

CANADA ENERGY PARTNERS INC.

**2009
ANNUAL
MEETING**

Notice of Annual Meeting of Shareholders
Information Circular

Place: Suite 1500, 885 West Georgia Street
Vancouver, British Columbia

Time: 10:00 a.m. (Vancouver time)

Date: Wednesday, October 28, 2009

CANADA ENERGY PARTNERS INC.

CORPORATE DATA

Head Office

Suite 1500, 885 West Georgia Street
Vancouver, British Columbia
V6C 3E8

Board of Directors

Benjamin Jones
John Proust
Kyle Burnett
John R. Howard
Pat S. Bolin

Officers

Benjamin Jones, President and Chief Executive Officer
Eduard Epshtein, Chief Financial Officer
Eileen Au, Corporate Secretary

Auditor

D & H Group, LLP, Chartered Accountants
10th Floor, 1333 West Broadway
Vancouver, British Columbia V6H 4C1

Legal Counsel

Axium Law Corporation
Suite 3350, Four Bentall Centre
1055 Dunsmuir Street
Vancouver, British Columbia V7X 1L2

Registrar and Transfer Agent

Computershare Investor Services Inc.
2nd Floor, 510 Burrard Street
Vancouver, British Columbia V6C 3B9

Stock Exchange Listing

TSX Venture Exchange
Symbol "CE"

CANADA ENERGY PARTNERS INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual Meeting (the "Meeting") of Shareholders of **CANADA ENERGY PARTNERS INC.** (the "Corporation") will be held at Suite 1500, 885 West Georgia Street, Vancouver, British Columbia, on Wednesday, the 28th day of October, 2009, at 10:00 a.m. (Vancouver time), for the following purposes:

1. to receive the audited financial statements of the Corporation for the fiscal year ended April 30, 2009, together with the report of the Auditors thereon;
2. to appoint D&H Group LLP, Chartered Accountants as auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
3. to determine the number of directors at five;
4. to elect directors for the ensuing year;
5. to ratify, confirm and approve the Corporation's Amended Stock Option Plan, as more particularly described in the accompanying Information Circular; and
6. to transact such further or other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Accompanying this Notice of Meeting are an Information Circular, a form of proxy and a Request for Financial Statements Form. The accompanying Information Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice.

Shareholders are entitled to vote at the Meeting either in person or by proxy. Those who are unable to attend the Meeting are requested to read, complete, sign and mail the enclosed form of proxy in accordance with the instructions set out in the form of proxy and in the Information Circular accompanying this Notice. Please advise the Corporation of any change in your mailing address.

Only holders of common shares of record at the close of business on September 23, 2009 will be entitled to vote at the Meeting.

DATED at Vancouver, British Columbia, this 23rd day of September, 2009.

BY ORDER OF THE BOARD OF DIRECTORS

"Benjamin Jones" (signed)

Benjamin Jones
President and Chief Executive Officer

CANADA ENERGY PARTNERS INC.

**1500-885 West Georgia Street
Vancouver, British Columbia V6C 3E8
Telephone: 604-909-1154
Fax: 604-488-0319**

INFORMATION CIRCULAR

(containing information as at September 23, 2009 unless otherwise noted)

PERSONS MAKING THE SOLICITATION

This Information Circular is furnished in connection with the solicitation of proxies being made by the management of Canada Energy Partners Inc. (the "Corporation") for use at the Annual Meeting of the Corporation's shareholders (the "Meeting") to be held on Wednesday, October 28, 2009 at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Corporation.

All costs of this solicitation will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of proxy are directors or officers of the Corporation. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR THE SHAREHOLDER AND ON THE SHAREHOLDER'S BEHALF AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND STRIKING OUT THE TWO PRINTED NAMES, OR BY COMPLETING ANOTHER FORM OF PROXY.**

To be valid, a proxy must be dated and signed by the shareholder or by the shareholder's attorney authorized in writing. In the case of a corporation, the proxy must be signed by a duly authorized officer of or an attorney for the corporation.

The completed proxy, together with the power of attorney or other authority, if any, under which the proxy was signed or a notarially certified copy of the power of attorney or other authority, must be delivered to Computershare Investor Services Inc., of 9th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1 at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the time that the Meeting, or any adjournment thereof, or with the Chairman of the Meeting prior to the commencement of the Meeting.

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing or, if the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Corporation, at Suite 3350, 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1L2, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

ADVICE TO BENEFICIAL SHAREHOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shareholders who do not hold their 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 at the Meeting. Beneficial Shareholders who complete and return an instrument of proxy must indicate thereon the person (usually a brokerage house) who holds their shares as a registered Shareholder. Every intermediary (broker) has its own mailing procedure, and provides its own return instructions, which should be carefully followed. The instrument 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.

If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in such shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which company acts as nominee and custodian 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 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.

In accordance with National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Information Circular and the proxy to the clearing agencies and intermediaries for onward distribution to non-registered shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings unless the Beneficial Shareholders have waived the right to receive Meeting materials. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Corporation to the registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder should a non-registered shareholder receiving such a form wish to vote at the Meeting, the non-registered shareholder should strike out the names of the management proxyholders named in the form and insert the non-registered shareholder's name in the blank provided. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge"). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote common shares directly at the Meeting - the proxy must be returned to Broadridge well in advance of the Meeting in order to have the common shares voted.** All references to shareholders in this Information Circular and the accompanying form of proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise.

EXERCISE OF DISCRETION

If the instructions in a proxy are certain, the shares represented thereby will be voted on any poll by the persons named in the proxy and, where a choice with respect to any matter to be acted upon has been specified in the proxy, the shares represented thereby will, on a poll, be voted or withheld from voting in accordance with the specifications so made.

Where no choice has been specified by the shareholder, such shares will, on a poll, be voted in accordance with the notes to the form of proxy.

The enclosed form of proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the persons appointed proxyholders thereunder to vote with respect to any amendments or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of the printing of this Information Circular, the management of the Corporation knows of no such amendment, variation or other matter which may be presented to the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date hereof, the Corporation has issued and outstanding 82,213,284 fully paid and non-assessable common shares without par value, each share carrying the right to one vote.

Any shareholder of record at the close of business on September 23, 2009 who either personally attends the Meeting or who has completed and delivered a proxy in the manner, subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting.

The Articles of the Corporation provide that a quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting.

To the best of the knowledge of the directors and executive officers of the Corporation, there are no persons who, beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation.

NORMAL COURSE ISSUER BID

On May 25, 2009, the Corporation announced that the TSX Venture Exchange had accepted a notice of its intention to proceed with a normal course issuer bid (the "NCIB") to purchase up to 4,117,814 of its common shares ("Shares"), representing 5% of the Corporation's 82,356,284 issued and outstanding Shares, as at May 12, 2009. The NCIB commenced on May 29, 2009 and will expire on May 28, 2010.

Shares will be purchased on the open market through the facilities of the Exchange by GMP Securities LP and the purchase and payment for the acquired Shares will be made by the Corporation in accordance with the requirements of the Exchange. The price paid by the Corporation for any acquired Shares will be the market price at the time of acquisition. All Shares purchased by the Corporation under the NCIB will be cancelled. As of the date of this Information Circular, the Corporation has repurchased an aggregate of 143,000 Shares pursuant to the NCIB.

A copy of the notice the Corporation provided to the Exchange may be obtained without charge by contacting the Corporation at the address provided under "Additional Information" below.

ELECTION OF DIRECTORS

The Board of Directors (the "Board") of the Corporation presently consists of five (5) directors and it is intended to determine the number of directors at five (5) and to elect five (5) directors for the ensuing year.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next Annual General Meeting of the Corporation or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Corporation or within the provisions of the *Business Corporations Act* (British Columbia).

The following table sets out the names of the proposed nominees for election as directors, the country in which each is ordinarily resident, all offices of the Corporation now held by each of them, if any, their principal occupations, or employments during the past five years if such nominee is not presently an elected director, the period of time each

has been a director of the Corporation, and the number of common shares of the Corporation beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

Name, Province or State, Country of Residence, Position(s) with Corporation⁽¹⁾	Principal Occupation for Last Five Years⁽¹⁾	Date(s) Served as a Director	Common Shares Held⁽¹⁾
Benjamin Jones Louisiana, USA <i>President, Chief Executive Officer and Director</i>	President of the Corporation since June 24, 2008; Chief Executive Officer of the Corporation since October 2, 2007, Vice President, Exploration of Triumph Pacific Oil and Gas Corporation from May 31, 2006 to October 1, 2007, President, Peace River Corporation from 1999.	April 18, 2007	3,907,225
John Proust ⁽²⁾ British Columbia, Canada <i>Director</i>	President of J. Proust & Associates Inc., a financial consulting company engaged in the business of corporate finance, debt equity finance, mergers and acquisitions, and takeover bids, from October 1986.	May 18, 2006	2,631,178
Kyle Burnett ⁽²⁾ Texas, USA <i>Director</i>	Chairman, President and Chief Executive Officer of Arcadia Exploration and Production Company from January 1987 to present. Chairman and President of Triumph Pacific Oil & Gas Corporation from June 2006 to present.	May 18, 2006	1,237,590
John R. Howard ⁽²⁾ Louisiana, USA <i>Director</i>	President of Carrolton, Interests Inc. from March 1984 to present.	June 19, 2006	750,549
Pat S. Bolin Texas, USA <i>Director</i>	Chairman, President and Chief Executive Officer of EagleCorp. and Eagle Oil & Gas Co. since 1976 to present.	October 16, 2007	3,932,995

(1) The information as to country of residence, principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees.

(2) Member of the Corporation's Audit Committee.

The Board does not contemplate that any of its nominees will be unable to serve as a director. If any vacancies occur in the slate of nominees listed above before the Meeting, then the proxyholders named in the accompanying form of proxy intend to exercise discretionary authority to vote the shares represented by proxy for the election of any other persons as directors.

No proposed director of the Corporation is, as at the date of this Information Circular, or was within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any Corporation (including the Corporation), that:

- (a) was subject to a cease trade order, an order similar to a cease trade 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, that was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade 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, that was issued after the director ceased to be a director, chief executive

officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director or executive officer of the Corporation:

- (a) 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 Corporation) 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
- (b) has, within 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, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No proposed director of the Corporation 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 director.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The objective of the Corporation's compensation program is to compensate the executive officers for their services to the Corporation at a level that is both in line with the Corporation's fiscal resources and competitive with companies at a similar stage of development.

The Corporation compensates its executive officers based on their skill and experience levels and the existing stage of development of the Corporation. Executive officers are rewarded on the basis of the skill and level of responsibility involved in their position, the individual's experience and qualifications, the Corporation's resources, industry practice, and regulatory guidelines regarding executive compensation levels.

The Board has implemented three levels of compensation to align the interests of the executive officers with those of the shareholders. First, executive officers are paid a monthly consulting fees. Second, the Board awards executive officers long term incentives in the form of stock options. Finally, and only in special circumstances, the Board may award cash or share bonuses for exceptional performance that results in a significant increase in shareholder value. The Corporation does not provide medical, dental, pension or other benefits to the executive officers.

The base compensation of the executive officers is reviewed and set annually by the Board. The CEO has substantial input in setting annual compensation levels. The CEO is directly responsible for the financial resources and operations of the Corporation. In addition, the CEO and Board from time to time determine the stock option grants to be made pursuant to the Corporation's Stock Option Plan. Previous grants of stock options are taken into account when considering new grants. The Board awards bonuses at its sole discretion. The Board does not have pre-existing performance criteria or objectives. Bonuses are awarded only in exceptional circumstances.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependant on the Corporation's financial resources and prospects.

Summary Compensation Table

Set out below are particulars of compensation paid to the following persons (the "Named Executive Officers"):

- (a) the Corporation's chief executive officer ("CEO");
- (b) the Corporation's chief financial officer ("CFO");
- (c) each of the Corporation's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 Statement of Executive Compensation, for that financial year; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

During the fiscal year ended April 30, 2009, the Corporation had two Named Executive Officers, being Benjamin Jones, President and CEO and Eduard Epshtein, CFO.

The following table is a summary of compensation paid to the Named Executive Officers for the Corporation's financial year ended April 30, 2009:

Name and Principal Position (a)	Year (b)	Salary (\$) (c)	Share-based Awards (\$) (d)	Option-based Awards ⁽²⁾ (\$) (e)	Non-equity incentive plan compensation (\$)		Pension Value (\$) (g)	All other compensation (\$) (h)	Total Compensation (\$) (i)
					Annual incentive plans (f1)	Long-term incentive plans (f2)			
BENJAMIN JONES President and CEO	2009	\$223,256	\$Nil	\$322,500	\$Nil	\$Nil	\$Nil	\$Nil	\$545,756
EDUARD EPSHTEIN ⁽¹⁾ CFO	2009	\$60,000	\$Nil	\$129,000	\$Nil	\$Nil	\$Nil	\$Nil	\$189,000

(1) Mr. Epshtein is an independent consultant and is paid by J. Proust & Associates Inc. During the financial year ended April 30, 2009, the Corporation paid \$60,000 to J. Proust & Associates Inc. for the CFO services.

(2) Option-based Awards are calculated using the Black-Scholes method to determine grant date fair value. Mr. Jones was granted 250,000 stock options and Mr. Epshtein 100,000 stock options during the year ended April 30, 2009, with an estimated fair value of \$1.29 per share. The grant date fair value is not necessarily the value of the option to the individual over time, nor the value that might ultimately be derived from the exercise of such options. All outstanding options are currently at exercise prices in excess of the current share price. The fair value of stock options granted during the year ended April 30, 2009, was estimated on the date of the grant using the Black-Scholes Option Pricing Model with the following assumptions: average risk-free interest rate of 3.3%, estimated volatility of 110%, expected life of 5 years, forfeiture rate of Nil and expected dividend yield of 0%.

Benjamin Jones who was appointed as the new Chief Executive Officer on October 2, 2007 and as President on June 24, 2008. Effective October 2, 2007, the Corporation entered into a consulting agreement with Petra CBM

Ventures Inc., the management company of Mr. Jones, pursuant to which Mr. Jones provides his services to the Corporation for the annual consideration of US\$195,000.

Incentive Plan Awards

Outstanding share-based awards and option-based awards

The following table sets out the outstanding share-based awards and option-based awards held by the Named Executive Officers as at April 30, 2009:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of share that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
(a)	(b)	(c)	(d)	(e)	(f)	(g)
BENJAMIN JONES President and CEO	250,000	\$1.61	June 25, 2013	Nil ⁽¹⁾	Nil	Nil
	500,000	\$1.10	Sept. 18, 2007	Nil ⁽¹⁾	Nil	Nil
	100,000	\$1.00	Mar. 26, 2007	Nil ⁽¹⁾	Nil	Nil
EDUARD EPSHTEIN CFO	100,000	\$1.61	June 25, 2013	Nil ⁽¹⁾	Nil	Nil
	450,000	\$1.00	Mar. 26, 2007	Nil ⁽¹⁾	Nil	Nil

(1) The closing market price of the Corporation's common shares on April 30, 2009 was \$0.50. None of the unexercised options were "in-the-money" as at April 30, 2009.

Incentive plan awards – value vested or earned during the year

Name	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 (\$)
(a)	(b)	(c)	(d)
BENJAMIN JONES President and CEO	\$21,000	Nil	Nil
EDUARD EPSHTEIN CFO	\$32,625	Nil	Nil

Mr. Jones had 25,000 stock options priced at \$1.00 per option vested on September 26, 2008 and 125,000 stock options at \$1.10 per option vested on September 13, 2008. The closing price of the Corporation's shares was \$1.29 and \$1.21 accordingly on the vesting dates. Mr. Jones did not exercise any of the stock options during the year and does not have any outstanding stock options that vest during 2009.

Mr. Epshtein had 112,500 stock options priced at \$1.00 per option vested on September 26, 2008. The closing price of the Corporation's shares was \$1.21 on the vesting date. Mr. Epshtein did not exercise any of the stock options during the year and does not have any outstanding stock option that vest during 2009.

Pension Plan Benefits

The Corporation does not provide retirement benefits for directors or executive officers.

Termination and Change of Control Benefits

The Corporation has no plan or arrangement whereby any Named Executive Officer may be compensated in an amount exceeding \$50,000 in the event of that officer's resignation, retirement or other termination of employment, or in the event of a change of control of the Corporation or a subsidiary or a change in the Named Executive Officer's responsibilities following such a change of control.

Director Compensation

Director compensation table

The following table sets out the compensation provided to all directors, who are not Named Executive Officers, for the Corporation's financial year ended April 30, 2009:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
John Proust	Nil	Nil	322,500	Nil	Nil	Nil	322,500
Kyle Burnett	Nil	Nil	96,750	Nil	Nil	Nil	96,750
John R. Howard	Nil	Nil	96,750	Nil	Nil	Nil	96,750
Pat S. Bolin	Nil	Nil	96,750	Nil	Nil	Nil	96,750
Winston Purifoy⁽¹⁾	Nil	Nil	129,000	Nil	Nil	Nil	96,750

(1) Mr. Purifoy resigned as a director of the Corporation on July 28, 2009.

(2) Option-based Awards are calculated using the Black-Scholes method to determine grant date fair value. The grant date fair value is not necessarily the value of the option to the individual over time, nor the value that might ultimately be derived from the exercise of such options. All outstanding options are currently at exercise prices in excess of the current share price. Mr. Proust was granted 250,000 stock options, Mrs. Burnett, Howard and Bolin 75,000 stock options each and Mr. Purifoy 100,000 during the year ended April 30, 2009, with an estimated fair value of \$1.29 per share. The fair value of stock options granted during the year ended April 30, 2009, was estimated on the date of the grant using the Black-Sholes Option Pricing Model with the following assumptions: average risk-free interest rate of 3.3%, estimated volatility of 110%, expected life of 5 years, forfeiture rate of Nil and expected dividend yield of 0%.

John Proust, a director of the Corporation, provides management and advisory services to the Corporation pursuant to a consulting agreement (the "Proust Agreement") with J. Proust & Associates Inc. ("JPA"), the management company of Mr. Proust, in consideration for the payment of \$12,000 plus GST per month. In addition, pursuant to the Proust Agreement, JPA provides administrative services and the services of a chief financial officer to the Corporation in consideration of a monthly fee of \$8,000 plus GST.

Share-based awards, option based awards and non-equity incentive plan compensation

The following table sets out the outstanding share-based awards and option-based awards held by the directors as at April 30, 2009:

Name (a)	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) (c)	Option expiration date (d)	Value of unexercised in-the-money options (\$) (e)	Number of shares or units of share that have not vested (#) (f)	Market or payout value of share-based awards that have not vested (\$) (g)
John Proust	250,000	\$1.61	June 25, 2013	Nil ⁽¹⁾	Nil	Nil
	350,000	\$1.00	Oct. 26, 2011	Nil ⁽¹⁾	Nil	Nil
	500,000	\$1.00	Aug 21, 2011	Nil ⁽¹⁾	Nil	Nil
Kyle Burnett	75,000	\$1.61	June 25, 2013	Nil ⁽¹⁾	Nil	Nil
	100,000	\$1.00	Aug. 21, 2011	Nil ⁽¹⁾	Nil	Nil
John R. Howard	75,000	\$1.61	June 25, 2013	Nil ⁽¹⁾	Nil	Nil
	100,000	\$1.00	Aug. 21, 2011	Nil ⁽¹⁾	Nil	Nil
Pat S. Bolin	75,000	\$1.61	June 25, 2013	Nil ⁽¹⁾	Nil	Nil
	100,000	\$1.00	Mar. 26, 2012	Nil ⁽¹⁾	Nil	Nil
Winston Purifoy⁽²⁾	100,000	\$1.61	June 25, 2013	Nil ⁽¹⁾	Nil	Nil
	350,000	\$1.00	Oct. 26, 2011	Nil ⁽¹⁾	Nil	Nil
	500,000	\$1.00	Aug. 21, 2011	Nil ⁽¹⁾	Nil	Nil

(1) The closing market price of the Corporation's common shares on April 30, 2009 was \$0.50. None of the unexercised options were "in-the-money" as at April 30, 2009.

(2) Mr. Purifoy resigned as a director of the Corporation on July 28, 2009. Pursuant to an agreement dated July 28, 2009, Mr. Purifoy was engaged as a consultant to the Corporation.

Incentive plan awards – value vested or earned during the year

Name (a)	Option-based awards – Value vested during the year (\$) (b)	Share-based awards – Value vested during the year (\$) (c)	Non-equity incentive plan compensation – Value earned during the year (\$) (d)
John Proust	Nil	Nil	Nil
Kyle Burnett	Nil	Nil	Nil
Patrick Bolin	7,250 ⁽²⁾	Nil	Nil
John R. Howard	Nil	Nil	Nil
Winston Purifoy ⁽¹⁾	Nil	Nil	Nil

(1) Mr. Purifoy resigned as a director of the Corporation on July 28, 2009.

- (2) Mr. Bolin had 25,000 stock options priced at \$1.00 per option vested on September 26, 2008. The closing price of the Corporation's shares was \$1.29 on the vesting date. Mr. Bolin did not exercise any of the stock options during the year and does not have any outstanding stock options that vest during 2009.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table provides information regarding the number of securities authorized for issuance under the Corporation's Amended Stock Option Plan (the "Amended Plan"), as at the end of the Corporation's most recently completed financial year ended April 30, 2009.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	5,600,000	\$1.23	2,635,628
Equity compensation plans not approved by securityholders	-	-	-
Total	5,600,000	\$1.23	2,635,628

APPOINTMENT AND REMUNERATION OF AUDITOR

The persons named in the accompanying proxy intend to vote for the appointment of D&H Group LLP, Chartered Accountants ("D&H"), as auditor of the Corporation and to authorize the directors to fix their remuneration.

AUDIT COMMITTEE

Pursuant to the provisions of section 224 of the *Business Corporations Act* (British Columbia) the Corporation is required to have an Audit Committee, which, at the present time, is comprised of John Proust (financially literate), Kyle Burnett (financially literate and independent) and John R. Howard (financially literate and independent). Mr. Proust receives fees indirectly from the Corporation pursuant to the Proust Agreement for management and advisory services to the Corporation and is therefore not independent.

The Corporation must also, pursuant to the provisions of National Instrument 52-110 *Audit Committees* ("NI 52-110") have a written charter which sets out the duties and responsibilities of its audit committee.

Audit Committee Charter

The text of the Corporation's Audit Committee Charter is attached as Schedule "A" hereto.

Relevant Education and Experience

Mr. John Proust, Director:

Mr. John Proust has advised public and private companies with respect to debt and equity financing, mergers and acquisitions, and corporate restructuring since 1986. Mr. Proust has served on numerous boards and in several senior operating positions for private companies and TSX Venture listed companies.

Mr. Proust has extensive experience in corporate governance, is a graduate of The Directors College, Michael G. De Groote School of Business, McMaster University and holds the designation of Chartered Director (C. Dir.).

Mr. Kyle Burnett, Director:

Mr. Kyle R. Burnett has over 28 years of experience working in oil and gas business. He is currently a director, Chairman, President and Chief Executive Officer of Triumph Pacific Oil and Gas Corporation and also serves as a board member for Bagby Energy, LLC, Magnolia Trading and Investment Company, and Arcadia Exploration and Production Company. Mr. Burnett currently holds a 50% ownership interest in privately held Arcadia Exploration and Production Company and serves in the capacity of Chairman of the Board, Chief Executive Officer and President. Mr. Burnett founded Republic Petroleum Company in 1982 as an independent exploration and production company and acquired prospects, drilled and developed gas wells and built a gas gathering system in North Texas. Mr. Burnett is also the sole owner of Burnett Capital Investment, LLC, an entity in which all of his personal investments are held. Mr. Burnett received a Bachelors degree in Business Administration from the University of Texas at Austin in 1984. Mr. Burnett has extensive experience in financial and corporate governance matters.

Mr. John R. Howard, Director:

Mr. Howard founded and served as CEO of Carrollton Resources Corporation, a privately held exploration and production company from its inception in 1984 through its merger with Pure Resources, a NYSE listed company, in 1999. In 2004, he secured the acquisition of 11 offshore platforms and 227 wells from Plains Resources for a purchase price of \$120MM. In early 2006, Mr. Howard became CEO of Summit Energy and guided the company from prospect generation through the successful sale of the company to Bayou Bend Petroleum (TSX-V: BBP) in February 2007. Mr. Howard founded and remains active in several private companies engaged in oil and gas exploration, real estate and manufacturing. Mr. Howard holds a bachelor degree of science from Louisiana State University with a concentration in business and engineering and is experienced in financial and corporate governance issues.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recent 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.

Pre-Approval Policies and Procedures

Pursuant to the Corporation's Audit Committee Charter attached as Schedule "A" hereto, the Audit Committee will pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor, however the Audit Committee has not adopted specific policies and procedures for such approval.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditors in each of the last two financial years for audit fees are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees⁽¹⁾	Tax Fees⁽²⁾	All Other Fees³
2009	\$38,980	\$Nil	\$Nil	\$Nil
2008	\$26,022	\$Nil	\$Nil	\$Nil

- (1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
- (2) Fees charged for tax compliance, tax advice and tax planning services.
- (3) Fees for services other than disclosed in any other column.

CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101"), the Corporation must disclose its approach to corporate governance which is as follows:

Board of Directors

The Board currently consists of five directors: John Proust, Kyle Burnett, John R. Howard, Pat Bolin and Benjamin Jones.

Messrs. Kyle Burnett, John R. Howard and Pat Bolin are independent directors as defined in NI 58-101 and NI 52-110. Executive officers are deemed to be not independent of the Corporation. Mr. Jones, as Chief Executive Officer and President was an executive officer as at April 30, 2009 and is therefore not independent. Mr. Proust receives fees indirectly from the Corporation pursuant to the Proust Agreement for management and advisory services to the Corporation and is therefore not independent.

The Board meets for a formal board meeting on a monthly basis during the year to review and discuss the Corporation's business activities, and to consider and if thought fit, to approve matters presented to the Board for approval, and to provide guidance to management. In addition, management informally provides updates to the Board periodically, as needed+. In general, management consults with the Board when deemed appropriate to keep the Board informed regarding the Corporation's affairs.

The Board facilitates the exercise of independent supervision over management through these various meetings. At present, the Board does not have any formal committees other than its Audit Committee. When necessary, the Board will strike a special committee of independent directors to deal with matters requiring independence. The composition of the Board is such that the independent directors have significant experience in business affairs. As a result, these Board members are able to provide significant and valuable independent supervision over management.

The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Corporation's business in the ordinary course, managing the Corporation's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

Directorships

The directors of the Corporation that are also directors of other reporting issuers are as follows:

John Proust:

Name of Reporting Issuer	Position(S) Held	Market Traded-On
Western Uranium Corporation	Director	TSXV
Superior Mining International Corporation	Director/President/CEO	TSXV
Southern Arc Minerals Inc.	Director/President/CEO	TSXV
Bryant Resources Inc.	Director/President	CNQ

Orientation and Continuing Education

At present, the Corporation does not provide a formal orientation and education program for new directors. Prior to joining the Board, potential Board members are encouraged to meet with management and inform themselves regarding management and the Corporation's affairs. After joining the Board, management and the Board provides orientation both at the outset and on an ongoing basis. The Corporation currently has no specific policy regarding continuing education for directors, and requests for education are encouraged, and dealt with on an ad hoc basis.

Ethical Business Conduct

The primary step taken by the Corporation to encourage and promote a culture of ethical business conduct is to conduct appropriate due diligence on proposed directors, and ensure that proposed directors are of the highest ethical standards. The Board does not currently have a written code of ethics.

Nomination of Directors

Once a decision has been made to add or replace a director, the task of identifying new candidates falls on the Board and management. Proposals are put forth by the Board and management and considered and discussed. If a candidate looks promising, the Board and management will conduct due diligence on the candidate and if the results are satisfactory, the candidate is invited to join the Board.

Compensation

Compensation for Board members is determined by the Board as a whole and in accordance with industry norms and with reference to each individual director's level of involvement with the Corporation.

Other Board Committees

The Corporation does not have any standing committees, other than the Audit Committee.

Assessments

At present, the Board does not have a formal process for assessing the effectiveness of the Board, its committees and individual directors are performing effectively. These matters are dealt with on a case by case basis at the Board level.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE AND SENIOR OFFICERS

Since May 1, 2008, the beginning of the last completed financial year, no current or former director, executive officer or employee of the Corporation, or of any of its subsidiaries, has been indebted to the Corporation or to any of its subsidiaries, nor has any of these individuals been indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

MANAGEMENT CONTRACTS

Management functions of the Corporation are substantially performed by directors or senior officers of the Corporation and not, to any substantial degree, by any other person with whom the Corporation has contracted.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth elsewhere in this Information Circular, no informed person of the Corporation, no proposed nominee for election as a director of the Corporation and no associate or affiliate of any such informed person or proposed nominee has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction that, in either case, has materially affected or would materially affect the Corporation or any of its subsidiaries.

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

Other than as disclosed elsewhere in this Information Circular, none of the directors or senior officers of the Corporation, no proposed nominee for election as a director of the Corporation, none of the persons who have been directors or senior officers of the Corporation since the commencement of the Corporation's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Ratification of Amended Stock Option Plan

At the Annual and Special Meeting of Shareholders held on October 23, 2008, the Shareholders amended the Corporation's Stock Option Plan to a stock option plan which entitles the Corporation to grant options to purchase up to a maximum of 10% of the Corporation's issued and outstanding shares as at the time of grant (the "Amended Plan").

The TSX Venture Exchange ("TSX-V") requires all TSX-V listed companies who have adopted a stock option plan which reserves a rolling maximum of 10% of the number of common shares of the Corporation issued and outstanding on the applicable date of grant, to obtain shareholder ratification to the Amended Plan on an annual basis. As at the date of this Information Circular, the Corporation had 82,213,284 common shares issued and outstanding so that a maximum of 8,221,328 common shares would be available for issuance pursuant to the stock options granted under the Amended Plan. Currently there are 5,600,000 stock options outstanding under the Amended Plan, leaving 2,621,328 common shares available for grant of further options. Accordingly, the Corporation requests that the Shareholders ratify and approve the Amended Plan.

The rules of the TSX-V require that the Amended Plan be approved annually by the affirmative vote of a majority of the votes cast at the Meeting. Accordingly, the Shareholders will be asked at the Meeting to pass the following ordinary resolution:

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

- (a) the Amended Stock Option Plan, in the form approved by the Shareholders of Canada Energy Partners Inc. (the "Corporation") at the Annual and Special Meeting held on October 23, 2008, is hereby ratified, confirmed and approved;
- (b) the Corporation is authorized to grant stock options pursuant and subject to the terms and conditions of the Amended Plan entitling all of the optionholders in aggregate to purchase up to such number of common shares of the Corporation as is equal to 10% of the number of common shares of the Corporation issued and outstanding on the applicable grant date; and
- (c) the Board or any committee created pursuant to the Amended Plan is authorized to make such amendments to the Amended Plan from time to time as the Board may, in its discretion, consider to be appropriate, provided that such amendments will be subject to the approval of all applicable regulatory authorities and in certain cases, in accordance with the terms of the Amended Plan, the shareholders.

An ordinary resolution is a resolution passed by a majority of at least 50% of the votes cast by those Shareholders, who being entitled to do so, vote in person or by proxy in respect of that resolution at the Meeting.

A copy of the Amended Plan is available for inspection at the Corporation's office at Suite 1500, 885 West Georgia Street, Vancouver, British Columbia during regular business hours.

OTHER BUSINESS

Management is not aware of any matters to come before the Meeting other than those 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 notice to vote the shares represented thereby in accordance with their best judgment on such matter.

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found on the SEDAR website at www.sedar.com. Financial information concerning the Corporation is also provided in the Corporation's accompanying audited financial statements and management's discussion and analysis for the most recently completed financial year.

Shareholders may obtain a copy of the Corporation's financial statements and management's discussion and analysis upon request to the Corporation by telephone at 604-909-1154 or by facsimile at 604-488-0319.

DATED this 23rd day of September, 2009.

BY ORDER OF THE BOARD OF DIRECTORS

"Benjamin Jones" (signed)

Benjamin Jones
President and Chief Executive Officer

SCHEDULE "A"

CANADA ENERGY PARTNERS INC. Audit Committee (the "Audit Committee") of the Board of Directors

CHARTER

AUDIT COMMITTEE CHARTER

The audit committee is a committee of the board of directors to which the board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits.

The audit committee will:

- (a) review and report to the board of directors of the Company on the following before they are published:
 - (i) the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Company,
 - (ii) the auditor's report, if any, prepared in relation to those financial statements;
- (b) review the Company's annual and interim earnings press releases before the Company publicly discloses this information;
- (c) satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures;
- (d) recommend to the board of directors:
 - (i) 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 Company, and
 - (ii) the compensation of the external auditor;
- (e) 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 Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (f) monitor, evaluate and report to the board of directors on the integrity of the financial reporting process and the system of internal controls that management and the board of directors have established;
- (g) monitor the management of the principal risks that could impact the financial reporting of the Company;

- (h) establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (i) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor;
- (j) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company; and
- (k) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and Chief Financial Officer to comply with Multilateral Instrument 52-109.

Composition of the Committee

The committee will be composed of three directors from the Company's board of directors, a majority of whom are not officers or employees of the Company or an affiliate of the Company.

All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member of the committee is not financially literate as required, the person will be provided a three month period in which to achieve the required level of literacy.

Authority

The committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the committee will set the compensation for such advisors.

The committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the committee.

Reporting

The reporting obligations of the committee will include:

1. reporting to the board of directors on the proceedings of each committee meeting and on the committee's recommendations at the next regularly scheduled directors' meeting; and
2. reviewing, and reporting to the board of directors on its concurrence with, the disclosure required by Form 52-110F2 in any management information circular prepared by the Company.