

FEC RESOURCES INC.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the shareholders of FEC Resources Inc. (the "**Company**") will be held at 2620 – 32nd Avenue N.E., Calgary, Alberta, on October 19, 2012, at the hour of 1:00 P.M., Mountain time (the "**Meeting**"), for the following purposes:

1. To receive and consider the report of the directors to the shareholders and the consolidated financial statements of the Company together with the Auditors' Report thereon for the financial year ended December 31, 2011;
2. To appoint the auditors for the ensuing year and to authorize the directors fix the remuneration to be paid to the auditors;
3. To set the number of directors of the Board at eight (8) and to elect the Board of Directors for the ensuing year;
4. To transact such further or other business as may properly be brought before the meeting or any adjournments thereof.

DATED at Calgary, Alberta on September 14, 2012.

By Order of the Board of Directors

Signed (Carlo Pablo)
Chairman

IMPORTANT

The specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular accompanying this notice and are incorporated by reference herein.

IF YOU ARE UNABLE TO ATTEND THE MEETING IN PERSON, PLEASE FILL IN, SIGN AND RETURN THE ENCLOSED INSTRUMENT OF PROXY IN THE ENVELOPE PROVIDED FOR THAT PURPOSE. PROXIES ARE BEING SOLICITED BY THE MANAGEMENT OF THE COMPANY. SHAREHOLDERS OF THE COMPANY WHO ARE UNABLE TO ATTEND THE MEETING IN PERSON ARE REQUESTED TO COMPLETE, DATE AND SIGN THE ENCLOSED FORM OF PROXY AND TO MAIL IT TO COMPUTERSHARE INVESTOR SERVICES, 510 BURRARD STREET, VANCOUVER, B.C. V6C 3B9.

In order to be effective, forms of proxy must be returned to the aforesaid address not less than forty eight (48) hours before the time set for the holding of the Meeting or any adjournment thereof. Pursuant to the Section 134 of the *Canada Business Corporations Act*, R.S.C 1985. c. C-44 a record date for the Meeting has been set for September 14, 2012 and shareholders of record on the record date are entitled to receive notice of and to vote at the Meeting, unless after that date a shareholder of record transfers his shares and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he owns such shares, demands at any time not later than ten (10) days prior to the meeting that the transferee's name be included in the list of shareholders entitled to vote, in which case such transferee is entitled to vote such shares at the meeting. In accordance with National Instrument 54-101, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares held of record by such persons and the company may reimburse such persons for reasonable fees and disbursements incurred by them in doing so.

SHAREHOLDERS ARE CAUTIONED THAT THE USE OF THE MAIL TO TRANSMIT INSTRUMENTS OF PROXY IS AT THE SHAREHOLDER'S RISK.

**FEC Resources Inc.
46 Royal Ridge Rise NW
Calgary, Alberta T3G 4V2**

INFORMATION CIRCULAR

(As of September 14, 2012, except as indicated)

SOLICITATION OF PROXIES

This information circular ("**Information Circular**") is furnished in connection with the solicitation of proxies by the management of FEC Resources Inc. (the "**Company**") for use at the Annual General Meeting of the Company to be held on October 19, 2012 and at any adjournment thereof (the "**Meeting**") at the time and place and for the purposes set forth in the accompanying Notice of Meeting. Unless the context otherwise requires, references to the Company include the Company and its subsidiaries. The solicitation will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by officers and employees of the Company. The cost of solicitation will be borne by the Company.

Unless otherwise stated the information herein is given as of September 14, 2012.

There is enclosed herewith a form of proxy for use at the Meeting. Each holder of common shares of the Company (a "**Shareholder**") who is entitled to attend and vote at the Meeting is urged to participate in the Meeting and to vote on matters to be considered in person or by proxy.

APPOINTMENT AND REVOCATION OF PROXIES

An instrument appointing a proxy shall be in writing and shall be executed by the Shareholder or his attorney authorized in writing or, if the Shareholder is a Company, by an officer or attorney thereof duly authorized.

Those Shareholders desiring to be represented by proxy at the Meeting must deposit their forms of proxy with COMPUTERSHARE INVESTOR SERVICES at its offices at, 510 Burrard Street, Vancouver, B.C. V6C 3B9 not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting, or any adjournment thereof, or with the chairman of such Meeting on the day of the Meeting or any adjournment thereof, prior to the use thereof at the Meeting, or any adjournment thereof. A proxy must be executed by the Shareholder or his attorney authorized in writing, or if the Shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized. A proxy is valid only at the meeting in respect of which it is given or any adjournment of that meeting.

The persons named in the Instrument of Proxy accompanying this Information Circular are officers and directors of the Company. **A Shareholder submitting an Instrument of Proxy shall have the right to appoint a person to represent the Shareholder at the Meeting other than the person(s) designated in the Instrument of Proxy furnished by the Company. To exercise this right, the Shareholder must either insert the name of the desired representative in the blank space provided in the Instrument of Proxy and strike out the other names or submit another proper form of proxy. An Instrument of Proxy will not be valid unless it is deposited at the offices of Computershare Investor Services, 510 Burrard Street, Vancouver, B.C. V6C 3B9, not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) before the time of the Meeting, or any adjournment thereof, or with the chairman of such Meeting on the day of the Meeting or any adjournment thereof, prior to the use thereof at the meeting or adjourned meetings.**

A person giving a proxy has the power to revoke it. In addition to revocation in any other manner permitted by law, an Instrument of Proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney authorized in writing or, if the Shareholder is a corporation, by an officer or attorney duly authorized, and delivered to the offices of Computershare Investor Services, 510 Burrard Street, Vancouver, B.C., V6C 3B9 at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which such Instrument of Proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deliveries, the Instrument of Proxy shall be revoked. **If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person.**

EXERCISE OF DISCRETION BY PROXY

The persons named in the enclosed Instrument of Proxy will vote the shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing them. **In the absence of such direction, such shares will be voted in favour of the matters referred to in the accompanying Notice of Meeting.**

The enclosed Instrument of Proxy confers discretionary authority on the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. As at the date of this Information Circular, management of the Company knows of no amendments, variations or other matters to come before the Meeting, other than those matters referred to in the Notice of Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue unlimited common shares without par value (“**Common Shares**”) and unlimited preferred shares without par value (“**Preferred Shares**”). As at September 14, 2012 (the “**Record Date**”), the Company had 439,143,772 Common Shares issued and outstanding. There are no Preferred Shares issued and outstanding. The holders of Common Shares are entitled to one vote for each Common Share held. Holders of Common Shares of record at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting. Any transferee or person acquiring Common Shares after such date may, on proof of ownership of Common Shares, demand not later than 10 days before the Meeting that his or her name be included in the list of persons entitled to attend and vote at the Meeting.

To the best of the knowledge of the directors and senior officers of the Company, no person beneficially owns, directly or indirectly, or exercises control or direction over shares carrying more than 10% of the voting rights attached to all shares of the Company except as noted below.

Name	No. of Common Shares	Percentage
Philex Mining Corporation (2)	225,000,000	51.24%
Asian Coast International	67,740,000	15.43%
CDS & Co. ⁽¹⁾	49,975,291	11.38%

(1) CDS and Co. is a clearing house in Canada and represents the interest of multiple shareholders and there is no way of knowing if any one in particular beneficially holds over 10% of the voting rights attached to the Company’s shares.

(2) Philex Mining Corporation is completing the process of transferring these shares to Philex Petroleum Corporation.

The By-laws of the Company provide that a quorum for any meeting of shareholders shall be two (2) Shareholders.

EXECUTIVE COMPENSATION

The following table sets forth all annual and long term compensation for services in all capacities to the Company and its subsidiaries for the three (3) most recently completed financial years in respect of each of the individuals who were, as at December 31, 2011 the Chief Executive Officer and the other four most highly compensated executive officers of the Company (the “**Named Executive Officers**”) including any individual who would have qualified as a Named Executive Officer, but for the fact that the individual was not serving as such an Officer at the end of the most recently completed financial year.

Summary Compensation Table**

Name And Principal Position	Year	Annual Compensation			Long Term Compensation			Total Compensation US (\$)
		Salary US (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts	
					Securities Under Option/ SARs granted (#)	Restricted Shares or Restricted Share Units (\$)	LTIP Payouts (\$)	
Jose E. Villialuna Director President/CEO	2011	36,000	Nil	Nil	Nil	Nil	Nil	36,000
	2010	58,000	Nil	Nil	Nil	Nil	Nil	58,000
	2009	CDN\$32,260	Nil	Nil	Nil	Nil	Nil	CDN\$32,260
Riaz Sumar Director Corporate Secretary and CFO	2011	84,000	Nil	Nil	Nil	Nil	Nil	84,000
	2010	60,000	Nil	Nil	Nil	Nil	Nil	60,000
	2009	CDN\$97,088	Nil	Nil	3,000,000	Nil	Nil	CDN\$97,088
Barry Stansfield Director	2011	12,000	Nil	Nil	Nil	Nil	Nil	12,000
	2010	39,500	Nil	Nil	Nil	Nil	Nil	39,500
	2009	CDN\$47,944	Nil	Nil	2,080,000	Nil	Nil	CDN\$47,944
Andrew Mullins Director	2011	12,000	Nil	Nil	Nil	Nil	Nil	12,000
	2010	39,500	Nil	Nil	Nil	Nil	Nil	39,500
	2009	CDN\$18,686	Nil	Nil	Nil	Nil	Nil	CDN\$18,686
Renato Migrino Treasurer	2011	24,000	Nil	Nil	Nil	Nil	Nil	24,000
	2010	24,000	Nil	Nil	Nil	Nil	Nil	24,000
	2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Carlo Pablo Chairman	2011	36,000	Nil	Nil	Nil	Nil	Nil	36,000
	2010	9,000	Nil	Nil	Nil	Nil	Nil	9,000
	2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: Edward Tortorici and Claro Ramirez, the remaining directors, received US\$1,000 per month for service on the Board.

**Note: There were no Share Based Awards, Option Based Awards or Pension attributed to any Director in the past three (3) years, excepting thereout the SARs granted to Riaz Sumar and Barry Stansfield in 2009.

(a) Long Term Incentive Plan Awards Table (LTIP)

The Company does not have a Long Term Incentive Plan pursuant to which cash or non-cash compensation was paid or distributed to the Named Executive Officers during the most recently completed financial year.

(b) Options/Stock Appreciation Rights (“SAR”) Grants During the Most Recently Completed Financial Year

The following table sets forth stock options/SARs granted during the most recently completed financial year to each of the Named Executive Officers:

	Option Based Awards				Share Based Awards		
Name	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 (\$)
Jose E. Villaluna	Nil	N/A	N/A	N/A	Nil	N/A	N/A
Riaz Sumar	Nil	N/A	N/A	N/A	Nil	N/A	N/A
Barry Stansfield	Nil	N/A	N/A	N/A	Nil	N/A	N/A
Andrew Mullins	Nil	N/A	N/A	N/A	Nil	N/A	N/A
Renato Migrino	Nil	N/A	N/A	N/A	Nil	N/A	N/A
Carlo Pablo	Nil	N/A	N/A	N/A	Nil	N/A	N/A

(c) Aggregated Options/SAR Exercises/ Incentives in Last Financial Year and Financial Year-End Option/SAR Values

The following table sets forth details of all exercises of stock options/SARs during the most recently completed financial year by each of the Named Executive Officers and the financial year-end value of unexercised options/SARs on an aggregated basis:

Name	Securities Acquired On Exercise (#)	Aggregate Value Realized (US\$) (1)	Unexercised Options/SARs At Fiscal Year-End (#) Exercisable/ Unexercisable	Value of Unexercised In-the-Money Options/SARs at Fiscal Year-End (US\$) Exercisable/ Unexercisable (2)	Option Based Awards – value vested during the year (\$)	Share Based Awards – value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
Jose E. Villaluna	Nil	Nil	0/0	\$0.00/\$0.00	\$0.00	\$0.00	\$0.00
Riaz Sumar	Nil	Nil	0/0	\$0.00/\$0.00	\$0.00	\$0.00	\$0.00
Barry Stansfield	Nil	Nil	0/0	\$0.00/\$0.00	\$0.00	\$0.00	\$0.00
Andrew Mullins	Nil	Nil	0/0	\$0.00/\$0.00	\$0.00	\$0.00	\$0.00
Renato Migrino	Nil	Nil	0/0	\$0.00/\$0.00	\$0.00	\$0.00	\$0.00
Carlo Pablo	Nil	Nil	0/0	\$0.00/\$0.00	\$0.00	\$0.00	\$0.00

(1) Calculation of Aggregate Value Realized is based upon the difference between the exercise price of the options and the market value on the date of exercise.

(2) Calculation for Value of Unexercised In-The-Money Options is based on the December 31, 2011 closing price.

(d) Option and SAR Repricings

The Company did not re-price any options held by the Named Executive Officers or others in 2011.

(e) Defined Benefit or Actuarial Plan Disclosure

The Company does not have a defined benefit or actuarial plan.

(f) Termination of Employment, Changes in Responsibility and Employment Contracts

The Company does not have any employment contracts. There are no other compensatory plans or arrangements, including payments to be received from the Company or its subsidiaries, with respect to a Named Executive Officer that result or will result from the resignation, retirement or any other termination of employment of the officer's employment with the Company or any of its subsidiaries or from a change of control of the Company or any subsidiary of the Company or a change in the Named Executive Officer's responsibilities following a change in control of the Company or any subsidiary of the Company.

(g) Compensation of Directors

Except as noted below, the following table sets forth all amounts of compensation provided to the directors of the Company who are not also a Named Executive Officer ("NEO") for the Company's most recently completed financial year.

Name	Fees Earned US (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total US (\$)
Edward Tortorici	12,000	Nil	-	Nil	N/A	Nil	12,000
Claro Ramirez	2,645	Nil	-	Nil	N/A	Nil	2,645

The Company has no formal compensation arrangements for its Directors. Any payments are recommended by the Compensation Committee and passed by the Board. Each non-executive director receives US\$1,000.00 per month for serving on the Board.

(h) Composition of Compensation Committee

The Compensation Committee (the "**Compensation Committee**") for the most recently completed financial year was made up of three Directors of the Company. Jose Villaluna, Renato Migrino, and Edward Tortorici.

Mr. Villaluna is a resident of Manila, Philippines. He is currently President and Director of Lascogon Mining Corporation. He is also a Director of Philex Mining Corporation, PGPI, and ISM Communications Corporation.

Mr. Migrino is a resident of Manila, Philippines. He is the Treasurer, Chief Financial Officer and Senior Vice President of Finance of Philex Mining Corporation, Director and Treasurer of Philex Petroleum Corporation, Director and CFO of Philex Gold Inc. Director and Treasurer of Brixton Energy and Mining Corporation, Lascogon Mining Corporation, Fidelity Stock Transfers Inc., Philex Insurance Agency, and Director of Mabuhay Vinyl Corporation.

Mr. Tortorici is corporate strategy advisor for First Pacific and guides the Group's strategic planning and corporate development activities. He is also Commissioner of PT Indofood Sukses Makmur Tbk and a Director of Metro Pacific Investments Corporation, Maynilad Water Services, Inc., Philex Mining Corporation, Medical Doctors Inc., and Landco Pacific Corporation. In addition he is also Executive Advisor of MPIC companies located in the Philippines and as a Trustee of the Asia Society and the Metropolitan Museum of Manila.

The Board of Directors will appoint a new Compensation Committee during the current financial year. None of the members of the Compensation Committee have any material indebtedness to the Company or its subsidiary nor have they any material interest, or have any associates or affiliates which have any material interest, direct or indirect, in any actual or proposed transaction in the last financial year which has materially affected or would materially affect the Company or its subsidiary.

No member of the Compensation Committee, in the most recently completed financial year of the Company, was an executive officer of the Company and also served: (i) as a member of the compensation committee (or other Board committee performing equivalent functions or, in the absence of any such committee, the entire Board of Directors) of another issuer, one of whose executive officers served on the Committee; (ii) as a director of another issuer, one of whose executive officers served on the Committee; or (iii) as a member of the compensation committee (or other Board committee performing equivalent functions or, in the absence of any such committee, the entire Board of Directors) of another issuer, one of whose executive officers served as a director of the Company.

(i) Compensation Discussion and Analysis

Guiding Principles and Objectives

The Compensation Committee determines the compensation of the Company's executive officers. The Company's executive compensation program consists of an annual base salary or management fee, a longer term component consisting of stock options, and a living allowance, if considered appropriate by the Compensation Committee.

The Company's executive compensation policy is designed to provide competitive compensation to enable the Company to attract and retain high-quality and high-performance executives who will significantly contribute to the Company's ability to meet its strategic business objectives. The Company also believes in the importance of encouraging executives to own Common Shares in the Company to more fully align management with the interests of shareholders and focus management's activities on developing and implementing strategies that create and deliver value for shareholders.

In determining executive compensation, the Committee considers the availability of cash compensation, options, stock appreciation rights, securities purchase programs, restricted shares, restricted share units and other incentive plans, and places relative emphasis on each depending on the present circumstances of the Company, the person being compensated, his or her experience and performance within the Company and the industry in which the Company operates and the position that person fills in the Company. The Compensation Committee, in the past, has tended to place emphasis on the granting of cash compensation and options. In determining executive compensation, the Compensation Committee also considers the relative merits of both annual and long-term compensation, and considers that either or both annual or long-term compensation can be in the best interest of the Company depending on the present circumstances of the Company, the person being compensated, his or her experience and performance within the Company and the industry in which the Company operates and the position that person fills in the Company. In determining new option grants, the Compensation Committee may or may not take into account the amount and terms of outstanding options, stock appreciation rights, restricted shares and restricted share units, where applicable. The Compensation Committee's decision in relation to new option grants will depend on the circumstances of the grant and the present circumstances of the Company, as well as the person being compensated, his or her experience and performance within the Company and the industry in which the Company operates and the position that person fills in the

Company. The Compensation Committee considers that corporate performance is directly tied to executive compensation when the Company grants options as part of executive compensation.

Base Salary

The Compensation Committee sets and approves the base salary to be paid to the Chairman, Chief Executive Officer, Chief Financial Officer and to other senior executive officers.

All base salaries for other employees, if any, of the Company are determined by senior management.

Stock Options

The Company presently does not have a formalized stock option plan for the granting of incentive stock options to the officers, employees, consultants and directors of the Company. Any grants are made to officers, employees, consultants or directors on the basis of the number of options currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the executive officers, directors and employees of the Company and to closely align the personal interests of such persons to the interests of the shareholders.

Chief Executive Officer Compensation

The compensation of the Chief Executive Officer ("CEO") consists of an annual base salary and stock options determined in the manner described in the above discussion of compensation for all executive officers and positions the CEO within a range based on the CEO's experience and performance within the Company and the industry in which the Company operates. With respect to the Company's most recent completed financial year, the CEO was compensated with a base salary to reflect the Company's and the CEO's ongoing performance.

AUDIT COMMITTEE

Under National Instrument 52-110 – *Audit Committees* ("NI 52-110"), companies are required to provide disclosure with respect to their audit committee including the text of the audit committee's charter, composition of the audit committee and the fees paid to the external auditor. This information is set out in the attached Schedule "A".

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICE

The British Columbia Securities Commission has issued guidelines on corporate governance disclosure for venture issuers as set out in Form 58-101F2 and requires full and complete annual disclosure of listed companies' systems of corporate governance with reference to such guidelines (the "**Guidelines**"). Where a corporation's corporate governance system differs from the Guidelines, each difference and the reason for the difference is required to be disclosed. The Company's approach to corporate governance is set out in Schedule "B".

INDEBTEDNESS TO COMPANY OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

There is no material indebtedness of any director, executive officer, senior officer, proposed nominee for election as a director or associate of them, to or guaranteed or supported by the Company or its subsidiary either pursuant to an employee stock purchase program of the Company or otherwise, during the most recently completed financial year.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The current auditor for the Company is BDO Canada LLP.

Computershare Investor Services is the transfer agent and registrar for the Common Shares at its principal offices in Vancouver, 510 Burrard Street, Vancouver, B.C. V6C 3B9.

MANAGEMENT CONTRACTS

The Company is not currently a party to any management contracts.

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

Except as set out herein, no director or senior officer of the Company or any proposed nominee of management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the meeting.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No insider or proposed nominee for election as a director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's last completed financial year or in any proposed transaction which in either such case has materially affected or will materially affect the Company, other than has been disclosed above.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Company's Directors, the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting relating to receiving and considering the financial statements, appointing the auditors, setting the number of directors, and electing the directors.

1. FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company dated December 31, 2011 and the auditor's report thereon are incorporated in this Information Circular when mailed to the Shareholders. No formal action will be taken at the Meeting to approve the financial statements.

2. APPOINTMENT OF AUDITOR

At the Meeting, Shareholders will be asked to vote for the reappointment of BDO Canada LLP as auditors of the Company and to authorize the directors to fix their remuneration.

3. ELECTION OF DIRECTORS

The Board of Directors presently consists of eight (8) directors, all of whom are elected annually. It is proposed that the persons below will be nominated at the Meeting, thereby maintaining the board size at eight (8) directors. Each director elected will hold office until the next annual general meeting of shareholders or until his successor is duly elected or appointed pursuant to the By-Laws of the Company.

Unless otherwise specified, proxies in the accompanying form will be voted in favour of the eight (8) people named below (the "Nominees") to be elected as directors by the common shareholders of the Corporation. However, if a vacancy occurs among such Nominees because of death or for any other reason, prior to the Meeting, proxies shall not be voted to fill such vacancy.

The following table sets forth, in respect of each Nominee, all positions currently held with the Corporation, present principal occupation or employment, material occupations and positions currently held and the approximate number of Common Shares of the Corporation beneficially owned directly or indirectly as of September 14, 2012. The information contained herein is based upon information furnished by the respective Nominees to the Corporation.

Name, Municipality of Residence and Position	Principal Occupation or employment and, if not a previously elected director, occupation during the past 5 years	Previous Service as a Director	Number of Common Shares beneficially owned or, directly or indirectly controlled
Jose Ernesto Villaluna (2,3,4,5) Manila, Philippines President/CEO/Director	Director and President, Lascogon Mining Corporation Director, Philex Mining Corporation, PGPI, ISM Communications Corporation	Since 2009	-
Riaz Sumar (3) Calgary, Alberta Chief Financial Officer/Secretary/Director	Chief Financial Officer, FEC Resources Inc. Director, Sumar Management Consultants Ltd.	Since 2008	10,000
Barry Stansfield (6) London, England Director	Director, Forum Energy Plc Partner B&L Estates, London	Since 2003	216,539
Carlo Pablo (1,3,4,5) Manila, Philippines Director/Chairman	Chairman, FEC Resources Inc. since December 2010 Director and COO, Philex Petroleum Corporation Director, Forum Energy Plc, PetroEnergy Resources Corporation, Brixton Energy Resources Corporation	Since June 2010	-
Renato N. Migrino (1,2,4,5) Manila, Philippines Treasurer/Director	Treasurer, CFO and Senior Vice President - Finance, Philex Mining Corporation Director and Treasurer, Philex Petroleum Corporation Director and CFO, Philex Gold Inc. Director and Treasurer, Brixton Energy and Mining Corporation, Lascogon Mining Corporation, Fidelity Stock Transfers Inc., Philex Insurance Agency Director, Mabuhay Vinyl Corporation	Since August 2009	-
Andrew Mullins (1,6) London, UK Director	Director, Forum Energy Plc Secretary, Forum Energy Plc CEO, Phigold Plc	Since August 2009	-
Edward Tortorici (2,5) Manila, Philippines Director	Director, First Pacific Company Ltd., Metro Pacific Investments Corporation, Maynilad Water Services, Inc., Philex Mining Corporation, Medical Doctors Inc., and Landco Pacific Corporation Commissioner, PT Indofood Sukses Makmur Tbk Executive Advisor, MPIC companies located in the Philippines Trustee, Asia Society and the Metropolitan Museum of Manila	Since June 2010	-
Claro Ramirez	Senior Vice President, PLDT Director, Pilipinas Global Network Ltd.	Since October 2011	-

Notes:

1. Member of the Audit Committee.
2. Member of the Compensation Committee
3. Member of the Corporate Governance Committee
4. Member of the Reserves Committee
5. Jose Ernesto Villaluna, Carlo Pablo, Renato Migrino, Claro Ramirez and Edward Tortorici are nominees of Philex Mining Corporation which owns 225,000,000 shares of FEC Resources Inc. These 225,000,000 shares are being transferred to Philex Petroleum Corporation.
6. Mr. Andrew Mullins is the son in law of Mr. Barry Stansfield, Chairman and a director of the Company.

Corporate Cease Trade Orders or Bankruptcies

None of the proposed directors, other than as disclosed herein (or any of their personal holding companies) of the Company:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any Corporation, including the Company, that:
 - (i) was subject of a cease trade order or similar order or an order that denied the relevant Corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days while that person was acting in the capacity as director, executive officer or chief financial officer; or
 - (ii) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, chief executive officer or chief financial officer in the Company and which resulted from an event that occurred while that person was acting in the capacity as director, executive officer or chief financial officer; or
- (b) is as at the date of this Information Circular or has been within the 10 years before the date of this Information Circular, a director or executive officer of any Corporation, including the Company, that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

None of the proposed directors (or any of their personal holding companies) has been subject to:

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

4. OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

Dated: September 14, 2012

CERTIFICATE OF THE COMPANY

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

Signed: "Jose Ernesto Villaluna"
Jose Ernesto Villaluna
Chief Executive Officer

Signed: "Riaz Sumar"
Riaz Sumar
Chief Financial Officer

SCHEDULE A AUDIT COMMITTEE DISCLOSURE

Under National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), companies are required to provide disclosure with respect to their audit committee, including the text of the audit committee’s charter, the composition of the audit committee and the fees paid to the external auditor. This information is set out below.

Composition of the Audit Committee

As at September 14, 2012, the following are the members of the Corporation’s Audit Committee:

<u>Member</u>	<u>Independent</u> ⁽¹⁾	<u>Financially literate</u> ⁽²⁾
Renato Migrino	No	Yes
Carlo Pablo	No	Yes
Andrew Mullins	No	Yes

Notes:

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Corporation which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member’s independent judgment. Mr. Migrino is not independent, as he is the Treasurer of the Corporation and a senior officer of Philex Mining Corporation (“**PMC**”), a significant shareholder of the Corporation. Mr. Pablo is not independent as he is an officer of Philex Petroleum Corporation (“**PPC**”), a subsidiary of PMC. Mr. Mullins is not independent, as he is a director of Forum Energy, Plc (“**Forum Energy**”), an entity which is affiliated with the Corporation as a result of PMC’s control of Forum Energy.
- (2) An individual is financial literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

Relevant Education and Experience

The following is a summary of the audit committee members education and experience which is relevant to the performance of their responsibilities as an audit committee member:

Renato Migrino. Mr. Migrino is currently the Treasurer, CFO and Senior Vice President, Finance of PMC. Mr. Migrino has over 39 years of private and public company experience, including serving as Director and Treasurer of Brixton Energy and Mining Corporation, Lascogon Mining Corporation, Fidelity Stock Transfers Inc., Philex Insurance Agency, Director of Mabuhay Vinyl Corporation, Philippines Gold Mining Company, Northern Luzon Exploration and Mining Co., Silangan Mindanao Exploration Co. Inc. and Silangan Mindanao Mining Co. Inc.

Carlo Pablo. Mr. Pablo has 27 years of oil and gas experience in the Philippines, Indonesia and Malaysia. Mr. Pablo’s experience covers commercial, engineering, and management roles in the downstream and upstream business. Areas of Mr. Pablo’s expertise include negotiation of petroleum contracts, gas commercialization, strategy and portfolio management, international business development, exploration and production economics, oil and gas marketing, and project management. Since May 2010, Mr. Pablo has served as Chief Operating Officer of PPC. From October 2005 to March 2010 Mr. Pablo was Joint Venture Liaison, and Commercial Economics Advisor for Shell Philippines Exploration BV and prior to that Team Leader Business Development for Indonesia, Shell International Gas and Power. Mr. Pablo holds an MBA from Macquarie University in Australia and BS Civil Engineering degree from the University of the Philippines.

Andrew Mullins. Mr. Mullins is a Director and Chief Executive Officer of PhiGold Plc and PhiGold Mining Limited. Mr. Mullins has considerable experience operating in the Philippines where he has been involved in multiple transactions in the Energy and Mining sectors. Mr. Mullins was a key figure in the reorganization of shares of Forum Energy Plc and admission of the company to AIM in 2005 when he was appointed Executive Vice President of the company. In 2007 Mr. Mullins was appointed Forum Energy’s Secretary and since 2008 has since served as its Executive Director. Mr. Mullins holds a B.Eng (Hons) in Mechanical Engineering from University College London (2001)

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee shall review and pre-approve all non-audit services to be provided to the Corporation by its external auditors.

External Auditor Service Fees (By Category)

The Audit Committee has reviewed the nature and amount of non-audited services, if any provided by BDO Canada LLP, to the Corporation to ensure auditor independence. The Corporation has not retained BDO Canada LLP to provide any non-audit related services. Fees incurred with BDO Canada LLP for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table:

<u>Financial Year</u>				
<u>Ending</u>	<u>Audit Fees⁽¹⁾</u>	<u>Audit Related Fees⁽²⁾</u>	<u>Tax Fees⁽³⁾</u>	<u>All Other Fees⁽⁴⁾</u>
2011	US\$77,823	-	-	-
2010	CDN\$92,262	-	-	-

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Corporation's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

Exemption

The Corporation is relying upon the exemption in Section 6.1 of the National Instrument 52-110 – *Audit Committees*, which exempts venture issuers (as defined therein) from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of that instrument.

Audit Committee Charter

The charter of the audit committee (the "**Audit Committee**") of FEC Resources Inc. (the "**Corporation**") of the board of directors of the Corporation is found below:

AUDIT COMMITTEE CHARTER

The Audit Committee Charter sets forth the mandate and responsibilities of the Committee.

1. Mandate

The audit committee (the "**Audit Committee**") will assist the board of directors of the Corporation (the "**Board**") in fulfilling its financial oversight responsibilities. The Audit Committee will review and consider, in consultation with the auditors, the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board, management and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well and the Corporation's business, operations and risks.

2. Composition

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Corporation. The Audit Committee will consist of a minimum of three directors.

Expertise of Committee Members

Each member of the Audit Committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the Audit Committee. At least one member of the Audit Committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

3. Meetings

The Audit Committee shall meet in accordance with a schedule established each year by the Board, and at other times that the Audit Committee may determine. The Audit Committee shall meet at least annually with the Corporation's Chief Financial Officer and external auditors in separate executive sessions.

4. Roles and Responsibilities

The Audit Committee shall fulfill the following roles and discharge the following responsibilities:

External Audit

The Audit Committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the Audit Committee shall:

- (a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) Oversee the work of the external auditor engaged for the purpose of preparing or issuing the auditor's report or performing other audit, review or attest services for the issuer, including the resolution of disagreements between management and the external auditor regarding financial reporting;

- (e) review and recommend to the Board the compensation to be paid to the external auditors; and
- (f) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

Internal Control

The Audit Committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Corporation. In carrying out this duty, the Audit Committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Corporation; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

Financial Reporting

The Audit Committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the Audit Committee shall:

General

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

Annual Financial Statements

- (a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (c) review management's discussion and analysis respecting the annual reporting period prior to its release to the public.

Interim Financial Statements

- (a) review and approve the interim financial statements prior to their release to the public; and
- (b) review management's discussion and analysis respecting the interim reporting period prior to its release to the public.

Release of Financial Information

- (a) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

Non-Audit Services

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Corporation or any subsidiary of the Corporation shall be subject to the prior approval of the Audit Committee.

Delegation of Authority

The Audit Committee may delegate to one or more independent members of the Audit Committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the Audit Committee at its next scheduled meeting.

De-Minimis Non-Audit Services

The Audit Committee may satisfy the requirement for the pre-approval of non-audit services if:

- (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
- (ii) the services are brought to the attention of the Audit Committee and approved, prior to the completion of the audit, by the Audit Committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

The Audit Committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:

- (i) the pre-approval policies and procedures are detailed as to the particular service;
- (ii) the Audit Committee is informed of each non-audit service; and
- (iii) the procedures do not include delegation of the Audit Committee's responsibilities to management.

Other Responsibilities

The Audit Committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

Reporting Responsibilities

The Audit Committee shall regularly update the Board about committee activities and make appropriate recommendations.

5. Resources and Authority of the Audit Committee

The Audit Committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Audit Committee; and
- (c) communicate directly with the internal and external auditors.

6. Guidance – Roles and Responsibilities

The following guidance is intended to provide the Audit Committee members with additional guidance on fulfillment of their roles and responsibilities on the committee:

Internal Controls

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an information technology systems breakdown; and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

Financial Reporting

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements;
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- (c) understand industry best practices and the Corporation's adoption of them.

Annual Financial Statements

- (a) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Corporation reports or trades its shares;
- (b) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (c) focus on judgment areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses, warranty, professional liability, litigation reserves; and other commitments and contingencies;
- (d) consider management's handling of proposed audit adjustments identified by the external auditors;
- (e) ensure that the external auditors communicate all required matters to the committee.

Interim Financial Statements

- (a) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (b) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and
- (c) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
 - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
 - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the Corporation's operations and financing practices;
 - (iii) generally accepted accounting principles have been consistently applied;
 - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
 - (v) there are any significant or unusual events or transactions;
 - (vi) the Corporation's financial and operating controls are functioning effectively;
 - (vii) the Corporation has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
 - (viii) the interim financial statements contain adequate and appropriate disclosures.

Compliance with Laws and Regulations

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

Other Responsibilities

- (a) review, with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements.

SCHEDULE B
CORPORATE GOVERNANCE DISCLOSURE

Effective June 30, 2005, National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 - *Corporate Governance Guidelines* ("NP 58-201") were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. Set forth below is a description of the Corporation's current and going forward corporate governance practices.

Board of Directors – The Board of FEC Resources Inc. (the “**Corporation**”) is currently composed of eight (8) directors. The Corporation has no independent directors within the meaning of National Instrument 52-110 (“**NI 52-110**”). None of the Corporation’s directors are “independent” within the meaning of NI 52-110 insofar as Messrs. Pablo, Villaluna and Sumar hold senior executive positions with the Corporation; Mr. Messrs. Villaluna and Migrino are officers, and Mr. Tortorici is a director of Philex Mining Corporation (“**Philex Mining**”), a significant shareholder of the Corporation; and Messrs. Mullins, Pablo and Stansfield are directors of Forum Energy Plc. (“**Forum Energy**”), a company which is affiliated with the Corporation due to both companies being controlled by Philex Petroleum Corporation (“**Philex Petroleum**”), the holder of 51.24% of the common shares of the Corporation and a subsidiary of Philex Mining. Mr. Mullins is also an executive officer of Forum Energy and Mr. Pablo is also an officer of Philex Petroleum. Mr. Ramirez was appointed by Philex Petroleum Corporation.

Mr. Pablo, a non-independent director, presently serves as the Corporation’s Chairman of the Board, generally chairs the meetings of the Board and actively seeks out the views of all directors on all board matters. The directors exercise their responsibilities for and are provided with leadership through their position on the Board and ability to meet independently of management whenever it is deemed necessary.

Directorships – The following directors of the Corporation as at September 14, 2012 are presently directors of other issuers that are reporting issuers (or the equivalent):

<u>Name of Director</u>	<u>Name of Reporting Issuers</u>	<u>Market Traded On</u>
Jose Ernesto Villaluna Jr.	Philex Mining Corporation ISM Communications Corporation	Philippine Stock Exchange Philippine Stock Exchange
Renato Migrino	Philex Petroleum Corporation Mabuhay Vinyl Corporation	Philippine Stock Exchange Philippine Stock Exchange
Andrew Mullins	Forum Energy, Plc	AIM
Carlo Pablo	Forum Energy, Plc Philex Petroleum Corporation PetroEnergy Resources Corporation	AIM Philippine Stock Exchange Philippine Stock Exchange
Barry Stansfield	Forum Energy, Plc	AIM
Edward Tortorici	Philex Mining Corporation Forum Energy, Plc Metro Pacific, Investments Corporation First Pacific Company Limited PT Indofood Sukses Makmur Tbk	Philippine Stock Exchange AIM Philippine Stock Exchange Hong Kong Stock Exchange Indonesia Stock Exchange
Riaz Sumar	Hombre Capital Inc.	Applying for TSX-V listing

Orientation and Continuing Education – The Corporation does not have a formal orientation for new members of the Board, and this is considered to be appropriate, given the Corporation's size and current limited operations. However when new directors are appointed, they receive orientation on the Corporation's business, technology and industry, as well as on the responsibilities of directors generally. Board meetings may also include presentations by the Corporation's management employees to give the directors additional insight into the Corporation's business.

The skills and knowledge of the Board of Directors as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies in the natural resource sector. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Corporation's records.

Ethical Business Conduct – The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. However, the current limited size of the Corporation's operations and the small number of officers and employees allow the independent members of the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. As the Corporation grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

Nomination of Directors – The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole; however, if there is a change in the number of directors required by the Corporation, this policy will be reviewed. The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President and CEO. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions. The Board considers the number of directors to recommend to the Shareholders for election at the annual meeting of Shareholders, taking into account the number of directors required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

Compensation – Duration of time spent by a director or officer in managing or working with the Corporation determines compensation for the directors and the Chief Executive Officer. Decisions relating to compensation are made by the Compensation Committee. The Compensation Committee reviews the adequacy and form of compensation and compares it to other companies of similar size and stage of development. Directors' compensation is in the form of stock options. The quantity and quality of the Board compensation is reviewed on an annual basis.

Other Board Committees – In addition to the Audit Committee, the Corporation has a Compensation Committee, Corporate Governance Committee and a Reserves Committee.

Audit Committee. The Audit Committee consists of three directors: Renato Migrino, Andrew Mullins and Carlo Pablo, none of whom is independent. Disclosure with respect to the Audit Committee, as required by NI 52-110 – Audit Committees, is contained in NI 52-110F2 form as at September 14, 2014.

Compensation Committee. The Compensation Committee consists of three non-independent directors: Edward Tortorici, Jose Villaluna and Renato Migrino. The Compensation Committee has responsibility for determining the appropriate levels of compensation for management and for determining related compensatory matters such as the granting of incentive stock options. To determine an objective process for compensation, the Compensation Committee reviews the adequacy, form of compensation and compares it to other companies of similar size and stage of development. The Compensation Committee meets at least annually.

Corporate Governance Committee. The Corporate Governance Committee consists of three non-independent directors: Riaz Sumar, Jose Villaluna and Carlo Pablo. The Corporate Governance Committee's responsibility is to:

- Review and recommend to the Board of Directors policies related to the Board of Directors;
- Assess qualifications for and composition of the Board of Directors;
- Develop and recommend to the Board of Directors corporate governance principles;
- Oversee and evaluate corporate governance at the Company.

In addition, the Corporate Governance Committee has responsibility for reviewing the governance policies and practices of the Corporation and their conformity to the Guidelines. This Committee also has been given responsibility for assessment of the performance of the Board and its members, nominees for elections as director, assessment of the orientation and education of new Board members, review of directors' compensation and insurance, and review of the mandate of the Board, its committees and management. The Corporate Governance Committee also will determine if it is appropriate for individual directors to engage outside advisers in any situation. Through the Corporate Governance Committee, the Board will continue to assess its policies and practices and the effectiveness of the management and the Board members in carrying out their respective duties.

Reserves Committee. The Reserves Committee consists of three unrelated directors, who are not independent: Carlo Pablo, Jose Villaluna and Renato Migrino. The Reserves Committee responsibility is to:

- review the Corporation's procedures relating to the disclosure of information with respect to oil and gas activities including reviewing its procedures for complying with its disclosure requirements and restrictions set forth under applicable securities requirements;
- review the Corporation's procedures for providing information to the independent evaluator;
- meet, as considered necessary, with management and the independent evaluator to determine whether any restrictions placed by management affect the ability of the evaluator to report without reservation on the Reserves Data (as defined in NI 51-101) (the "Reserves Data") and to review the Reserves Data and the report of the independent evaluator thereon (if such report is provided);
- review the appointment of the independent evaluator and, in the case of any proposed change to such independent evaluator, determining the reason therefor and whether there have been any disputes with management;
- provide a recommendation to the Board of Directors as to whether to approve the content or filing of the statement of the Reserves Data and other information that may be prescribed by applicable securities requirements including any reports of the independent engineer and of management in connection therewith;

- review the Corporation's procedures for reporting other information associated with oil and gas producing activities;
- generally review all matters relating to the preparation and public disclosure of estimates of the Corporation's reserves;
- co-ordinate meetings with the Audit Committee of the Corporation, the Corporation's senior engineering management, independent evaluating engineers and auditors as required to address matters of mutual concern in respect of the Corporation's evaluation of petroleum and natural gas reserves.

Assessments – The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. The Board monitors the adequacy of information given to directors, communications between the Board and management, and the strategic direction and processes of the Board and the committees. Based on the Corporation's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness on an *ad hoc* basis. The current size of the Board is such that the entire Board takes responsibility for selecting new directors and assessing current directors. Proposed directors' credentials are reviewed in advance of a Board Meeting with one or more members of the Board prior to the proposed director's nomination.