

CYGAM ENERGY INC.

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

To Be Held On June 26, 2008

**NOTICE OF MEETING AND
MANAGEMENT INFORMATION CIRCULAR**

May 22, 2008

CYGAM ENERGY INC.

#106, 138 – 18th Avenue S.E.

Calgary, Alberta

T2G 5P9

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual and special meeting (the "Meeting") of holders of common shares ("Common Shares") of Cygam Energy Inc. (the "Corporation") will be held in the Plaza Room, Metropolitan Centre, 333 – 4th Avenue S.W., Calgary, Alberta on the 26th day of June, 2008 at 2:00 p.m. (Calgary time), for the following purposes:

1. To receive the annual report of the board of directors to the shareholders and the consolidated audited financial statements of the Corporation for the fiscal year ended December 31, 2007;
2. To elect the board of directors for the ensuing year;
3. To appoint PricewaterhouseCoopers LLP, Chartered Accountants, of Calgary, Alberta, as auditors of the Corporation, at a remuneration to be fixed by the board of directors;
4. To consider, and if thought advisable, pass a resolution approving the Corporation's stock option plan; and
5. To transact such other business as may be properly brought before the Meeting or any adjournment or adjournments thereof.

The details of all matters proposed to be put before shareholders at the Meeting are set forth in the Information Circular accompanying this Notice of Meeting. At the Meeting, shareholders will be asked to approve each of the foregoing items.

Only shareholders of record at the close of business on May 25, 2008 are entitled to notice of and to attend the Meeting or any adjournment or adjournments thereof and to vote thereat.

DATED this 22nd day of May, 2008.

BY ORDER OF THE BOARD OF DIRECTORS

"Dario Sodero"

Dario Sodero

President and Chief Executive Officer

IMPORTANT

It is desirable that as many Common Shares as possible be represented at the Meeting. If you do not expect to attend and would like your Common Shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. In accordance with the by-laws of the Corporation, all proxies, to be valid, must be deposited at the office of the Registrar and Transfer Agent of the Corporation, Computershare Trust Company of Canada, at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than forty-eight hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof.

CYGAM ENERGY INC.
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 26, 2007

MANAGEMENT INFORMATION CIRCULAR

This Information Circular is furnished in connection with the solicitation of proxies by the management of Cygam Energy Inc. (the "Corporation") for use at the annual and special meeting of the holders of common shares (the "Common Shares") of the Corporation to be held in the Plaza Room, Metropolitan Centre, 333 – 4th Avenue S.W., Calgary, Alberta on the 26th day of June, 2008 at 2:00 p.m. (Calgary time) (the "Meeting"), or at any adjournment thereof, for the purpose set forth in the Notice of Meeting. The information contained herein is given as of the 22nd day of May, 2008, except where otherwise indicated. There is enclosed herewith a form of proxy for use at the Meeting. Each shareholder who is entitled to attend at meetings of shareholders is encouraged to participate in the Meeting and shareholders are urged to vote in person or by proxy on matters to be considered.

APPOINTMENT AND REVOCATION OF PROXIES

Those shareholders desiring to be represented by proxy must deposit their respective forms of proxy with Computershare Trust Company of Canada ("Computershare"), at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 by no later than 2:00 p.m. (Calgary time) on the second last business day (excluding Saturdays, Sundays and holidays) preceding the Meeting or any adjournment of the Meeting. A proxy must be executed by the shareholder or by 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 the Meeting.

Each shareholder submitting a proxy has the right to appoint a person to represent him or it at the Meeting other than the persons designated in the form of proxy furnished by the Corporation. The shareholder may exercise this right by striking out the names of the persons so designated and inserting the name of the desired representative in the blank space provided, or by completing another form of proxy and in either case depositing the proxy with Computershare at the place and within the time specified above for the deposit of proxies.

An instrument of proxy may be revoked by the person giving it at any time prior to the exercise thereof. 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 by depositing an instrument in writing executed by the shareholder or its attorney authorized in writing with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or its attorney authorized in writing, or if the shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized, and deposited with Computershare at the place specified above for the deposit of proxies and at any time up to and including the last business day preceding the Meeting, or any adjournment thereof. The close of business on the 25th day of May, 2008, is the record date for the determination of shareholders who are entitled to notice of, and to attend and vote at, the Meeting (the "Record Date").

Shareholders who do not hold their Common Shares in their own name (referred to herein as "beneficial shareholders") are advised that only proxies from shareholders of record can be recognized and voted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be

registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the beneficial shareholder. Without specific instructions, brokers/nominees are prohibited from voting Common Shares for their clients. The directors and officers of the Corporation do not know for whose benefit the Common Shares registered in the name of CDS & Co. are held, and directors and officers of the Corporation do not necessarily know for whose benefit the Common Shares registered in the name of any broker or agent are held. Therefore, beneficial shareholders cannot be recognized at the Meeting for purposes of voting their securities in person or by way of proxy.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from beneficial shareholders in advance of shareholders' meetings. Every intermediary (broker) has its own mailing procedure, and provides its own return instructions, which should be carefully followed by beneficial shareholders in order to ensure their Common Shares are voted at the Meeting. Often, the form of proxy supplied to beneficial shareholders is identical to that provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the beneficial shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications (formerly ADP Investor Communications) ("Broadridge"). Broadridge typically mails a scannable voting instruction form in lieu of the form of proxy. Beneficial shareholders are asked to complete and return the voting instruction form to them by mail or facsimile or to follow specified telephone or internet voting instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If a beneficial shareholder receives a voting instruction form from Broadridge it cannot use that form as a proxy to vote Common Shares directly at the Meeting as the voting instruction forms must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Although a beneficial shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a beneficial shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

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.

EXERCISE OF DISCRETION

The Common Shares represented by the enclosed form of proxy will be voted or withheld from voting in accordance with the instructions of the shareholder. **The persons appointed under the enclosed form of proxy are conferred with discretionary authority with respect to amendments or variations of those matters specified in the proxy and Notice of Meeting and with respect to any other matters which may properly be brought before the Meeting or any adjournment thereof. If any such matters should come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote such proxy in accordance with their best judgment unless the shareholder has specified to the contrary or that Common Shares are to be withheld from voting. At the time of printing this Information Circular, the management of the Corporation is not aware of any such amendment, variation, or other matter.**

Unless otherwise specified, proxies in the accompanying form will be voted in favour of the election of the nominees, hereinafter set forth, as directors of the Corporation (provided that in the event that a vacancy among such nominees occurs because of death or for any other reason prior to the Meeting, proxies shall not be voted with respect to such vacancy), in favour of the confirmation of the Stock Option Plan and in favour of the appointment of PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Corporation.

PERSONS MAKING THE SOLICITATION

This solicitation is made on behalf of the management of the Corporation. The cost incurred in the preparation and mailing of both the proxy and this Information Circular will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication or by directors, officers and employees of the Corporation who will not be directly compensated therefor.

In accordance with National Instrument 54-101 - *Communications with Beneficial Owners of Securities of a Reporting Issuer*, 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 Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As at May 22, 2008, the Corporation had 85,614,204 Common Shares outstanding. Each Common Share confers upon the holder thereof the right to one vote. Only those shareholders of record on the Record Date are entitled to notice of, and to attend and vote at the Meeting. Any transferee or person acquiring Common Shares after the Record Date may, on proof of ownership of Common Shares, demand of Computershare not later than 10 days before the Meeting that his name be included in the list of persons entitled to attend and vote at the Meeting.

Two or more holders of ten (10%) percent of the Common Shares present in person or represented by proxy constitutes a quorum for the Meeting, irrespective of the number of persons actually present at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof no person or company beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the voting rights attached to all of the outstanding Common Shares of the Corporation other than as set forth below:

| <u>Name</u> | <u>Type of Ownership</u> | <u>No. of Common Shares</u> | <u>Percentage of Common Shares</u> |
|-----------------------------------|--------------------------|-----------------------------|------------------------------------|
| Neli da Silva Rigo Rome, Italy | Direct and indirect | 53,813,222 | 62.8% |

EXECUTIVE COMPENSATION

The following table and related narrative below provide a summary of the compensation earned during the last three fiscal years by Fabrizio Rigo, the President of the Corporation until his death in February 2006, by Dario Sodero, the President and Chief Executive Officer of the Corporation, by Ali Rawji, the Chief Financial Officer of the Corporation and by Giuseppe Rigo, the Vice President International Exploration of the Corporation (collectively, the "Named Executive Officers"). No other executive officer of the Corporation received compensation of greater than \$150,000 in the most recently completed fiscal year.

Summary Compensation Table

| Name and Principal Position | Year | Annual Compensation | | | Long-Term Compensation | | | All Other Compensation |
|--|------|---------------------|------------|---|---|---|-------------------|--------------------------|
| | | Salary (\$) | Bonus (\$) | Other Annual Compensation ⁽⁵⁾ (\$) | Awards | | Payouts | |
| | | | | | Securities under Options/SARs granted (#) | Shares or Units subject to Resale Restrictions (\$) | LTIP Payouts (\$) | |
| Dario Sodero President and CEO ⁽¹⁾ | 2007 | nil | \$50,000 | \$149,499 | nil | nil | nil | \$ |
| | 2006 | nil | nil | \$108,000 | nil | nil | nil | nil |
| | 2005 | nil | nil | \$85,500 | 900,000 | nil | nil | \$119,000 ⁽⁶⁾ |
| Ali Rawji Chief Financial Officer ⁽²⁾ | 2007 | nil | \$50,000 | \$119,430 | nil | nil | nil | \$ |
| | 2006 | nil | nil | \$92,016 | nil | nil | nil | nil |
| | 2005 | nil | nil | \$16,813 | 700,000 | nil | nil | \$39,500 ⁽⁷⁾ |
| Giuseppe Rigo Vice President, Internat. Exploration ⁽³⁾ | 2007 | nil | nil | \$123,362 | nil | nil | nil | nil |
| | 2006 | nil | nil | \$84,016 | nil | nil | nil | nil |
| | 2005 | nil | nil | \$8,310 | 600,000 | nil | nil | nil |
| Fabrizio Rigo Former President ⁽⁴⁾ | 2005 | \$8,000 | nil | nil | 1,450,000 | nil | nil | nil |

Notes

- (1) Dario Sodero was appointed President and Chief Executive Officer of the Corporation in February 2006.
- (2) Ali Rawji was appointed Chief Financial Officer in October 2005.
- (3) Giuseppe Rigo was appointed Vice President International Exploration in July 2006
- (4) Fabrizio Rigo was appointed President in October 2005 and passed away in February 2006.
- (5) The amounts in this column consist of management fees paid to companies owned or controlled by the applicable Named Executive Officer.
- (6) Amount paid upon termination of an employment contract between the Corporation (previously, Sheer Energy Inc.) and Planaval Resources Ltd., a private company controlled by Dario E. Sodero, in connection with the reverse takeover of the Corporation in October 2005.
- (7) Consists of fees paid to a company controlled by Mr. Rawji for consulting services provided to the Corporation during 2005, prior to his appointment as Chief Financial Officer of the Corporation.

Option/SAR Grants During the Most Recently Completed Financial Year

No options to purchase Common Shares were granted to Named Executive Officers during the financial year ended December 31, 2007.

Aggregated Option/SAR Exercises During The Most Recently Completed Financial Year and Financial Year-end Option/SAR Values

Options to purchase Common Shares exercised or exercisable during the financial year ended December 31, 2007 held by Named Executive Officers are as follows:

| Name | Common Shares Acquired on Exercise (\$) | Aggregate Value Realized (\$) | Unexercised Options/SARs at December 31/07 Exercisable/Unexercisable (#) | Value of Unexercised in-the-Money Options/SARs at December 31/07 Exercisable/Unexercisable⁽¹⁾ (\$) |
|---------------|--|--------------------------------------|---|--|
| Dario Sodero | nil | nil | 900,000/nil | nil/nil |
| Ali Rawji | nil | nil | 700,000/nil | nil/nil |
| Giuseppe Rigo | nil | nil | 600,000/nil | nil/nil |

Note:

- (1) The closing price of the Common Shares on the TSX Venture Exchange on December 29, 2007 (the last day on which the Common Shares traded in 2007) was \$0.405.

Stock Option Plan

The Corporation established a stock option plan for its directors, officers, employees and consultants (the "Stock Option Plan") which was approved by the shareholders of the Corporation on September 8, 2005. The aggregate number of Common Shares issuable upon the exercise of all options granted under the Stock Option Plan shall not exceed 10% of the issued and outstanding Common Shares of the Corporation from time to time. Rolling 10% stock options plans such as the Stock Option Plan require annual shareholder approval. The purpose of the Stock Option Plan is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation to acquire Common Shares thereby increasing their proprietary interest in and encouraging them to remain associated with the Corporation. The Stock Option Plan is administered by the board of directors (the "Board") and all stock options granted thereunder are subject to the rules and policies of the TSX Venture Exchange (the "TSXV"). The exercise price of the Common Shares subject to each option shall be determined by the Board but in no event shall such exercise price be lower than the exercise price permitted by the TSXV. No single participant may be granted stock options to purchase a number of Common Shares equalling more than 5% of the issued Common Shares of the Corporation in any one twelve month period. Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares in any twelve month period to any one consultant of the Corporation. Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued Common Shares in any twelve month period to employees of the Corporation conducting investor relations activities. The maximum term of any stock options granted may not exceed five years. If the Common Shares are increased, decreased or changed through re-organization, merger, re-capitalization, reclassification, stock dividend, subdivision or consolidation, an appropriate adjustment shall be made by the board of directors in the number of shares optioned and the exercise price per share.

Termination of Employment, Change in Responsibilities and Employment Contracts

The following is a summary of the employment and management contract between the Corporation and its Named Executive Officers.

Mr. Sodero, the President and Chief Executive Officer of the Corporation, has entered into an employment agreement with Cygam through Planaval Resources Ltd. (“Planaval”), a company controlled by Mr. Sodero. The agreement provides, among other things, for payment of compensation to Planaval upon termination of employment in certain circumstances. If employment is terminated without just cause or by reason of take-over of or change of control (as defined in the employment agreement), Planaval will be entitled to a termination payment fee equal to a minimum of twenty four months’ severance, together with an additional month for each completed year of service, plus the right to exercise all the vested options for a period of 90 days from the termination of employment.

Mr. Rawji, the Chief Financial Officer of the Corporation, has entered into an employment agreement with Cygam through 735135 Alberta Inc. (“735135”), a company controlled by Mr. Rawji. The agreement provides, among other things, for payment of compensation to 735135 upon termination of employment in certain circumstances. If employment is terminated without just cause or by reason of take-over of or change of control (as defined in the employment agreement), 735135 will be entitled to a termination payment fee equal to a minimum of twenty four months’ severance, together with an additional month for each completed year of service, plus the right to exercise all the vested options for a period of 90 days from the termination of employment.

Mr. Rigo, the Vice President International Exploration of the Corporation, has entered into an employment agreement with Cygam through Riogeo Petroleum (“Riogeo”), a company controlled by Mr. Rigo. Upon potential termination of employment, the agreement provides only for payment to Riogeo of accrued consulting fees plus the right to exercise all the vested options for a period of 90 days from the termination of employment.

Compensation of Directors

The directors of the Corporation are not paid any compensation for serving on the board of directors of the Corporation, however, they are entitled to have their expenses for attending meetings of the board of directors and any committees thereof reimbursed. Directors are entitled to participate in the Corporation's Stock Option Plan.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth information as at December 31, 2007 with respect to the Corporation's compensation plans under which equity securities of the Corporation are authorized for issuance.

Equity Compensation Plan Information

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column) |
|--|--|--|--|
| Equity compensation plans approved by securityholders | 4,650,000 | \$0.69 | 3,911,420 |
| Equity compensation plans not approved by securityholders | nil | n/a | nil |
| Total | 4,650,000 | \$0.69 | 3,911,420 |

Note:

- (1) The Option Plan reserves 10% of the 85,614,204 Common Shares outstanding at December 31, 2007 for issuance pursuant to options.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

Under National Instrument 58-101 *Disclosure of Corporate Governance Practices*, the Corporation is required to include in this Management Information Circular the disclosure required under Form 58-101F2 with respect to the matters set out under National Policy 58-201 *Corporate Governance Guidelines*, as follows:

Board of Directors

The Corporation's Board is comprised of seven directors, of which two are independent. A director is independent if he or she would be independent within the meaning of section 1.4 of Multilateral Instrument 52-110 *Audit Committees*. The independent directors are Andrew Burgess and Peter Haverson. The President and Chief Executive Officer ("CEO") of the Corporation, Dario Sodero and the Chief Financial Officer of the Corporation, Ali Rawji are not independent by virtue of being executive officers of the Corporation. Neli da Silva Rigo is not independent because she is the widow of Fabrizio Rigo, the former President of the Corporation. Derrick Armstrong is not an independent director as he is a partner at a law firm that provides legal services to the Corporation. Giuseppe Rigo is not an independent director because he is the Vice President International Exploration of the Corporation.

Directorships of Reporting Issuers

Mr. Burgess is also a director of Huntington Exploration Inc., Trius Investments Ltd., Nano Capital Corp., Life Medical Corporation and A.I.S. Resources Limited. Mr. Haverson is also a director of Gallic Energy Ltd. and Rage Energy Ltd.

Orientation and Continuing Education

The Corporation has not developed an orientation program for new directors. In order to provide continuing education to directors, the Board has instructed the Chief Financial Officer of the Corporation to supply the directors with updates from time to time, with respect to new legal and regulatory developments which may be of interest to the Board.

Ethical Business Conduct

The Board consults regularly with legal, accounting and auditing advisors to ensure compliance with all applicable legal, accounting and other applicable regulatory requirements.

Nomination of Directors

Responsibility for identifying new candidates to join the Board belongs to the Board as a whole. The Board encourages all directors to participate in considering the need for and in identifying and recruiting new candidates for the Board.

Compensation

The Corporation has a Compensation Committee consisting of Neli Rigo, Andrew Burgess and Peter Haverson. The compensation paid to Named Executive Officers is determined by the Compensation Committee and then approved by the Board of Directors.

Other Board Committees

The Corporation has a Reserve Committee consisting of Dario Sodero, Giuseppe Rigo and Peter Haverson. The Reserve Committee reviews the independent engineering evaluation of the Corporation's properties.

Assessments

The Board has not taken any formal steps to satisfy itself that the Board, its committee, and its individual directors are performing effectively. However, the effectiveness and contribution of individual directors is informally assessed based on participation in Board and committee activities.

AUDIT COMMITTEE

Under Multilateral Instrument 52-110 *Audit Committees* ("MI 52-110") the Corporation is required to include in its information circular the disclosure required under Form 52-110F2 with respect to its audit committee, including the text of its audit committee charter, the composition of the audit committee and the fees paid to the external auditor. The disclosure required by Form 52-110F2 is set out below.

The Audit Committee's Charter

The Audit Committee Charter is attached hereto as Schedule "A".

Composition of the Audit Committee

During the period ended December 31, 2007 the Audit Committee of the Corporation was composed of the following individuals:

| | | |
|-------------------------------|-----------------------------------|-------------------------------------|
| Andrew (Drew) Burgess (Chair) | Independent ⁽¹⁾ | Financially literate ⁽²⁾ |
| Dario Sodero | Not Independent ⁽¹⁾ | Financially literate ⁽²⁾ |
| Derrick Armstrong | Not Independent ⁽¹⁾⁽³⁾ | Financially literate ⁽²⁾ |

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, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially 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.
- (3) Mr. Armstrong is not independent within the meaning of MI 52-110. However, he is not an officer or employee of the Corporation or any of its affiliates in accordance with the audit committee composition requirements in the *Business Corporations Act* (Alberta).

Relevant Education and Experience

Andrew S. Burgess (Chair) graduated from the University of Manitoba in 1974 with a Bachelor of Commerce (Hons.) degree. He is a member of The Institute of Chartered Accountants of Alberta and the Canadian Tax Foundation and has extensive experience in the formation and management of both private and public companies.

Dario E. Sodero received a Doctorate in Geological Sciences (Hons.) from the University of Torino, Italy, in 1967 and has held management positions with various publicly traded Canadian companies since 1980.

Derrick Armstrong received a Bachelor of Commerce from the University of Calgary (1977) and an LLB from the University of Alberta in 1980. He is a partner and the regional head of Securities and Capital Markets group in the Calgary office of a national law firm.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been 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 any exemption from MI 52-110, including Section 2.4 of MI 52-110 (De Minimis Non-audit Services), or an exemption from MI 52-110, in whole or in part, granted under Part 8 of MI 52-110.

Pre-Approval Policies and Procedures

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

External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditors for the last three fiscal years are as follows:

| Financial Period Ended December 31 | Audit Fees⁽¹⁾ | Audit Related Fees | Tax Fees⁽²⁾ | All Other Fees |
|---|---------------------------------|---------------------------|-------------------------------|-----------------------|
| 2007 | \$65,000 | nil | \$10,000 | nil |
| 2006 | \$55,000 | \$3,500 | \$16,400 | nil |
| 2005 | \$73,000 | \$25,500 | \$10,000 | \$ 6,200 |

Notes:

- (1) The aggregate audit fees billed.
- (2) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.

Exemption

The Corporation is relying upon the exemption in section 6.1 of MI 52-110.

MATTERS TO BE CONSIDERED AT THE MEETING

1. Receipt of the Financial Statements and Auditors' Report

At the Meeting, shareholders will receive and consider the financial statements of the Corporation for the year ended December 31, 2007 and the auditors' report thereon, but no vote by the shareholders with respect thereto is required or proposed to be taken.

2. Election of Directors

At the Meeting, it is proposed that seven (7) directors be elected until the next annual meeting of shareholders or until their successors are elected or appointed. There are currently seven (7) directors of the Corporation. Pursuant to the *Business Corporations Act* (Alberta), the current directors of the Corporation cease to hold office at the close of the Meeting.

The following table sets forth, in respect of each nominee, all positions currently held with the Corporation, their principal occupation and the approximate number of Common Shares of the Corporation beneficially owned, directly or indirectly, or over which voting control is exercised as of May 22, 2008. The information contained herein is based upon information furnished by the respective nominees.

| Name, Province and Country | Position and Period of Service as a Director | Principal Occupation | Number of Common Shares Beneficially Owned or Controlled |
|--|---|---|---|
| Neli da Silva Rigo ⁽²⁾ Rome, Italy | Chairman and Director since March 2006 | Director of Farmkey Investments Limited, a private investment company | 53,813,222 |
| Dario E. Sodero ⁽¹⁾⁽³⁾ Alberta, Canada | President and Chief Executive Officer. Director since April 1996 | President, Chief Executive Officer and Director of Cygam Energy Inc. | 1,123,223 |
| Ali Rawji, C.A. Alberta, Canada | Chief Financial Officer and Secretary-Treasurer. Director since February 2005 | President of a consulting services company since 2004. Previously Vice President Corporate Finance, First Associates Investments Inc. | 191,000 |
| A. S. (Drew) Burgess C.A. ⁽¹⁾⁽²⁾ Alberta, Canada | Director since June 2003 | Vice President, Chief Financial Officer and a Director of Huntington Exploration Inc., an oil and gas exploration company and President of Greenfields Financial Corporation, a private company | 225,500 |
| Derrick Armstrong ⁽¹⁾ Alberta, Canada | Director since October 2005 | Partner in the law firm of Borden Ladner Gervais LLP | 256,000 |
| Peter Haverson ⁽²⁾⁽³⁾ London, United Kingdom | Director since March 2006 | Manager of International Drilling Operations Petro-Canada | 100,000 |
| Giuseppe Rigo de Righi ⁽³⁾ Rome, Italy | Director since June 2006 | VP International Exploration Cygam Energy Inc.; President of Rigo Oil Company Limited and Vega Oil S.p.A. since March 2006. Since 1999, President of Riogeo Petroleum, a consulting company. | 500,000 |

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Corporation Committee.
- (3) Member of the Reserves Committee.

Corporate Cease Trade Order or Bankruptcies

Other than as set forth below, none of those persons who are proposed directors of the Corporation is, or has been within the past ten years, a director, chief executive officer or chief financial officer of any company, including the Corporation, that while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days, or after such persons ceased to be a director, chief executive officer or chief financial officer of the company, was the subject of a cease trade or similar order or an order that denied the company access to any exemption

under securities legislation, for a period of more than 30 consecutive days, which resulted from an event that occurred while acting in such capacity.

In addition, none of those persons who are proposed directors of the Corporation is, or has been within the past ten years, a director or executive officer of any company, including the Corporation, that, while such 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 other than as set forth in Schedule "A" attached to this Information Circular.

None of the persons who are proposed directors of the Corporation have, within the past ten years 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 his assets.

On June 1, 2004, Vanguard Aviation Corp., a corporation of which Andrew Burgess was a director, consented to the appointment of a receiver with respect to loans made to the corporation by its secured creditor, a chartered bank. In 2002, Mr. Burgess joined the board of Carpatsky Petroleum Ltd. which, at the time, was subject to a cease trade order that subsequently lapsed. Lastly, Mr. Burgess is a director and the President of Life Medical Corporation which is currently subject to a cease trade order.

Penalties or Sanctions

None of those persons who are proposed directors of the Corporation have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

3. Appointment of Auditors

The persons named in the enclosed form of proxy intend to have nominated and to vote for the appointment of PricewaterhouseCoopers LLP, Chartered Accountants, of Calgary, Alberta as auditors of the Corporation (the "Auditors") at a remuneration to be fixed by the board of directors and to hold such office until the next annual meeting of the Corporation. The Auditors were first appointed as auditors of the Corporation on December 7, 2006.

4. Approval to Stock Option Plan

Pursuant to the TSXV Policy 4.4, all rolling stock option plans, such as the Stock Option Plan must receive yearly approval by the Corporation's shareholders. Shareholders will be asked at the Meeting to consider and, if thought fit, to approve the Stock Option Plan by passing the following resolutions:

"BE IT RESOLVED THAT:

1. the stock option plan of the Corporation be and is hereby approved; and

2. the board of directors of the Corporation be and it is hereby authorized to cause all such documents, instruments and other writings to be executed and delivered and to cause all such act and things to be done, all for and on behalf of the Corporation, as the board may consider necessary or desirable to give effect to the foregoing resolution.”

In order to be approved, the foregoing resolutions must be passed by a simple majority of the votes cast by shareholders of the Corporation who vote in person or by proxy in respect of those resolutions.

INTERESTS OF INSIDERS IN MATERIAL TRANSACTIONS

Except as described elsewhere herein, none of the Corporation's insiders, directors of the Corporation or their associates and affiliates, has any material interest in any transaction with the Corporation since the commencement of the Corporation's last financial year or in any proposed transaction which has materially affected or would materially affect the Corporation which has not been previously disclosed.

In addition, there are potential conflicts of interest to which the directors and officers of the Corporation may be subject in connection with the operations of the Corporation. Some of the directors and officers of the Corporation are engaged and will continue to be engaged in other business opportunities on their own behalf and on behalf of other corporations, and situations may arise where such directors and officers will be in competition with the Corporation. Individuals concerned shall be governed in any conflicts or potential conflicts by applicable law and internal policies of the Corporation.

INTEREST OF DIRECTORS AND OFFICERS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, no director or officer of the Corporation, nor any associate or affiliate of any one of them, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

No directors or senior officers of the Corporation, nor any associate or affiliate of any one of them, is or was indebted to the Corporation or any of its subsidiaries at any time since the beginning of the financial year ended December 31, 2007.

ADDITIONAL INFORMATION

Additional financial information is provided in the Corporation's comparative consolidated financial statements and management's discussion and analysis for the most recently completed fiscal year ended December 31, 2007. Copies of the Corporation's financial statements and related management's discussion and analysis can be obtained by contacting the President and Chief Executive Officer of the

Corporation at 106, 138 – 18th Avenue S.E., Calgary, Alberta T2G 5P9, Telephone: (403) 802-6983.
Additional information relating to the Corporation is available on SEDAR at www.sedar.com.

Schedule "A"

CYGAM ENERGY INC.

AUDIT COMMITTEE CHARTER

Mandate:

The Audit Committee is a committee of a board of directors to which the board has delegated its responsibility for oversight of the financial reporting process, including:

- helping the directors meet their responsibilities,
- providing better communication between the directors and the external auditors,
- enhancing the independence of the external auditor,
- increasing the credibility and objectivity of financial reports, and
- strengthening the role of the directors by facilitating in-depth discussions among directors, management and the external auditor.

Authority:

The Audit Committee shall have the authority

- to engage independent counsel and other advisors as it determines necessary to carry out its duties,
- to set and pay the compensation for any advisors employed by the Audit Committee, and
- to communicate directly with the external auditors
- with the consent of the board, retain outside counsel, accountants or others to advise the Committee or assist in the conduct of an investigation.

Composition

The Committee will consist of at least three members of the Board of Directors. The Board shall appoint the Committee members and the Committee chair.

The majority of the Committee members shall be both independent and financially literate, as defined in applicable regulation. At least one member shall have expertise in financial reporting.

Meetings

The Committee will meet at least once every quarter, with authority to convene additional meetings, as required. All Committee members are expected to attend each meeting, in person or via tele- or video-conference. The Committee will invite members of management, auditors, or others to attend meetings and provide information as necessary. Minutes of meetings will be prepared.

Responsibilities

The Committee shall have the following responsibilities:

1. Develop a written charter that sets out its mandate and responsibilities.
2. Recommend to the board of directors:

- the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation; and
 - the compensation of the external auditor.
3. Oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.
 4. Pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor.
 5. Review the Corporation's financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information.
 6. Be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and periodically assess the adequacy of those procedures. Consider the effectiveness of the Company's internal control over annual and interim financial reporting, including information technology security and control, and understand the scope of the auditor's review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
 7. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
 8. Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
 9. Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.
 10. Perform other activities related to this charter as requested by the board of directors, including instituting and overseeing special investigations as needed.

Reporting Responsibilities

The Audit Committee will report to the board of directors regarding:

- Committee activities, issues and related recommendations, and
- Confirm annually that responsibilities outlined in this charter have been carried out

