



NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

The annual general and special meeting of shareholders (the "**Meeting**") of the holders of common shares of EastSiberian Plc (the "**Corporation**") will be held on Wednesday, December 10, 2014 at 4:00 pm. (GMT) at 9 Esplanade, St. Helier, Jersey, Channel Islands for the following purposes:

1. to receive and consider the consolidated financial statements of the Corporation for the years ended May 31, 2013 and May 31, 2014, together with the accompanying auditor's reports;
2. to elect the directors of the Corporation for the ensuing year;
3. to appoint the auditor of the Corporation for the ensuing year and to authorize the directors to fix its remuneration;
4. to consider and, if thought advisable, approve an ordinary resolution to approve the current stock option plan of the Corporation allowing the granting of up to ten per cent (10%) of the Corporation's issued and outstanding common shares, from time to time, as set out in the accompanying information circular of the Corporation dated November 10, 2014 (the "**Information Circular**");
5. to consider and, if thought advisable, pass, with or without variation, a special resolution, approving and authorizing an amendment to the memorandum of association of the Corporation to change the name of the Corporation to "Latin American Energy Company (Islas Anglo Normandas) Plc" or such other name as may be approved by the directors of the Corporation and applicable regulatory authorities as set out in the Information Circular;
6. to ratify and confirm all actions previously taken and all inactions by the officers and directors of the Corporation insofar as such actions or inactions relate to a failure to comply with the provisions of the articles of association of the Corporation or applicable law relating to the requirement to annually hold meetings of shareholders, appoint directors, appoint the auditor of the Corporation or present financial statements in respect of the 2013 financial year; and
7. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The details of the matters proposed to be put before the Meeting are set forth in the Information Circular accompanying and forming part of this Notice.

If you are a registered shareholder of the Corporation and are unable to attend the Meeting in person, please complete, sign and date the accompanying Instrument of Proxy and mail it to, or deposit it with, Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario M5J 2Y1, Fax: 1-866-249-7775 or 1-416-263-9524. In order to be valid and acted upon at the Meeting, the Instrument of Proxy must be received not less than 48 hours (excluding Saturdays and holidays) before the time set for the holding of the Meeting or any adjournment thereof. Registered shareholders may also vote by telephone or by internet. If you are an unregistered shareholder of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or intermediary.

The board of directors of the Corporation has fixed November 10th, 2014 as the record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting, or any adjournment thereof.

DATED at St. Helier, Jersey, this 10th day of November, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

Graeme Phipps
Chairman and President

EASTSIBERIAN PLC

INFORMATION CIRCULAR for the Annual General and Special Meeting of Shareholders to be held on December 10, 2014

SOLICITATION OF PROXIES

This information circular dated November 10, 2014 (the "**Information Circular**") is furnished in connection with the solicitation by the board of directors (the "**Board**") and management of EastSiberian Plc (the "**Corporation**") of proxies from holders ("**Shareholders**") of common shares of the Corporation ("**Common Shares**") for use at the annual general and special meeting of Shareholders (the "**Meeting**") to be held on December 10, 2014 at 4:00 p.m. (GMT) at 9 Esplanade, St. Helier, Jersey, Channel Islands and at any adjournment thereof for the purposes set forth in the accompanying notice of the Meeting (the "**Notice of Meeting**").

Solicitation of proxies will be primarily by mail, but may also be by telephone, facsimile, telegraph or oral communication by the directors, officers and employees of the Corporation, at no additional compensation. The cost of the solicitation of proxies will be paid by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons designated in the accompanying form of proxy (the "**Instrument of Proxy**") are officers or directors of the Corporation. **A Shareholder desiring to appoint some other person, who does not need to be a Shareholder, to attend and act for such Shareholder at the Meeting or any adjournment thereof may do so either by crossing out the names of the designees in the Instrument of Proxy and inserting such person's name and city of residence in the blank spaces provided in the Instrument of Proxy, or by completing another proper form of proxy.** In either case, the proxy must be deposited with Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario, M5J 2Y1, Fax: 1-866-249-7775 or 1-416-263-9524 not less than 48 hours (excluding Saturdays and holidays) before the time for the holding of the Meeting or any adjournment thereof.

Proxies given by Shareholders for use at the Meeting may be revoked at any time prior to their use. In addition to revocation in any other manner permitted by law, a Shareholder giving a proxy may revoke such proxy by an instrument in writing executed by the Shareholder or his attorney authorized in writing, or if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited either: (i) with Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario, M5J 2Y1, Fax: 1-866-249-7775 or 1-416-263-9524 at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, at which the proxy is to be used; or (ii) with the Chairman of such meeting on the day of the Meeting or adjournment thereof, and upon either of such deposits the proxy is revoked.

A Shareholder may vote by telephone or by internet 24 hours a day, 7 days a week. To vote by telephone the Shareholder should call 1-866-732-VOTE (8683) from a touch tone phone, or if the Shareholder is outside of North America, the Shareholder should call 1-312-588-4290. To vote using the internet, a Shareholder should access www.investorvote.com. To vote by telephone or internet, the Shareholder will need to provide the control number noted on the applicable Instrument of Proxy. For further information on voting by telephone or by internet, see the Instrument of Proxy accompanying this Information Circular.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the accompanying Instrument of Proxy will vote in favor of or against, or withhold from voting, the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing them on any ballot that may be called for at the Meeting. **In the absence of such direction, such Common Shares will be voted in favour of: (i) the appointment of KPMG LLP, Chartered Accountants as the auditor for the Corporation and authorizing the Board to fix the remuneration of the auditor; (ii) the**

election of directors of the Corporation as set out in this Information Circular; (iii) the approval of the Corporation's current stock option plan as described herein; (iv) changing the name of the Corporation from "EastSiberian Plc" to "Latin American Energy Company (Islas Anglo Normandas) Plc" or such other name as may be approved by the Board; (v) the ratification and confirmation of all actions previously taken and all inactions by the officers and directors of the Corporation insofar as such actions or inactions relate to the Corporation's failure to hold an annual general meeting of Shareholders in respect of the 2013 financial year; and (vi) the approval of any other business raised at the Meeting, as such persons consider appropriate.

The accompanying Instrument of Proxy confers discretionary authority upon the persons named in it with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournments thereof. As of the date 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 of Meeting and this Information Circular.

Voting of Common Shares - Advice to Beneficial Holders of Common Shares

The information set forth in this section is important to the non-registered Shareholders of the Corporation. Only *registered* holders of Common Shares of the Corporation, or the person a *registered* holder appoints as proxy holder, are entitled to attend and vote at the Meeting. However, in many cases, the Common Shares beneficially owned by a holder (a "Non-Registered Holder") are registered either:

- a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the Common Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans; or
- b) in the name of a depository (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant.

Non-Registered Holders will receive a voting instruction form when materials are forwarded to them by an Intermediary. The purpose of this form is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own, notwithstanding the fact they may not be the *registered* owner of the relevant Common Shares. If a Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the holder's behalf), the voting instruction form should be completed, signed and returned in accordance with the directions on the form. Voting instruction forms in some cases permit the completion of the form by telephone or through the internet. If a Non-Registered Holder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the holder's behalf), the Non-Registered Holder must complete, sign and return the voting instruction form in accordance with the directions provided.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically applies a special sticker to the form of proxy, mails those forms to the Non-Registered Holder and asks Non-Registered Holders to return the proxy forms to Broadridge. 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 NON-REGISTERED HOLDER RECEIVING A PROXY WITH A BROADRIDGE STICKER ON IT CAN NOT USE THAT PROXY TO VOTE COMMON SHARES DIRECTLY AT THE MEETING – THE PROXY MUST BE RETURNED TO BROADRIDGE WELL IN ADVANCE OF THE MEETING IN ORDER TO HAVE SUCH COMMON SHARES VOTED.**

All references to shareholders in this Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to Shareholders of record unless specifically stated otherwise.

Non-Registered Holders should follow the instructions on the forms they receive and contact their Intermediaries promptly if they need assistance.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Corporation and no proposed director of the Corporation had any material interest, direct or indirect, in a transaction since the commencement of the Corporation's 2013 financial year or in any proposed transaction that materially affects or would materially affect the Corporation or any of its subsidiaries.

VOTING SHARES

As of November 10, 2014, 14,018,318 Common Shares are issued and outstanding, each such Common Share carrying the right to one vote on any ballot at the Meeting. As of the date hereof, the only shares of the Corporation carrying the right to vote are Common Shares.

The Corporation has established November 10, 2014 as the record date for Shareholders entitled to receive the Notice of Meeting and for determining the number of Common Shares held by each Shareholder. A holder of Common Shares on such date is entitled to receive notice of and to vote at the Meeting, except to the extent that after that date such Shareholder transfers its Common Shares and the transferee is listed as a holder of such Common Shares in the register of Common Shares at the close of business on the day that is two days before the Meeting, the transferee is entitled to vote such Common Shares at the Meeting.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Corporation, the only persons or companies that beneficially own, or control or direct, directly or indirectly, over 10% or more of the voting rights attached to the Common Shares are as follows:

Name	No. of Common Shares Owned or Controlled ⁽¹⁾	% of Common shares
Graeme Phipps	2,217,417	15.8%
Jonathan Morley-Kirk	1,927,291	13.75%
Maxim Sidorin	1,800,000	12.84%

Note:

(1) Information is based upon a review of www.sedi.com, information provided by the directors and officers of the Corporation and information provided by Computershare.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview

The Corporation is an international junior oil exploration company incorporated in the Bailiwick of Jersey with core properties located in the Russian Federation. The Corporate Governance and Compensation Committee of the Corporation (the "**Corporate Governance and Compensation Committee**") is responsible for: (i) reviewing and assessing the size, composition and operation of the Board to ensure effective decision-making and making recommendations to the Board for consideration; (ii) after consulting with the Chairman of the Board and individual directors, reviewing and assessing the size, composition and committee chairs of all Board committees and making recommendations to the Board for consideration; (iii) identifying and assessing new candidates for appointment or nomination to the Board, including any nominee appropriately recommended by a Shareholder, considering the performance, independence, competencies, skills, financial acumen, and ability to devote sufficient time and resources to his or her duties, and the Board, as a whole, to ensure effective governance and satisfaction of applicable laws by making recommendations to the Board for consideration; (iv) annually reviewing and recommending to the Board for consideration the individual directors proposed to be nominated for election at the next annual general meeting of shareholders; (v) annually reviewing and recommending to the Board for consideration those individual directors to be designated as independent under applicable law; and (vi) regularly reviewing and assessing the Corporation's policies on tenure and terms of individual directors. In addition, the

Chairman of the Board and committee chairs may recommend any changes to the Board for consideration. The members of the Corporate Governance and Compensation Committee are Jonathan Morley-Kirk (Chair) and Graeme Phipps. Mr. Morley-Kirk is an independent director within the meaning of National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**"). However, Mr. Phipps is not an independent director within the meaning of NI 58-101 as he is the President of the Corporation.

Compensation Philosophy and Objectives

In September and October 2009, the Corporate Governance and Compensation Committee, with the assistance of its consultant, Watson Wyatt, reviewed and revised the Corporation's compensation program with the following objectives: (i) establishing compensation consistent with the Corporation's strategic business and financial objectives that is competitive with publicly traded international oil and gas exploration companies; and (ii) enabling the Corporation to attract, motivate, and retain key employees and executives to maximize return to Shareholders.

In recognition of the significant change in the Corporation's focus and the results of operations, the Corporation has effected certain changes to its organization and compensation, with the object of continuing the viability of the Corporation and obtaining new opportunities for the Corporation. For example, in 2012, the Corporation reduced its employees to only those required to continue necessary operations. Moreover, effective June 2013, Mr. Phipps, the Chairman and President, agreed to accept a US \$50,000 reduction in his salary from US \$250,000 to US \$200,000, which amount had previously been reduced from US \$270,000 to US \$250,000 in 2012 and from US \$400,000 to US \$270,000 in 2009, all in an attempt to reduce costs. Mr. Phipps has also been funding certain of the necessary costs associated with the Corporation's current plan to acquire oil and gas concessions in Latin America, recognizing that if such plans are not successful, he will potentially not recover such amounts.

Elements of the Corporation's Compensation Program

Overall remuneration of each executive officer is determined having regard to individual measures such as the officer's current responsibilities, individual performance and years of experience, as well as broader corporate financial and operational performance. Consideration is also given to the Corporation's current stage of development, competition within the industry for experienced proven management personnel, available industry compensation surveys and compensation data disclosed by peers in the junior international oil and gas sector. Ultimately, the Corporation's compensation practices are, and will continue to be, designed, revised and adjusted with performance enhancement as the primary objective.

The Corporation's compensation program currently consists of three primary components: an annual base salary, an annual incentive bonus, and grants of long-term incentives in the form of options to acquire Common Shares ("**Options**") granted pursuant to the stock option plan of the Corporation (the "**Option Plan**"). The executive officers may participate in other group benefit plans (life, disability, health and dental insurance) that are available to all employees of the Corporation.

Given the significant change in the Corporation's focus and results of operations, decision-making in so far as it relates to compensation has been focused on reducing costs and such decisions have been made at the Board level, with primarily all affected persons participating in such decisions.

The amount of base salary, bonus and Options awarded to the named executive officers for the years ended May 31, 2011, 2012, 2013 and 2014 are stated in the "*Summary Compensation Table*".

Why does the Corporation choose to pay each element?

The purpose of base salary is to create cash compensation for executive officers that is competitive in the industry and will enable the Corporation to attract, motivate, and retain capable executives. The Corporation chooses to pay annual incentive bonuses because it believes that the satisfaction of the goals of its annual incentive plan, which satisfaction triggers the right to and determines the amount of the bonuses, furthers the interests of shareholders. The purpose of the Corporation's long-term incentives is to align the executive officers' compensation with their contribution to the success of the Corporation in creating shareholder value, tie their long-term economic interest

directly to those of the Corporation's shareholders, and provide a retentive effect on the executive officers. Options also allow executive officers to have equity ownership in the Corporation in addition to their direct purchases of Common Shares and to share in the appreciation in value of its Common Shares over time.

How does the Corporation determine the amount (and, where applicable, the formula) for each element?

Base salary. Historically, the Corporate Governance and Compensation Committee targeted base salaries at the median to 75% level (as determined by the Corporate Governance and Compensation Committee) of its peers in the junior international oil and natural gas sector. However, in recent years the Corporation has significantly reduced the number of executives and employees in an attempt to reduce costs and has not increased any salary payable to its executives or employees. Effective June 2013, Mr. Phipps, the Chairman and President, agreed to accept a US \$50,000 reduction in his salary from US \$250,000 to US \$200,000, which amount had previously been reduced from US \$270,000 to US \$250,000 in 2012 and from US \$400,000 to US \$270,000 in 2009, all in an attempt to reduce costs, and has been personally funding certain costs of the Corporation to assist the viability of the Corporation (which expenses will only be recovered by Mr. Phipps if the Corporation is successful).

Annual Incentive Bonus. The annual incentive bonus is intended to provide exceptional performers the opportunity to realize gains above the base salary when identified performance objectives are exceeded. By placing emphasis on variable compensation, the Corporation aims to tie a portion of the total executive compensation package to increases in the Corporation's performance and the value of the Common Shares. No bonus has been provided to executive officers or directors of the Corporation since 2010, given the market conditions and the status of the Corporation's operations.

Long Term Incentive Awards. Effective October 14, 2009, the Board adopted the Option Plan. See "*Executive Compensation – Option Plan*". All Options are awarded by the Board on the recommendation of the Corporate Governance and Compensation Committee. No Options were granted to officers and directors of the Corporation since 2010, given the market conditions and the status of the Corporation's operations.

Other Benefits. During 2013 and 2014, the Corporate Governance and Compensation Committee did not make any changes to the other perquisites that the executive officers receive. Those benefits include participation in plans available to all the Corporation employees, such as life, disability, and health and dental insurance and parking reimbursements.

Summary Compensation Table

The following table sets forth information concerning the total compensation provided, during the financial years ended May 31, 2013 and May 31, 2014, to each of the persons holding the offices of Chief Executive Officer, President and Chief Financial Officer in each of the four most recent completed financial years (collectively, the "**Named Executive Officers**"). All amounts are in Canadian dollars unless otherwise specified.

Name and principal position	Year	Salary (\$)	Share-based awards ⁽¹⁾ (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)		All other compensation (\$) ⁽³⁾	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans ⁽⁴⁾		
Graeme Phipps ⁽⁵⁾⁽⁶⁾ President	2014	USD250,000	–	–	–	–	–	USD250,000
	2013	USD255,000	–	–	–	–	–	USD255,000
	2012	USD270,000	–	–	–	–	USD13,835	USD283,835
	Total	USD775,000	–	–	–	–	USD13,835	USD788,835
Rick Jaggard ⁽⁷⁾ former Chief Financial Officer	2014	–	–	–	–	–	–	–
	2013	251,115	–	–	–	–	–	CAD251,115
	2012	47,800	–	–	–	–	–	CAD47,800
	Total	289,915	–	–	–	–	–	CAD289,915
Maxim Sidorin ⁽⁸⁾	2014	USD50,000	–	–	–	–	–	USD50,000

former Chief Executive Officer	2013	USD170,000	-	-	-	-	-	USD170,000
	2012	-	-	-	-	-	-	-
	Total	USD220,000	-	-	-	-	-	USD220,000
Allan H. Stevens ⁽⁹⁾ former Chief Financial Officer	2014	-	-	-	-	-	-	-
	2013	65,226	-	-	-	-	-	65,226
	2012	233,088	-	-	-	-	8,178	241,236
	2011	230,000	-	-	-	-	5,513	235,513

Notes:

- (1) The Corporation does not grant share-based awards.
- (2) The Corporation has no outstanding option-based awards.
- (3) The Corporation does not have any non-equity long-term incentive plans.
- (4) The Corporation does not have any defined benefit or defined contribution plans or any plans that provide for the payment of pension plan benefits. "All other compensation" denoted in Canadian dollars consists of private medical insurance and parking benefits.
- (5) Mr. Phipps is the President and also a director of the Corporation. Graeme Phipps resigned as Chief Executive Officer on September 1, 2012. Mr. Phipps does not receive any compensation for services rendered as a director of the Corporation. To help improve the financial condition of the Corporation, the Corporation and Mr. Phipps have agreed to defer compensation payable that the Corporation accrued and to convert the debt obligations owing to Mr. Phipps to Common Shares. On September 8, 2014, the Corporation issued 2,200,000 Common Shares at a deemed price of \$0.05 per Common Share to Mr. Phipps as settlement of a portion (\$110,000) of the debt owing to Mr. Phipps. As at October 31, 2014, \$693,862 remains owing to Mr. Phipps (based on the Bank of Canada exchange rate of October 31, 2014). The Corporation currently intends to either convert such remaining debt into Common Shares in the future (which would require the approval of the Shareholders at such time) or pay out in cash after a larger equity raise.
- (6) Mr. Phipps initially reduced his salary from US \$400,000 to US \$270,000 in 2009. Notwithstanding the above, subsequent to preparation of the audited financial statements of the Corporation and effective September 2012, Mr. Phipps voluntarily reduced his salary from US \$270,000 to US \$250,000 and effective June 2013, Mr. Phipps voluntarily reduced his salary from US \$250,000 to US \$200,000.
- (7) Rick Jaggard was appointed Chief Financial Officer of the Corporation on May 30, 2012 and passed away on July 3, 2013, at which time he ceased to be Chief Financial Officer. The Board has appointed Mr. Richard Norris as interim Chief Financial Officer effective October 10, 2014.
- (8) Maxim Sidorin resigned as Chief Executive Officer of the Corporation on October 10, 2014, a position he held since September 1, 2012. Mr. Sidorin remains a director of the Corporation. Mr. Sidorin did not receive any compensation for services rendered as a director of the Corporation while he was also an officer of the Corporation. To help improve the financial condition of the Corporation, the Corporation and Mr. Sidorin have agreed to defer compensation payable that the Corporation accrued and to convert the debt obligations owing to Mr. Sidorin to Common Shares. On September 8, 2014, the Corporation issued 1,600,000 Common Shares at a deemed price of \$0.05 per Common Share to Mr. Sidorin as settlement of a portion (\$80,000) of the debt owing to Mr. Sidorin. In connection with Mr. Sidorin's resignation on October 10, 2014, the Corporation has agreed to pay Mr. Sidorin an aggregate USD \$354,612, which represents all amounts owing (other than expenses incurred by Mr. Sidorin). As at October 31, 2014, \$291,630 remains owing to Mr. Sidorin Phipps (based on the Bank of Canada exchange rate of October 31, 2014). The Corporation currently intends to either convert such remaining debt into Common Shares in the future (which would require the approval of the Shareholders at such time) or pay out in cash after a larger equity raise.
- (9) Allan Stevens resigned as Chief Financial Officer on June 1, 2012. Mr. Stevens reviewed payments in 2013 as a consultant to the Corporation subsequent to his resignation.

Incentive Plan Awards

The Corporation did not have any option-based awards outstanding for each Named Executive Officer as at May 31, 2013 or May 31, 2014. On August 31, 2012, all outstanding options were forfeited and cancelled by agreement between the Corporation and option holders and no options have been issued since this date. Further, since that time, the Corporation has not granted any share-based awards to any officer or director, including any Named Executive Officers.

Option Plan

The Corporation's Option Plan for directors, officers, employees and consultants of the Corporation and any of its subsidiaries was initially adopted on October 16, 2009. The Option Plan is a "rolling" stock option plan that provides that the number of Common Shares reserved for issuance pursuant to stock options shall not exceed 10% of the number of the issued and outstanding Common Shares.

The Board administers the Option Plan or, if the Board delegates such responsibilities to the Corporate Governance and Compensation Committee of the Board, such committee. When granting options, the Board shall specify the number of Common Shares to be issued, the exercise price, any applicable hold period, and the vesting periods, all

in accordance with the NEX Board of the TSX Venture Exchange (the "NEX"). Subject to the minimum that the exercise price shall not be less than the market price of the Common Shares listed on the NEX at the relevant time, less the permissible discount permitted by the NEX, the Board shall fix the price of the options when granted. The Board also has the discretion to determine the expiry date of the options, provided that the date shall not exceed five years from the date of grant.

The Board also has discretion in adjusting the Common Shares subject to options in the event that the Common Shares are subdivided or consolidated. The Option Plan provides that upon a change of control, being when a person obtains at least 50% of the outstanding Common Shares of the Corporation, the options shall immediately vest. Similarly, when an offer is made that will result in the offeror becoming a "control person" of the Corporation within the meaning of the *Securities Act* (Alberta), the options will vest and become exercisable.

The purposes of the Option Plan are to encourage the directors, officers, employees and consultants of the Corporation and its subsidiaries to acquire a financial interest in the Corporation so that their interests are aligned with the interests of the Corporation's Shareholders, to reward such persons with additional incentives for their efforts, to encourage such persons to remain associated with the Corporation, and to attract new employees, officers, directors and consultants.

Pension Plan Benefits

The Corporation has not adopted any retirement plan, pension plan or deferred compensation plan.

Termination and Change of Control Benefits

Except as disclosed below, the Corporation has no contract, agreement, plan or arrangement that provides for payments to an NEO in connection with any termination, resignation, retirement, a change in control of the company or a change in an NEO's responsibilities.

The Corporation entered into an employment agreement with Mr. Graeme Phipps to govern the terms of his employment as President and Chief Executive Officer of each of the Corporation and PetroKamchatka Resources Limited, a wholly owned subsidiary of the Corporation ("PKR"). In the event that Mr. Phipps' employment is terminated without cause, he is entitled to receive the following compensation from the Corporation and PKR: (i) a lump sum payment equal to 24 times his monthly base salary; (ii) a lump sum payment equal to 24 times the value of his monthly benefits; and (iii) accelerated vesting of all unvested stock options. Payment of the foregoing amounts is subject to the execution of a release in favour of each of the Corporation and PKR and their affiliates and the withholding by the Corporation and PKR of any amounts required to be withheld in accordance with applicable law. It is also a provision of Mr. Phipps' employment contract that, upon a change of control of the Corporation or upon the occurrence of a constructive dismissal from the Corporation and PKR, Mr. Phipps may elect to terminate his employment with the Corporation and PKR and upon such termination he shall be entitled to receive the following compensation from such companies: (i) a lump sum payment equal to 24 times his monthly base salary; (ii) a lump sum payment equal to 24 times the value of his monthly benefits; and (iii) accelerated vesting of all unvested stock options. Payment of the foregoing amounts is subject to receipt of notice of, and reasoning underlying, the termination the execution of a release in favour of the Corporation and PKR and their affiliates, resignation from any position held with such affiliates and the withholding by the Corporation and PKR of any amounts required to be withheld in accordance with applicable law. Changes of control are defined in Mr. Phipps' employment agreement as liquidation of the Corporation or other events that would cause a change in the effective control of the Corporation, its assets or the Board. Mr. Phipps resigned as Chief Executive Officer of the Corporation effective September 1, 2012. He currently remains as Chairman and President of the Corporation.

Mr. Maxim Sidorin was appointed Chief Executive Officer effective September 1, 2012 and provided his services pursuant to an employment agreement with the Corporation. Mr. Sidorin resigned as Chief Executive Officer on October 10, 2014, and in connection with such resignation, the Corporation has agreed to pay Mr. Sidorin an aggregate USD \$354,612, which represents all amounts owing by the Corporation (other than expenses incurred by Mr. Sidorin). To help improve the financial condition of the Corporation, the Corporation and Mr. Sidorin have agreed to defer compensation payable to the Corporation accrued and to convert the debt obligations owing to Mr. Sidorin to Common Shares. As at October 31, 2014, \$291,630 remains owing to Mr. Sidorin (based on the Bank of

Canada exchange rate of October 31, 2014). The Corporation currently intends to convert such remaining debt into Common Shares in the future (which would require the approval of the Shareholders at such time) or pay out in cash.

Directors' Compensation

The following table sets forth the compensation earned in USD to directors of the Corporation in the years ended May 31, 2013 and May 31, 2014.

Director Compensation Table⁽³⁾

Name and principal position	Year⁽³⁾	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)
Jonathan Morley-Kirk ⁽¹⁾ Director	2014	50,000	—	—	—	—	—
	2013	52,500	—	—	—	—	—
Vyacheslav Pershukov ⁽²⁾ Director	2014	—	—	—	—	—	—
	2013	—	—	—	—	—	—

Notes:

- (1) To help improve the financial condition of the Corporation, the Corporation and Mr. Morley-Kirk have agreed to defer compensation payable that the Corporation accrued and to convert the debt obligations owing to Mr. Morley-Kirk to Common Shares. On September 8, 2014, the Corporation issued 1,919,840 Common Shares at a deemed price of \$0.05 per Common Share to Mr. Morley-Kirk as settlement of a portion (\$95,992) of the debt owing to Mr. Morley-Kirk. As at October 31, 2014, \$88,101 remains owing to Mr. Morley-Kirk (based on the Bank of Canada exchange rate of October 31, 2014). The Corporation currently intends to either convert such remaining debt into Common Shares in the future (which would require the approval of the Shareholders at such time) or pay out in cash after a larger equity raise.
- (2) Mr. Pershukov acted as a director of the Corporation from June 1, 2012 until September 10, 2012.
- (3) Since the last annual general meeting, Yoon Suck Nam, Adam Landes and Teck Soon Kong resigned as directors on May 1, 2012. On September 8, 2014, the Corporation issued: (i) 932,840 Common Shares at a deemed price of \$0.05 per Common Share to Mr. Nam as complete settlement of the total debt owing to Mr. Nam for services rendered as a director in the amount of \$46,642; (ii) 586,360 Common Shares at a deemed price of \$0.05 per Common Share to Mr. Landes as complete settlement of the total debt owing to Mr. Landes for services rendered as a director in the amount of \$29,318; and (iii) 746,280 Common Shares at a deemed price of \$0.05 per Common Share to Mr. Kong as complete settlement of the total debt owing to Mr. Kong for services rendered as a director in the amount of \$37,314.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth, as at May 31, 2013 and May 31, 2014, the Option Plan of the Corporation under which Common Shares are authorized for issuance. For further information regarding the Option Plan, please see *Executive Compensation - Option Plan*.

Plan Category⁽¹⁾⁽²⁾	Year	Number of Common Shares to be Issued Upon Exercise of Outstanding Options	Weighted-Average Exercise Price of Outstanding Options	Number of Common Shares Remaining Available for Future Issuance Under Equity Compensation Plans⁽²⁾
Stock option plan	2014	NIL	NA	490,400
	2013	NIL		490,400

Notes:

- (1) The only compensation under which equity securities are authorized for issuance is the Option Plan of the Corporation. As of May 31, 2013 and May 31, 2014, no Options were outstanding.
- (2) On August 31, 2012, all outstanding Options were forfeited and cancelled by agreement between the Corporation and option holders.

Indemnification of Directors and Officers

Article 77(1) of the *Companies (Jersey) Law 1991* prohibits an indemnity being provided by a company to any of its directors, subject to certain exemptions. The relevant extract from the *Companies (Jersey) Law 1991* reads as follows:

"Subject to paragraphs (2) and (3), any provision whether contained in the articles of, or in a contract with, a company or otherwise, whereby the company or any of its subsidiaries or any other person, for some benefit conferred or detriment suffered directly or indirectly by the company, agrees to exempt any person from, or indemnify him against, any liability which by law would otherwise attach to him by reason of the fact that he is or was an officer of the company shall be void."

However, an indemnity is allowed in certain circumstances, as follows:

"Paragraph (1) does not apply to a provision for exempting a person from or indemnifying him against:

- (a) any liabilities incurred in defending any proceedings (whether civil or criminal):
 - (i) in which judgment is given in his favour or he is acquitted; or
 - (ii) which are discontinued otherwise than for some benefit conferred by him or on his behalf or some detriment suffered by him; or
 - (iii) which are settled on terms which include such benefit or detriment and, in the opinion of a majority of the directors of the company (excluding any director who conferred such benefit or on whose behalf such benefit was conferred or who suffered such detriment), he was substantially successful on the merits in his resistance to the proceedings;
- (b) any liability incurred otherwise than to the company if he acted in good faith with a view to the best interests of the company; or
- (c) any liability incurred in connection with an application made under Article 212 in which relief is granted to him by the court; or
- (d) any liability against which the company normally maintains insurance for persons other than directors."

Directors' and Officers' Liability Insurance and Indemnification

The Corporation carries a directors' and officers' liability insurance policy that covers corporate indemnification of directors and officers and individual directors and officers in certain circumstances. The policy has a \$10 million coverage limit and corporate indemnification deductibles apply. In addition, the Corporation has entered into indemnification agreements with each of its directors and officers for liabilities and costs in respect of any action or suit against them in connection with the execution of their duties, subject to customary limitations prescribed by applicable law.

AUDIT COMMITTEE MATTERS

Composition and Related Matters

The Audit Committee has been structured to comply with the requirements of National Instrument 52-110 *Audit Committees* ("**NI 52-110**") as it relates to NEX listed issuers. The Board has determined that the Audit Committee members have the appropriate level of financial understanding and industry specific knowledge to be able to perform the duties of the position and in particular are financially literate as defined in NI 52-110.

Pursuant to its mandate, the primary purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities for the Corporation's financial reporting process, including: (i) the integrity of annual and quarterly consolidated financial statements and any other financial information relating to the Corporation to be provided to Shareholders and regulatory bodies; (ii) compliance with accounting and finance based legal and regulatory requirements; (iii) the independent auditor's qualifications and independence; (iv) the system of internal accounting and financial reporting controls that management has established; and (v) performance of the audit process and of the independent auditor.

The Audit Committee meets at least once per financial quarter to fulfill its mandate. The Audit Committee is comprised of Jonathan Morley-Kirk (Chairman) and Maxim Sidorin. Each member of the Audit Committee is financially literate. Mr. Morley-Kirk is independent in accordance with NI 52-110.

The Corporation has adopted an Audit Committee Mandate, the text of which is attached hereto as Schedule "A".

Audit Committee Oversight

Since the commencement of the Corporation's 2013 financial year, there have been no recommendations of the Audit Committee to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Corporation's 2013 financial year, the Corporation has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services, however, the Audit Committee must pre-approve all non-audit services to be provided.

Relevant Education and Experience

The current members of the Audit Committee have the following relevant education and experience:

Jonathan Morley-Kirk	Mr. Morley-Kirk is a chartered accountant with experience in merchant banking, securities trading and investment management. He specializes in emerging market investments and structures. Mr. Morley-Kirk is a Fellow of the Securities Institute, a member of the Society of Trust and Estate Practitioners and a member of the Expert Witness Institute. Mr. Morley-Kirk has extensive public company experience and is the former Chairman of Fox-Davies Capital Limited, a U.K. based investment bank, from 2003 until 2008. Mr. Morley-Kirk has been a director since August 2007.
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Maxim Sidorin	Mr. Sidorin was First Deputy Chairman of Bank-T OAO, a Moscow-based Investment Bank from July 2010 to April 2011. Prior to this, Mr. Sidorin was Deputy Chairman of the Management Board for Slavyansky Bank ZAO from September 2001 to April 2010. He has a degree in Economics from Saint-Petersburg State University.
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External Audit Fees by Category

KPMG LLP, Chartered Accountants has served as the Corporation's auditor since 2000. The following table sets forth the Audit Fees, Audited – Related Fees, Tax Fees and All Other Fees billed by KPMG LLP in the financial years ended May 31, 2014, May 31, 2013 and May 31, 2012.

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Audit Fees ⁽¹⁾	\$15,000	\$25,000	\$105,000
Audit-Related Fees ⁽²⁾	–	–	102,000
Tax Fees ⁽³⁾	–	–	–
All Other Fees ⁽⁴⁾	–	–	–
Total	\$15,000	\$25,000	\$207,000

Notes:

- (1) "Audit Fees" means the aggregate fees billed by the issuer's external auditor in each of the last two fiscal years for audit fees.
- (2) "Audit-Related Fees" means the aggregate fees billed in each of the last two fiscal years for assurance and related services by the issuer's external auditor that are reasonably related to the performance of the audit or review of the issuer's consolidated financial statements and are not reported under "Audit Fees" above.
- (3) "Tax Fees" means the aggregate fees billed in each of the last two fiscal years for professional services rendered by the issuer's external auditor for tax compliance, tax advice, and tax planning.
- (4) "All Other Fees" means the aggregate fees billed in each of the last two fiscal years for products and services provided by the issuer's external auditor, other than the services reported under clauses Audit-Related Fees, Tax Fees and All Other Fees above.

Exemption

Since the Corporation is a "Venture Issuer" (its securities are not listed or quoted on any of the Toronto Stock Exchange, an exchange registered as a "national securities exchange" under section 6 of the 1934 Act, the NASDAQ stock market or a marketplace outside of Canada and the United States of America) it is exempt from the requirements of Part 3 "*Composition of the Audit Committee*" and Part 5 "*Reporting Obligations*" of NI 52-110 and is relying upon such exemption.

CORPORATE GOVERNANCE MATTERS

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders. The Board views effective corporate governance as an essential element for the ongoing well-being of the Corporation and its Shareholders. With that in mind, the Board reviews the Corporation's corporate governance practices on an ongoing basis to ensure that they provide for effective stewardship of the Corporation.

The following disclosure of the Corporation's corporate governance practices is presented pursuant to the requirements of NI 58-101.

In establishing its corporate governance practices, the Board is guided by Canadian securities legislation and the TSX Venture Exchange the ("**TSXV**") guidelines for effective corporate governance, including National Policy 58-201 *Corporate Governance Guidelines* ("**NP 58-201**") and other regulatory requirements such as NI 52-110. The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interest of its Shareholders, but that it also promotes effective decision making at the Board level.

Mandate of the Board

The Board's primary responsibility is to foster the long-term success of the Corporation as consistent with the Board's fiduciary responsibility to the Shareholders to maximize shareholder value. The Board has plenary power. Any responsibility not delegated to management or a committee of the Board remains with the Board. These terms of reference are prepared to assist the Board and management in clarifying responsibilities and ensuring effective communication between the Board and management. In carrying out this mandate, the Board meets regularly and a broad range of matters are discussed and reviewed for approval. These matters include selecting senior management, reviewing compensation, establishing standards of business conduct and ethical behaviour, evaluating senior management performance, succession planning, overseeing strategic management and planning, overseeing risk management, affirming a control environment, overseeing capital management and overseeing the independent inspection/audit group.

The Board strives to ensure that actions taken by the Corporation correspond closely with the objectives of its Shareholders. The Board will meet at least once annually to review in depth the Corporation's strategic plan and it

reviews the Corporation's resources which are required to carry out the Corporation's growth strategy and to achieve its objectives.

Composition of the Board

The Board currently consists of three directors. Of these, one is an independent director as defined under NP 58-201 and, accordingly, a minority of the directors on the Board is independent. Under NP 58-201, a director is independent if he or she has no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. In addition, certain individuals are deemed, for the purposes of NP 58-201, to have material relationships with the Corporation, including any individual who is, or has recently been, an employee or executive officer of the Corporation, and an individual whose immediate family member is, or has recently been, an executive officer of the Corporation. Under this definition, the Board has determined that the one independent director, for the purpose of NP 58-201, is Jonathan Morley-Kirk.

For the purpose of NP 58-201, Graeme Phipps is not considered an independent director. Graeme Phipps, Chairman and President, is not considered an independent director because he is an executive officer of the Corporation. The size of the Corporation is such that all of its operations are conducted by a small management team. The Board considers that management is effectively supervised by the independent director, and the Chairman of the Board, on an informal basis because the independent director has regular and full access to management.

Other Directorships

Mr. Morley-Kirk is also Chief Financial Officer and non-independent director of PetroMaroc Corporation plc (TSXV: PMA).

Orientation and Continuing Education

The Board has not developed a formal orientation and training program for newly appointed directors. However, all directors are provided with a Director's Handbook, which includes material regarding the Corporation's memorandum of association, operating contracts, organization, administration and corporate governance (including the Board and committee mandates), in addition to the legal obligations and liabilities of directors, the expectations of directors, the expectations of directors, and the Code of Business Conduct and Ethics. New directors are also informed of important company business activities, strategies and initiatives as appropriate by the Chief Executive Officer and other directors and executive officers of the Corporation.

Ethical Business Conduct

The Board endorses management's initiatives to operate with sound integrity and ethical values and promotes this conduct at Board meetings. A whistleblower program is in place for employees to report violations of ethical conduct. To date, no issues have been reported through the Corporation's whistleblower program.

The Board has adopted a Code of Business Conduct and Ethics and also encourages and promotes a culture of ethical business conduct by expecting each other, all officers and management to act in a manner that exemplifies ethical business conduct consistent with the Code of Business Conduct and Ethics. This expectation sets the tone for all employees of the Corporation. The Corporation makes every effort to ensure that prospective directors, employees and consultants are of good character.

In addition, the Corporation intends to resolve all conflicts of interest in accordance with the provisions of the *Companies (Jersey) Law 1991* in order to ensure directors exercise independent judgment in considering transactions and agreements in which a director or officer has a material interest. Refer to "*Directors and Officers – Conflict of Interest*" regarding the application of *Companies (Jersey) Law 1991* to director's conflicts.

Copies of the Code of Business Conduct and Ethical Conduct are available from Calvin Brackman c/o the Corporation.

Nomination of Directors

The Board is responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur between annual meetings of shareholders based on the recommendations of the Corporate Governance and Compensation Committee. The Corporate Governance and Compensation Committee is responsible for: developing and reviewing the Corporation's management succession and development plans; reviewing and assessing the size, composition and operation of the Board and committees of the Board to ensure effective decision-making; and identifying and assessing new candidates for nomination to the Board.

The Board regularly considers its size when it considers the number of directors to recommend to the Shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience. The Board is considering expanding its size subject to funding initiatives.

Remuneration of Directors and Officers

For information regarding the process by which the Board determines the compensation for the Corporation's directors and officers, see "*Executive Compensation – Compensation Discussion and Analysis*". The Corporate Governance and Compensation Committee is responsible for, among other things, (i) regularly reviewing all incentive compensation plans and equity-based plans and making recommendations to the Board for consideration; (ii) reviewing management's proposals for grants of equity-based incentives and making recommendations to the Board for consideration; (iii) as required under applicable law, reviewing employee benefit plans and reports, and making recommendations to the Board for consideration; and (iv) reviewing the compensation policies of the Corporation and making recommendations to the Board to improve the Corporation's ability to recruit, retain and motivate employees.

Assessments

The Board does not believe that formal assessments would be useful at this stage of the Corporation's development. The Board conducts informal annual assessments of its effectiveness, the individual directors and each of its committees. The Chairman of the Board is charged with ensuring that the Board carries out its responsibilities and that these responsibilities are clearly understood by all of its members. The Chairman also ensures that the Board can function independent of management, that the necessary resources and procedures are available or in place to support its responsibilities, and that the appropriate functions are delegated to the relevant committees. The Corporate Governance and Compensation Committee is responsible for overseeing and setting the Board agenda, the quality of information sent to directors and the in camera sessions held without management. The Chairman is also responsible for ensuring a process is in place for an annual performance review of the Chief Executive Officer, which is conducted by the Board, and for senior management succession planning matters.

Corporate Governance and Compensation Committee

The Corporation's Corporate Governance and Compensation Committee's primary purpose is to assist the Board in fulfilling its oversight responsibilities with respect to: (i) addressing corporate governance matters, including the effectiveness of the Board, committees of the Board, individual directors of the Board, the Chairman of the Board and chairs of Board committees; (ii) identifying qualified candidates, recommending nominees for director and providing an appropriate orientation for new directors; (iii) developing and assessing compensation and human resources policies; (iv) developing and assessing director, chief executive officer and management compensation, development and succession; and (v) reviewing incentive compensation plans and equity-based plans as well as proposed grants thereunder.

The Corporate Governance and Compensation Committee is comprised of Jonathan Morley-Kirk (Chair) and Graeme Phipps. Mr. Morley-Kirk is independent within the meaning of NP 58-201.

Reserves Committee

Notwithstanding that the Corporation currently has no reserves, the Board has determined it is appropriate to form the Reserves Committee, given the nature of the Corporation's oil and gas activities and its resources. The Reserves Committee of the Corporation has a defined mandate and is charged with assisting the Board in fulfilling its responsibilities with respect to compliance with National Instrument 51-101 *Standards of Disclosure for Oil and Activities* ("NI 51-101").

The Reserves Committee is charged with: (i) arranging for the preparation, review by the Board and public filing with securities authorities of a *Statement of Reserves Data and Other Information* pursuant to Form 51-101F1 and related documents to be prepared and filed pursuant to NI 51-101; (ii) reviewing and recommending to the Board the appointment of a qualified reserves evaluator or auditor pursuant to the requirements of NI 51-101; (iii) reviewing and monitoring the safety and environmental policies and activities of the Corporation on behalf of the Board to ensure compliance with applicable laws and legislation; and (iv) reviewing safety and environmental compliance issues and incidents of non-compliance to determine, on behalf of the Board, that the Corporation is taking all necessary action in respect of those matters and that the Corporation has been duly diligent in carrying out its responsibilities and activities in that regard.

The Reserves Committee is comprised of Mr. Graeme Phipps (Chair) and Jonathan Morley-Kirk . Mr. Morley-Kirk is independent within the meaning of NP 58-201.

PARTICULARS OF THE MATTERS TO BE VOTED UPON AT THE MEETING

Receipt of 2013 and 2014 Consolidated Financial Statements

The Corporation's consolidated financial statements for the financial years ended May 31, 2013 and 2014 have been forwarded to Shareholders in accordance with applicable regulatory requirements. No formal action will be taken at the Meeting to approve the consolidated financial statements. If any Shareholders have questions respecting such consolidated financial statements, the questions may be brought forward at the Meeting.

Election of Directors

The memorandum of association of the Corporation provides that a minimum of three directors may be elected at the Meeting to hold office until the next annual general meeting or until their successors are elected or appointed. The Corporation's Board currently consists of three directors and the Corporation has set the number of directors to be elected at the Meeting at three for the ensuing year, subject to a future increase during the year in accordance with the Corporation's memorandum of association.

The persons named below have been proposed for election as directors of the Corporation. Management does not contemplate that any of the proposed nominees will be unable to serve as directors. If any of the proposed nominees do not stand for election or are unable to serve, proxies will not be voted for any other nominee. Each director elected will hold office until the next annual meeting of shareholders or until his successor is elected or appointed pursuant to the articles of association of the Corporation.

The following table and the notes thereto state the names of the persons proposed to be nominated for election as directors, all other positions and offices with the Corporation now held by them, their principal occupations or employment, the periods during which they have served as directors of the Corporation and the number of Common Shares of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by each of them, as at the date hereof. The information contained in the following table is based upon information furnished by the respective nominees.

Name and Municipality of Residence and Position with the Corporation	Principal Occupation and Work History	Director or Officer Since	Securities Beneficially Owned Directly or Indirectly or Controlled or Directed ⁽⁴⁾
Graeme Phipps ⁽²⁾⁽³⁾ St. Helier, Jersey President, Chairman and Director	Chairman and President of the Corporation from May 1 2012 to present; Former Chief Executive Officer of the Corporation from November 2008 to May 1, 2012; Director of Zodiac Exploration Ltd. (TSXV listed oil and gas company) from March 18, 2013 to April 24, 2014; Director of Sterling Resources (UK) Limited (TSX listed oil and gas company) from 2008 to June 11, 2013; Director of Primeline Energy Holdings Ltd. (TSXV listed oil and gas company) from 2008 to November 2012; Principal of Phipps and Associates Oil and Gas Consulting from 2006 to 2008; Executive Vice President of PetroKazakhstan Inc. from May 2005 to November 2005; Principal of Phipps and Associates Oil and Gas Consulting from 2002 to 2005	August 2007	2,217,417 Common Shares
Jonathan Morley-Kirk ⁽¹⁾⁽²⁾⁽³⁾ St. Saviour, Jersey Director	Independent businessman. Mr. Morley-Kirk is a Director of PetroMaroc Corporation plc (TSXV listed oil and gas company) from September 2011 to present. Mr. Morley-Kirk is the former Chairman of Fox-Davies Capital Limited (Financial Advisors and Brokers) from November 2003 until December 2008	April 2006 to August 2006, and August 2007 to present	1,927,291 Common Shares
Josef Hocher Calgary, Alberta	Lawyer. Mr. Hocher is a partner with Osler Hoskin & Harcourt LLP (March 2005 to present). Mr. Hocher is the Senior Independent Director of Buried Hill Energy (an international oil and gas company) of which he was a founder and currently is either Chair or a member of its various committees. Mr. Hocher also serves as Chairman of Orthoshop Geomatics Ltd. and Chief Commercial Officer at Field Upgrading Limited and Western Hydrogen Limited. Mr. Hocher is the founder of Hitic Energy Ltd., a domestic oil and gas company, where he currently holds a senior leadership role. Mr. Hocher was formerly a partner at Bennett Jones LLP (April 1994 to February 2005).	Nominee Director	2,200 Common Shares

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Corporate Governance and Compensation Committee.
- (3) Member of the Reserves Committee.
- (4) On August 31, 2012, all outstanding options were forfeited and cancelled by agreement between the Corporation and option holders.

The persons named in the accompanying Instrument of Proxy, if named as proxy, intend to vote FOR the election of the nominee directors listed above, unless a Shareholder has specified in his proxy that his Common Shares are to be withheld from voting in the election of such nominee directors.

Appointment of Auditors

Management of the Corporation proposes to nominate KPMG LLP, Chartered Accountants, Calgary, Alberta, as auditor of the Corporation until the next annual meeting of shareholders. KPMG LLP was first appointed as the Corporation's auditor on May 31, 2000. **The persons named in the accompanying Instrument of Proxy, if named as proxy, intend to vote FOR the appointment of KPMG LLP as independent auditor of the Corporation to hold office until the next annual meeting of the shareholders at a remuneration to be determined by the Board, unless a Shareholder has specified in his proxy that his Common Shares are to be withheld from voting in the appointment of Auditors.**

Approval of the Option Plan

The TSXV requires that all listed companies with a 10% rolling stock option plan obtain, on an annual basis, shareholder approval in respect of such plan. Accordingly, the Shareholders are being asked at the Meeting for approval of an ordinary resolution to approve the Option Plan given it is a 10% rolling stock option plan. **In the event this resolution is not approved, the Option Plan will be terminated and the Corporation will not be permitted to grant options pursuant to the Option Plan.** For a description of the Option Plan, see "*Executive Compensation – Option Plan*".

The ordinary resolution to be passed at the Meeting in order to approve the Option Plan is set forth below:

"BE IT RESOLVED, as an ordinary resolution of the holders of Common Shares (the "**Common Shares**") of EastSiberian Plc (the "**Corporation**") that:

1. the current 10% rolling stock option plan of the Corporation is ratified and approved such that the board of directors of the Corporation is authorized to grant options that, in the aggregate, entitle the holders thereof to acquire up to 10% of the number of issued and outstanding Common Shares of the Corporation from time to time; and
2. any one director or officer of the Corporation is authorized, on behalf of the Corporation, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution."

In order for the foregoing ordinary resolution in respect of the approval of the Option Plan to be passed, it must be approved by a majority of the votes cast by the holders of Common Shares who vote in person or by proxy at the Meeting. **The persons named in the accompanying Instrument of Proxy, if named as proxy, intend to vote FOR the approval of the Option Plan, unless a Shareholder has specified in his proxy that his Common Shares are to be against the Option Plan.**

Name Change

The Corporation is proposing to effect a name change of its corporate name from "EastSiberian Plc" to "Latin American Energy Company (Islas Anglo Normandas) Plc" (the "**Name Change**"). Article 14 of the *Companies (Jersey) Law 1991* provides that a company may, by special resolution, change its name. Accordingly, the Shareholders are being asked at the Meeting to approve a special resolution of the Name Change.

Notwithstanding approval of the Name Change by the Shareholders, the Board, in its discretion, may determine not to act upon the Name Change resolution and not file an amendment to the memorandum of association giving effect to the Name Change, without further approval of the Shareholders. The Name Change will be conditional upon receipt of all necessary regulatory approvals, including the acceptance of the NEX.

The special resolution to be passed at the Meeting in order to approve the Name Change is set forth below:

"BE IT RESOLVED as a special resolution of the holders of Common Shares (the "**Common Shares**") of EastSiberian Plc (the "**Corporation**") that:

1. the Corporation is authorized to change its name to "Latin American Energy Company (Islas Anglo Normandas) Plc" or such other name as may be approved by the board of directors of the Corporation and permitted by any appropriate regulatory approval agency and the registrar;
2. the Corporation is authorized to amend its memorandum of association pursuant to Article 14 of the *Companies (Jersey) Law 1991*, as amended from time to time, to change the name of EastSiberian Plc to "Latin American Energy Company (Islas Anglo Normandas) Plc" or such other name as may be approved by the board of directors of the Corporation and permitted by any appropriate regulatory approval agency and the registrar;
3. any one director or officer of the Corporation is authorized, on behalf of the Corporation, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution; and
4. notwithstanding that this special resolution has been duly passed by the shareholders of the Corporation, the directors of the Corporation be, and they are hereby authorized and empowered to revoke this resolution at any time prior to the issue of a Certificate of Incorporation giving effect to the amendment to the memorandum of association of the Corporation set forth above and to determine not to proceed with the amendment without further approval of the shareholders of the Corporation."

In order for the foregoing special resolution in respect of the approval of the Option Plan to be passed, it must be approved by a majority of not less than two-thirds of the votes cast by the holders of Common Shares who vote in the Meeting. **The persons named in the accompanying Instrument of Proxy, if named as proxy, intend to vote FOR the approval of the Name Change, unless a Shareholder has specified in his proxy that his Common Shares are to be against the Name Change.**

Ratification of Actions/Inactions Relating to the 2013 Annual General Meeting of Shareholders

For the financial year ended May 31, 2013, the Corporation did not hold an annual general meeting of Shareholders. The Corporation is proposing to ratify and confirm all actions previously taken and all inactions by the officers and directors of the Corporation insofar as such actions or inactions relate to a failure to comply with the provisions of the articles of association or applicable law relating to the requirement to annually hold meetings of shareholders, appoint directors, and appoint the auditor of the Corporation, and present annual financial statements at such meeting ("**Meeting Ratification**"). Accordingly, the Shareholders are being asked at the Meeting to approve an ordinary resolution in respect of the Ratification of Actions/Inactions Relating to the 2013 AGM.

The ordinary resolution to be passed at the Meeting in order to approve the Meeting Ratification is set forth below:

"BE IT RESOLVED as an ordinary resolution of the holders of Common Shares (the "**Common Shares**") of EastSiberian Plc (the "**Corporation**") that:

1. all actions previously taken and all inactions by the officers and directors of the Corporation insofar as such actions or inactions relate to a failure to comply with the provisions of the articles of association of the Corporation or applicable law relating to the requirement to hold meetings of shareholders, appoint directors, and appoint the auditor of the Corporation in connection with the 2013 financial year are hereby authorized and approved; and

2. any one director or officer of the Corporation is authorized, on behalf of the Corporation, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution.

In order for the foregoing ordinary resolution in respect of the Meeting Ratification to be passed, it must be approved by a majority of the votes cast by the holders of Common Shares who vote in person or by proxy at the Meeting. **The persons named in the accompanying Instrument of Proxy, if named as proxy, intend to vote FOR the Meeting Ratification, unless a Shareholder has specified in his proxy that his Common Shares are to be against the Meeting Ratification.**

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the current or former executive officers, directors, proposed nominee for election as a director or employees of the Corporation, nor any associates or affiliates of such persons, have been indebted to the Corporation at any time during or since the financial years ended May 31, 2013 and 2014.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth below or elsewhere in this Information Circular, management of the Corporation is not aware of any material interest, direct or indirect, of any informed person of the Corporation, any proposed nominee for election as a director of the Corporation or any associate or affiliate of any such person in any transaction since the commencement of the Corporation's 2013 financial year, or in any proposed transaction that would materially affect the Corporation. As defined in NI 51-102, "informed person" means (a) the directors and executive officers of the Corporation; (b) a director or executive officer of any person or company that is, itself, an informed person or subsidiary of the Corporation; (c) any person or company that beneficially owns, directly or indirectly, voting securities of the Corporation or that exercises control or direction over voting securities of the Corporation, or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation (other than voting securities held by a person or company as underwriter in the course of a distribution); and (d) the Corporation, to the extent it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of such securities.

There are potential conflicts of interest to which the directors and officers of the Corporation may be subject to in connection with the operations of the Corporation. Individuals concerned are governed in any conflicts or potential conflicts by the provisions of the *Companies (Jersey) Law 1991*.

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 of Meeting. If any other matter properly comes before the Meeting, however, the accompanying Instrument of Proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

ADDITIONAL INFORMATION

Additional information, including copies of audited annual consolidated financial statements and management's discussion and analysis for the years ended May 31, 2013 and 2014, relating to the Corporation is available on SEDAR at www.sedar.com. Those persons seeking copies of the Corporation's consolidated financial statements and MD&A may additionally contact the Corporation c/o PetroKamchatka Services Ltd. at Suite 1800, 505 – 3 Street SW, Calgary, Alberta T2P 3E6, Tel.: 403-247-0005 or by e-mail at cbrackman@eastsiberianplc.com.

DATED at Calgary, Alberta, this 10th day of November, 2014.

SCHEDULE "A"
AUDIT COMMITTEE MANDATE

EASTSIBERIAN PLC

AUDIT COMMITTEE MANDATE

A. Establishment of Audit Committee

The Board of Directors (the "Board") of EastSiberian Plc (the "Company") hereby establishes a committee to be called the Audit Committee (the "Committee"). The mandate of the Committee is as described below.

B. Composition of the Committee

The membership of the Committee shall be as follows:

- (a) the Committee shall consist of a minimum of three directors of the Company;
- (b) unless agreed upon by the Board, a majority of the members of the Committee shall be "independent", as such term is defined for the purpose of audit committees in National Instrument 52-110 *Audit Committees* ("**NI 52-110**");
- (c) all members of the Committee shall be "financially literate" within the meaning of NI 52-110;
- (d) members of the Committee shall be appointed annually by the Board from among directors of the Company;
- (e) the Chair of the Committee and Audit Committee members shall be appointed by the Board;
- (f) a member of the Committee shall *ipso facto* cease to be a member of the Committee upon ceasing to be a director of the Company; and
- (g) any member of the Committee may be removed or replaced at any time by resolution of the directors of the Company. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains.

C. Objectives of the Committee

The Committee's primary purpose is to assist the Board in fulfilling its oversight responsibilities for the Company's financial reporting process, including: (a) the integrity of annual and quarterly consolidated financial statements any other financial information relating to the Company to be provided to Shareholders and regulatory bodies; (b) compliance with accounting and finance based legal and regulatory requirements; (c) the independent auditor's qualifications and independence; (d) the system of internal accounting and financial reporting controls that management has established; and (e) performance of the audit process and of the independent auditor.

D. Duties and Responsibilities of the Committee

Audit Process

The Committee shall:

- (h) review the audit plan with the Company's external auditors and with management;
- (i) discuss with management and the external auditors any proposed significant changes to or any new or pending developments in accounting principles, policies or principles, the presentation and impact of significant risks and uncertainties and key estimates and judgments of management that may be material to financial reporting;
- (j) review with management and with the external auditors significant financial reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues;
- (k) review any problems experienced or concerns expressed by the external auditors in performing an audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
- (l) review with senior management the process of identifying, monitoring and reporting the principal risks that could affect financial reporting;
- (m) review audited annual consolidated financial statements and related documents in conjunction with the report of the external auditors and obtain an explanation from management of all significant variances between comparative reporting periods; and
- (n) review and approve the Company's hiring policies regarding partners, employees, former partners and former employees of the present and former external auditors.

Internal Controls

The Committee shall:

- (o) review with management and the external auditors, the adequacy and effectiveness of the internal controls over financial reporting and disclosing controls and procedures, any material weaknesses or deficiencies and subsequent follow-up to any identified weaknesses; and
- (p) ensure the preparation and filing of the annual and interim certifications of the Chief Executive Officer and Chief Financial Officer in accordance with NI 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*.

Disclosure

The Committee shall:

- (q) review with financial management and the external auditors the quarterly unaudited consolidated financial statements and management discussion and analysis before release to the public; and
- (r) before release, review and if appropriate, recommend for approval by the Board, all public disclosure documents containing audited or unaudited financial information, including any prospectuses, annual reports, annual information forms, management discussion and analysis and press releases, which review should include discussions with management, the internal auditors and the external auditors of significant issues regarding accounting principles, practices and judgments.

Relationship with External Auditors

The Committee shall:

- (s) evaluate the independence and performance of the external auditors and annually recommend to the Board the appointment of the external auditor or the discharge of the external auditor when circumstances are warranted;
- (t) ensure compliance by the Company's external auditor with the requirements set forth in National Instrument 52-108 *Auditor Oversight*;
- (u) recommend to the Board the compensation of the external auditor;
- (v) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by its external auditors', or the external auditors of the Company's subsidiary entities;
- (w) approve the engagement letter for non-audit services to be provided by the external auditors or affiliates, together with estimated fees, and considering the potential impact of such services on the independence of the external auditors;
- (x) when there is to be a change of external auditors, review all issues and provide documentation related to the change, including the information to be included in the Notice of Change of Auditors and documentation required pursuant to National Instrument 51-102 *Continuous Disclosure Obligations* and the planned steps for an orderly transition period; and
- (y) review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable securities policies, on a routine basis, whether or not there is to be a change of external auditors.

Risk Management

The Committee shall:

- (z) discuss guidelines and policies with respect to risk assessment and risk management, including the processes management uses to assess and manage the Company's risk;
- (aa) discuss major financial risk exposures and steps management has taken to monitor and control such exposures; and
- (bb) review reports from management with respect to risk assessment, risk management and major financial risk exposures.

Other Committee Responsibilities

- (cc) The Committee shall oversee the financial affairs of the Company, its subsidiaries or affiliates, and, if deemed appropriate, make recommendations to the Board, external auditors or management.
- (dd) The Committee shall review the amount and terms of any insurance to be obtained or maintained by the Company with respect to risks inherent in its operations and potential liabilities incurred by the directors or officers in the discharge of their duties and responsibilities.

- (ee) The Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters, which are directed to the Committee by any member of the Board, a shareholder of the Company, the external auditors or management.
- (ff) The Committee shall periodically review with management the need for an internal audit control/procedural function.
- (gg) The Committee shall review the Company's accounting and reporting of environmental costs, liabilities and contingencies.
- (hh) The Committee shall establish and maintain procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting controls, or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Company or concerns regarding questionable accounting or auditing matters.
- (ii) The Committee shall review and submit for approval of the Board, the Company's whistleblowing procedures.
- (jj) The Committee shall review the appointments of the Chief Financial Officer and any key financial managers who are involved in the financial reporting process.
- (kk) The Committee shall review and approve the Company's hiring policies regarding partners, employees, former partners and former employees of the present and former external auditors.
- (ll) The Committee shall review with the Company's legal counsel, as and when appropriate, any legal matter that could have a significant impact on the Company's consolidated financial statements, and any enquiries received from regulators, or government agencies.

Reporting to the Board

The Committee shall, at the earliest opportunity after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as deemed appropriate.

Authority of the Committee

The Committee shall have the authority to:

- (mm) inspect any and all of the books and records of the Company, its subsidiaries and affiliates;
- (nn) discuss with the management and employees of the Company, its subsidiaries and affiliates, any affected party and the external auditors, such accounts, records and other matters as any member of the Committee considers necessary and appropriate;
- (oo) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- (pp) to set and pay the compensation for any advisors employed by the Committee in (c) above.

The Committee shall be provided with resources and support to carry out its duties and responsibilities delegated to it by the Board, including administrative support.

Other

The Committee shall:

- (qq) have the authority to make non-material and technical amendments to this Mandate to honour the spirit and intent of applicable law as it evolves, which proposed amendments must be reported to the Board prior to adoption thereof; and
- (rr) assess, on an annual basis, the adequacy of this Mandate and the performance of the Committee.

E. Meetings of the Committee

- (ss) Subject to the following requirements, the Committee may determine its own meeting procedures.
- (tt) The Committee shall meet at least four times each year, with scheduled meetings to correspond with the review of the year-end and quarterly consolidated financial statements. The Chair of the Committee may call additional meetings as required. In addition, a meeting may be called by the Chairman of the Board, the Board or the external auditors.
- (uu) Notice of each meeting of the Committee shall be given to each member of the Committee. The external auditors, may attend any meeting upon the request of the Committee.
- (vv) Notice of a meeting of the Committee shall: (i) be in writing, (ii) state the nature of the business to be transacted at the meeting in reasonable detail; (iii) to the extent practicable, be accompanied by copies of documentation to be considered at the meeting; and (iv) be given at least two business days prior to the time stipulated for the meeting or such shorter period as the members of the Committee may permit.
- (ww) A quorum for the transaction of business at a meeting of the Committee shall consist of a majority of the members of the Committee.
- (xx) A member or members of the Committee may participate in a meeting of the Committee by means of telephone or other communication facilities as permits all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.
- (yy) The Chair of the Committee shall preside at all meetings of the Committee. In the absence of the Chair of the Committee, the members of the Committee shall choose one of the members present to be Chair of the meeting. In addition, the members of the Committee shall choose one of the persons present to be the Secretary of the meeting.
- (zz) The Chairman of the Board, senior management of the Company and other parties may attend meetings of the Committee; however, the Committee (i) shall meet with the external auditors independent of management, and (ii) may meet separately with management.
- (aaa) The Committee shall meet in a separate, non-management, in camera session at each meeting. The Committee may invite such officers, directors and employees of the

Company or affiliates as it see fit from time to time to attend meetings of the Committee and to assist thereat in the discussion of matters being considered by the Committee.

- (bbb) Minutes shall be kept of all meetings of the Committee and shall be signed by the Chair and the Secretary of the meeting. In-camera sessions will not be minuted.