaq	Nil	Nil	Nil
Timothy Elliott	Nil	Nil	Nil
Norman Holton	Nil	Nil	Nil
Zachary Iscol	Nil	Nil	Nil
Nigel McCue	Nil	Nil	Nil
Stephen Smith	Nil	Nil	Nil
Peter Whitbread	Nil	Nil	Nil

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

The following table provides information with respect to the total number of Common Shares authorized for issuance under the Option Plan as at December 31, 2012:

<b>Plan Category</b>	<b>Number of Securities to be issued upon exercise of outstanding Options, warrants and rights (a)</b>	<b>Weighted-Average Exercise Price of outstanding Options, warrants and rights (b)</b>	<b>Number of Securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by securityholders	927,548	\$0.48	5,980,084
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	927,548	N/A	5,980,084

The Corporation's Option Plan is set up so that the aggregate number of Common Shares issuable under the Option Plan is limited to a "rolling" 10% of the total number of Common Shares issued and outstanding from time to time.

### **INDEBTEDNESS OF DIRECTORS AND OFFICERS**

As of the date of this Information Circular, no executive officer, director, employee, former executive officer, former director or former employee of the Corporation or any associate of any such person is now, or has been at any time since the beginning of the most recently completed financial year, indebted to the Corporation, or been the subject of a guaranteed support agreement or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Information Circular or as set out below, to the knowledge of the directors and officers of the Corporation, none of the directors or executive officers of the Corporation, nor any person or company that beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, nor any of their respective associates or affiliates, has or has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

On July 11, 2012, EPL, a company governed by the laws of Mauritius, completed the Acquisition, pursuant to which it acquired 50,659,076 Common Shares, or approximately 73.3% of the issued and outstanding Common Shares, in consideration for the acquisition by Jura of all of the issued and outstanding shares of Spud.

Effective February 20, 2013, Jura entered into a loan agreement with EPL (the "**Loan Agreement**") pursuant to which EPL agreed to provide Jura with an \$11,000,000 credit facility (the "**Facility**") to enable Jura to satisfy cash call requirements associated with its development and production leases and exploration licenses and for general working capital purposes. The Facility is repayable at the demand of EPL on the earlier of: (i) the first anniversary of the date of the Loan Agreement; and (ii) ten business days after the closing of a "Qualifying Financing", being a debt or equity financing by Jura for an amount in excess of the aggregate of amounts drawn under the Facility. Pursuant to the Loan Agreement, the principal amount of advances outstanding at any time, and any overdue interest outstanding, will bear interest at the US Dollar 3-month LIBOR plus 4%, compounded quarterly, not in advance. Outstanding principal and interest under the Facility is convertible in whole or in part at the option of EPL on the basis of one (1) common share in the capital of Jura ("**Common Share**") for each C\$1.00 so converted on the terms set out in the Loan Agreement. A copy of the Loan Agreement has been filed on SEDAR and can be accessed at [www.sedar.com](http://www.sedar.com).

Jura proposes to enter into a management services agreement (the "**Management Services Agreement**") with JS Investment Consultancy FZE and JS North Asia Investments Limited (each a "**Consultant**" and collectively, the "**Consultants**"), each an affiliate of EPL. By entering into the Management Services Agreement, Jura anticipates receiving the benefits of the Consultants' extensive network of contacts, offices and specialists in Pakistan and internationally. The Management Services Agreement and fees payable thereunder have been approved by the independent directors of Jura unrelated to the transaction (subject to TSX acceptance of the Management Services Agreement). Under the Management Services Agreement, the Consultants will receive quarterly fees of \$62,500 in aggregate (equal to \$250,000 per annum). The term of the Management Services Agreement will continue indefinitely unless terminated on at least ninety days' written notice by any party to each of the other parties.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

### **Board of Directors**

The Board is currently comprised of eight directors. Four of the Corporation's eight directors, being Stephen C. Akerfeldt, Shahzad Ashfaq, Timothy M. Elliott and Hussain Sultan, are "independent" (as defined in National Instrument 58-101 – *Corporate Governance Disclosure* ("**NI 58-101**"). The Board has concluded that Graham Garner and Shahid Hameed, as executive officers of the Corporation, are not independent. Further, the Board has concluded that Akbar Kazmi and Stephen Smith, as individuals who are considered to be "affiliated entities" of the Corporation, are not independent.

Although the Board does not have a majority of independent directors as only half of its directors are independent, the Board believes that that Jura nonetheless has a meaningful number of directors who are not related to management and not related to Jura's controlling shareholder, who can ensure the independent oversight of management, proper management of conflicts and the protection of the interests of minority shareholders. In order to facilitate the Board's exercise of independent judgment in carrying

out its responsibilities, the mandate of the Board authorizes the independent directors to meet separately from management as considered appropriate. The text of the Board's written mandate is attached hereto as Schedule "A".

The Board and committees of the Board periodically hold meetings at which members of management are not present, generally in conjunction with regularly scheduled Board and committee meetings. Since the beginning of the Corporation's most recently completed financial year, the independent directors of the Board have not held any meetings at which non-independent directors and members of management are not in attendance; however, non-independent directors recuse themselves from Board meetings when appropriate. Open and candid discussion is encouraged at the committee and Board level at all times. Further, the independent members of the Board are authorized to retain independent financial, legal and other experts as required whenever, in their opinion, matters come before the Board which require an independent analysis by the independent members of the Board.

The Board has appointed, Mr. Sultan, an independent director, as its Chairman. In accordance with the written position description for the Chairman of the Board, Mr. Sultan's duties as Chairman include ensuring that: (i) the Board functions properly; (ii) that the Board meets its obligations and responsibilities to the Corporation; and (iii) the Board remains organized and the appropriate mechanisms are in place to ensure that the Board is operating effectively.

### **Other Directorships**

The following table sets forth the directors of the Corporation who currently hold directorships with other reporting issuers:

<u>Name of Director</u>	<u>Reporting Issuer</u>
Stephen C. Akerfeldt	Armistice Resources Corp. Kulczyk Oil Ventures Inc.
Shahzad Ashfaq	Jahangir Siddiqui & Co. Ltd.
Timothy M. Elliott	Kulczyk Oil Ventures Inc. Loon Energy Corporation
Akbar Kazmi	Capital Asset Leasing Corporation Ghani Glass Limited
Steven Smith	Jahangir Siddiqui & Co. Ltd.
Hussain Sultan	Dubai Investments PJSC

### **Record of Meeting Attendance by Directors**

Meeting attendance by each of the directors of the Corporation for the 15 months ending December 31, 2012 is set forth below.

Director	Board Meeting	Audit Committee	Corporate Governance and Nominating Committee	Compensation Committee	Reserves Committee
Stephen C. Akerfeldt	9 of 9	5 of 5	0 of 0	3 of 3	-
Shahzad Ashfaq <sup>(1)</sup>	4 of 4	2 of 2	-	-	-
Timothy M. Elliott	6 of 9	3 of 3	-	-	1 of 1
Graham S. Garner	9 of 9	-	-	-	1 of 1



Director	Board Meeting	Audit Committee	Corporate Governance and Nominating Committee	Compensation Committee	Reserves Committee
Norman W. Holton <sup>(2)</sup>	4 of 5	3 of 3	-	-	1 of 1
Zachary Iscol <sup>(1)</sup>	3 of 4	-	-	-	-
Nigel R. McCue	9 of 9	-	-	3 of 3	-
Stephen Smith <sup>(1)</sup>	4 of 4	-	-	-	-
Peter Whitbread <sup>(2)</sup>	5 of 5	-	0 of 0	2 of 2	-

**Notes:**

- (1) Effective July 11, 2012, Messrs. Ashfaq, Iscol and Smith were appointed to the Board.  
(2) Effective July 11, 2012, Messrs. Holton and Whitbread retired from the Board.

**Position Descriptions**

Position descriptions have been adopted for the Chairman of the Board, as well as for the Chairman of each of the Audit Committee, the Corporate Governance and Nominating Committee, the Compensation Committee and the Reserves Committee. A position description has also been adopted for the CEO.

**Orientation and Continuing Education**

The Corporation provides new directors with access to the CEO to ensure that each director has a firm understanding of the Corporation and its business. The Corporate Governance and Nominating Committee, in conjunction with the CEO, is responsible for orientating new directors with the business of the Corporation and the role of the Board, its committees and the expectations of each member. In addition, the mandate of the Corporate Governance and Nominating Committee includes the responsibility to approve individual training and development for directors based on specific identified needs.

Ongoing updates about the Corporation's business activities and key projects are provided by management to the directors of the Corporation on a routine basis to ensure that the directors have the knowledge that is required to meet their obligations as directors.

**Ethical Business Conduct**

The Board has adopted a written Code of Business Conduct and Ethics (the "**Code**") for its directors, officers and employees. A copy of the Code can be obtained by contacting Graham Garner, the President and CEO of the Corporation, at Suite 1170, 700 – 4<sup>th</sup> Avenue SW, Calgary, Alberta T2P 3J4 (Facsimile (403) 266-6365) or on SEDAR at [www.sedar.com](http://www.sedar.com).

The directors of the Corporation are responsible for monitoring compliance with the Code and for regularly assessing its adequacy.

In addition to the statutory obligations of directors to address conflict of interest matters, pursuant to the Code, each director must disclose all actual or perceived conflicts of interest. Further, a director is expected to refrain from voting on matters in which such director has a real or apparent conflict.

**Nomination of Directors**

The Board has a Corporate Governance and Nominating Committee composed entirely of independent directors that functions according to a written mandate. The Corporate Governance and Nominating Committee assesses the appropriate number of directors and identifies the skills and experience required to improve the composition and effectiveness of the Board. The Corporate Governance and Nominating Committee then seeks and interviews Board candidates. Once identified, appropriate candidates are recommended to the Board for appointment.

The Corporate Governance and Nominating Committee operates in accordance with a written mandate. Under this mandate, the responsibilities, powers and operation of the Corporate Governance and Nominating Committee include, but are not limited to:

- identifying individuals qualified to become new directors of the Board and recommending to the Board any new director nominees for the next annual meeting of Shareholders;
- recommending to the Board the appointment of members to the committees of the Board and the chairman for each committee annually;
- assisting the establishment of criteria for Board membership in consultation with the Board and recommending Board composition;
- reviewing the performance and contribution of individual directors as circumstances require and making recommendations to the Board regarding resignations of directors;
- monitoring the development and implementation of an orientation program for new members of the Board
- communicating with the Board on corporate governance matters; and
- monitoring and reviewing the Corporation's code of conduct, insider trading policy, continuous disclosure policy, investment policy, whistle blowing policy and corporate guidelines for maintaining confidentiality, and recommend changes or actions required to deal with breaches of those policies or guidelines.

### **Compensation**

The Board determines the compensation of the Corporation's directors and officers based upon recommendations from the Compensation Committee, which is appointed by the Board and is currently composed entirely of independent directors.

The Compensation Committee operates in accordance with a written mandate. Under this mandate, the responsibilities, powers and operation of the Compensation Committee include, but are not limited to:

- assessing the competitiveness and appropriateness of the compensation for the Corporation's directors and officers and making appropriate recommendations to the Board;
- reviewing and making recommendations regarding officer appointments;
- assessing CEO performance annually;
- reviewing and making recommendations to the Board regarding employment contracts;
- periodically reviewing the compensation philosophy of the Corporation;
- reviewing and making recommendations to the Board regarding the compensation of the Board members; and
- reviewing and assessing other various matters relating to compensation policies of the Corporation.

In addition, the Compensation Committee is charged with reviewing and approving all Option grants.

## **Other Board Committees**

Details concerning the Audit Committee of the Corporation are contained in the Annual Information Form of the Corporation for the year ended December 31, 2012 under the heading "Audit Committee".

In addition to the Audit Committee, Corporate Governance and Nominating Committee and Compensation Committee, the Corporation currently has a Reserves Committee. The primary function of the Reserves Committee is to assist the Board with respect to the annual review of the Corporation's petroleum and natural gas activities and disclosures.

## **Assessments**

The Corporate Governance and Nominating Committee is responsible for assessing the effectiveness of the Board, its committees and each individual director on an annual basis. As the Board was reconstituted in 2012, no formal assessments took place during the financial year ended December 31, 2012. However, the Board satisfied itself that the Board, its committees and individual directors were performing effectively through informal discussions with, and feedback from, management, Shareholders and individual Board members. The Board will consider implementing regular Board assessments in the future.

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

Except as disclosed herein, management of the Corporation is not aware of any material interest of any director or senior officer, or anyone who held office as such since the beginning of the Corporation's last financial year, or of any associate or affiliate of any of the foregoing persons, in any matter to be acted upon at the Meeting other than the election of directors.

## **OTHER MATTERS**

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice. However, if any other matter properly comes before the Meeting, the accompanying Proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the Proxy. A Shareholder intending to submit a proposal at an annual meeting of Shareholders must comply with the applicable provisions of the *Canada Business Corporations Act*.

## **ADDITIONAL INFORMATION**

Financial information of the Corporation is provided in the Corporation's audited consolidated financial statements for the fiscal year ended December 31, 2012 and management's discussion and analysis of the results thereon. Shareholders wishing to receive a copy of such materials, without charge, should mail a request to Graham Garner, the CEO of the Corporation, at Suite 1170, 700 – 4<sup>th</sup> Avenue SW, Calgary, Alberta T2P 3J4 (Facsimile: (403) 266-6365).

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## **APPROVAL AND CERTIFICATION**

The content and mailing of this Information Circular has been approved by the directors of the Corporation.

**DATED** this 16<sup>th</sup> day of April, 2013.

(signed) "*Graham S. Garner*"

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Graham S. Garner  
Chief Executive Officer

## SCHEDULE A

### MANDATE FOR THE DIRECTORS



#### 1. Purpose

The primary function of the directors (individually a "Director" and collectively the "Board") of Jura Energy Corporation (the "Corporation") is to supervise the management of the business and affairs of the Corporation. The Board has the responsibility to supervise the management of the Corporation which is responsible for the day-to-day conduct of the business of the Corporation. The fundamental objectives of the Board are to enhance and preserve long-term shareholder value and to ensure that the Corporation meets its obligations on an ongoing basis and conducts operations in a reliable, ethical and safe manner. In performing its functions, the Board should consider the legitimate interests that stakeholders, such as employees, customers and communities, may have in the Corporation. In carrying out its stewardship responsibility, the Board, through the Chief Executive Officer (the "CEO"), should set the standards of conduct for the Corporation.

#### 2. Procedure and Organization

The Board operates by delegating certain responsibilities and duties set out below to management or committees of the Board constituted by it and by reserving certain responsibilities and duties to itself. The Board retains the responsibility for managing its own affairs including selecting its Chair and constituting committees of the Board.

#### 3. Composition of the Board

The Board shall be comprised of a majority of independent directors who are free from any direct or indirect relationship with the Corporation that, in the Board's view, would or could reasonably interfere with the director's independent judgment

#### 4. Responsibilities and Duties

The principal responsibilities and duties of the Board fall into a number of categories which are summarized below.

##### (a) Legal Requirements

- (i) The Board has the responsibility to ensure that applicable legal requirements are complied with and documents and records have been properly prepared, approved and maintained
- (ii) The Board has the statutory responsibility to, among other things:
  - A. manage, or supervise the management of, the business and affairs of the Corporation;
  - B. act honestly and in good faith with a view to the best interests of the Corporation;
  - C. exercise the care, diligence and skill that reasonably prudent people would exercise in comparable circumstances; and

- D. act in accordance with obligations contained in the *Canada Business Corporations Act* (the “**CBCA**”), the regulations thereunder, the articles and by-laws of the Corporation, applicable securities laws and policies and other applicable legislation and regulations
- (iii) The Board has the statutory responsibility for considering the following matters as a Board which in law may not be delegated to management or to a committee of the Board:
- A. any submission to the shareholders of any question or matter requiring the approval of the shareholders;
  - B. the filling of a vacancy among the directors or in the office of auditor, or the appointment of additional directors;
  - C. the issue of securities except as authorized by the Board;
  - D. the declaration of dividends;
  - E. the purchase, redemption or any other form of acquisition of shares issued by the Corporation;
  - F. the payment of a commission to any person in consideration of the person purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares except as authorized by the Board;
  - G. the approval of a management proxy circular;
  - H. the approval of a take-over bid circular, directors’ circular or issuer bid circular;
  - I. the approval of annual financial statements of the Corporation; and
  - J. the adoption, amendment or repeal of by-laws of the Corporation

In addition to those matters which at law cannot be delegated, the Board must consider and approve all major decisions affecting the Corporation, including all material acquisitions and dispositions, material capital expenditures, material debt financings and the issue of shares and granting of Options.

(b) Strategy Development

The Board has the responsibility to ensure that there are long-term goals and a strategic planning process in place for the Corporation and to participate with management directly or through committees in developing and approving, on an annual basis, the strategy by which it proposes to achieve these goals (taking into account, among other things, the opportunities and risks of the business in which the Corporation operates and competes).

(c) Risk Management

The Board has the responsibility to safeguard the assets and business of the Corporation, identify and understand the principal risks of the business in which the Corporation operates and to ensure that there are appropriate systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Corporation.

(d) Appointment, Training and Monitoring Senior Management

The Board has the responsibility to:

- (i) appoint the CEO, and together with the CEO to the extent considered appropriate, to develop a position description for the CEO;
- (ii) with the advice of the compensation committee of the Board (the "**Compensation Committee**"), develop corporate goals and objectives that the CEO is responsible for meeting and to monitor and assess the performance of the CEO in light of those corporate goals and objectives and to determine the compensation of the CEO;
- (iii) provide advice and counsel to the CEO in the execution of the duties of the CEO;
- (iv) develop, to the extent considered appropriate, position descriptions for the Chair and the chair of each committee of the Board;
- (v) approve the appointment of all corporate officers;
- (vi) approve, upon the recommendation of the Compensation Committee and the CEO, the remuneration of all corporate officers;
- (vii) approve, upon the recommendation of the Compensation Committee, incentive-compensation plans and equity-based plans of the Corporation; and
- (viii) ensure that adequate provision has been made to train and develop management and members of the Board and for the orderly succession of management, including the CEO

(e) Ensuring Integrity of Management

The Board has the responsibility, to the extent feasible, to satisfy itself as to the integrity of the CEO and other senior officers of the Corporation and to ensure that the CEO and other senior officers are creating a culture of integrity throughout the Corporation.

(f) Policies, Procedures and Compliance

The Board has the responsibility to:

- (i) ensure that the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards;
- (ii) approve and monitor compliance with significant policies and procedures by which the business of the Corporation is conducted;
- (iii) ensure that the Corporation sets appropriate environmental standards in its operations and is in compliance with environmental laws and legislation;

- (iv) ensure that the Corporation has a high regard for the health and safety of its employees in the workplace and has in place appropriate programs and policies; and
- (v) examine the corporate governance practices observed within the Corporation and alter such practices when circumstances warrant

(g) Reporting and Communication

The Board has the responsibility to:

- (i) ensure that the Corporation has in place policies and programs to enable the Corporation to communicate effectively with management, shareholders, other stakeholders and the public generally;
- (ii) ensure that the Corporation has in place measures for receiving feedback from management, shareholders and other stakeholders;
- (iii) ensure that the financial results of the Corporation are adequately reported to shareholders, other security holders (as required by law) and regulators on a timely and regular basis;
- (iv) ensure that the financial results are reported fairly and in accordance with generally accepted accounting standards;
- (v) ensure the timely and accurate reporting of any other developments that have a significant and material impact on the value of the Corporation;
- (vi) report annually to the shareholders of the Corporation on its stewardship of the affairs of the Corporation for the preceding year; and
- (vii) review and obtain assurance from management and the Corporation's independent qualified reserves evaluators that the Corporation's disclosure of oil and gas reserves and future net revenue complies with applicable securities legislation, which in law may be delegated to a committee of the Board subject to the requirement that the full Board meet with any such committee and review and approve the content and filing of such disclosure in accordance with applicable securities legislation

(h) Monitoring and Acting

The Board has the responsibility to:

- (i) monitor the Corporation's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
- (ii) take action when performance falls short of its goals and objectives or when other special circumstances warrant;
- (iii) review and approve material transactions involving the Corporation that are not in the ordinary course;
- (iv) ensure that the Corporation has implemented adequate internal control and management information systems which ensure the effective discharge of its responsibilities;

- (v) assess the individual performance of each Director and the collective performance of the Board as a whole; and
- (vi) oversee the size and composition of the Board as a whole to facilitate more effective decision-making

## 5. Responsibilities and Expectations of Directors

The responsibilities and expectations of each Director are as follows:

### (a) Commitment and Attendance

All Directors should make every effort to attend all meetings of the Board and meetings of committees of which they are members. Members may attend by telephone.

### (b) Participation in Meetings

Each Director should be sufficiently familiar with the business of the Corporation, including its financial statements and capital structure and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Upon request, management should make appropriate personnel available to answer any questions a Director may have about any aspect of the Corporation's business. Directors should also review the materials provided by management and the Corporation's advisors in advance of meetings of the Board and committees and should arrive prepared to discuss the matters presented.

### (c) Code of Business Conduct and Ethics

The Corporation has adopted a Code of Business Conduct and Ethics, certain portions of which deal with the business conduct of Directors and officers of the Corporation, particularly with respect to transactions in securities of the Corporation, potential conflicts of interest, the taking of corporate opportunities for personal benefit and competing with the Corporation. Directors should be familiar with the provisions of the Code of Business Conduct and Ethics and should consult with the Corporation's counsel in the event of any concerns.

### (d) Other Directorships

The Corporation values the experience Directors bring from other boards on which they serve, but recognizes that those boards may also present demands on a Director's time and availability, and may also present conflicts or legal issues. Directors should consider advising the Chair of the Governance Committee before accepting any new membership on other boards of directors or any other significant commitment involving an affiliation with other related businesses or governmental units.

### (e) Contact with Management

All Directors are invited to contact the CEO at any time to discuss any aspect of the business of the Corporation. Directors also have complete access to other members of management. The Board expects that there will be frequent opportunities for Directors to meet with the CEO and other members of management in Board and committee meetings and in other formal or informal settings.

### (f) Confidentiality

The proceedings and deliberations of the Board and its committees are confidential. Each Director should maintain the confidentiality of information received in connection with his or her services.



(g) Evaluating Board Performance

The Board, acting through the Corporate Governance and Nominating Committee, and each of the committees of the Board should conduct in each case a self-evaluation at least annually to assess their respective levels of effectiveness and shall assess, on an annual basis, the adequacy of this Mandate. In addition, the Corporate Governance and Nominating Committee should periodically consider the mix of skills and experience that Directors bring to the Board and assess, on an ongoing basis, whether the Board has the necessary tools to perform its oversight function effectively.

**6. Qualifications and Directors' Orientation**

Directors should have the highest personal and professional ethics and values and be committed to advancing the best interests of the Corporation. They should possess skills and competencies in areas that are relevant to the Corporation's activities. The Corporate Governance and Nominating Committee is responsible for providing an orientation and education program for new Directors.

**7. Meetings**

The Board should meet on at least a quarterly basis and should hold additional meetings as required or appropriate to deal with other matters. In addition, the Board should meet on an annual basis to deal with strategic planning on behalf of the Corporation. Financial and other information should be made available to the Directors in advance of Board meetings in order to assure the effectiveness of actions at such meetings. Attendance at each meeting of the Board shall be recorded.

Management may be asked to participate in any meeting of the Board. The Board should meet separately from management immediately as considered appropriate to ensure that the Board functions independently of management. The independent Directors should meet without members of management of the Corporation present as considered appropriate.

**8. Committees**

The Board has established an audit committee, a compensation committee, a corporate governance and nominating committee and a reserves committee to assist the Board in discharging its responsibilities. Special committees may be established from time to time to assist the Board in connection with specific matters. The chair of each committee shall report to the Board following meetings of the committee. The terms of reference of each standing committee should be reviewed annually by the Board.

**9. Evaluation**

Each Director is expected to agree to an evaluation of his or her individual performance as well as to a review of the collective performance of the Board and of each committee of the Board. Directors should be encouraged to exercise their duties and responsibilities in a manner that is consistent with this mandate and with the best interests of the Corporation and its shareholders generally.

**10. Resources**

The Board has the authority to retain independent legal, accounting and other consultants to advise it. The Board may request any officer or employee of the Corporation or outside counsel or the external/internal auditors to attend a meeting of the Board or to meet with any members of, or consultants to, the Board.

Directors are permitted to engage an outside legal or other adviser at the expense of the Corporation where for example he or she is placed in a conflict position through activities of the

Corporation, but any such engagement shall be subject to the prior approval of the Corporate Governance and Nominating Committee.