



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS – MAY 29, 2014**

NOTICE IS HEREBY GIVEN that an Annual General and Special Meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (“**Shares**”) of LGX Oil + Gas Inc. (“**LGX**”) is to be held in the McMurray Room of The Petroleum Club, 319 - 5th Avenue S.W., Calgary, Alberta, at 3:00 p.m. (Calgary time) on Thursday, May 29, 2014 for the following purposes:

1. to fix the number of directors to be elected at the Meeting at four (4);
2. to elect directors to hold office for the ensuing year;
3. to appoint an independent auditor for the ensuing year and to authorize the directors to fix the remuneration of the auditor;
4. to approve the stock option plan of LGX; and
5. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The specific details of the matters proposed to be brought before the Meeting are set forth in the information circular accompanying this notice.

Only registered Shareholders as at the close of business on April 25, 2014 (the “**Record Date**”) are entitled to notice of, and to attend and vote at, the Meeting unless, after the Record Date, a registered Shareholder transfers his or her Shares and the transferee, upon producing properly endorsed certificates evidencing such Shares or otherwise establishing that he or she owns such Shares, requests at least 10 days before the Meeting that the transferee’s name be included in the list of Shareholders entitled to vote, in which case such transferee shall be entitled to vote such Shares at the Meeting.

Registered Shareholders may vote in person at the Meeting or any adjournment or adjournments thereof, or they may appoint another person, who need not be a Shareholder, as their proxy to attend and vote in their place. Registered Shareholders unable to be present at the Meeting are requested to complete, date and sign the enclosed form of proxy and return it to LGX’s agent, Olympia Trust Company, 2300, 125 – 9th Avenue S.E., Calgary, Alberta, T2G 0P6, before 4:00 p.m. (Calgary time) on Tuesday, May 27, 2014 or, if the Meeting is adjourned, at least 48 hours prior to the time that the Meeting is reconvened. Shareholders that are not registered Shareholders, such as Shareholders that hold their Shares in an account with an intermediary, such as a broker or financial institution, should consult the information circular accompanying this notice for voting information.

Calgary, Alberta
April 25, 2014

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “Trent Yanko”

Trent Yanko
President and Chief Executive Officer



INFORMATION CIRCULAR

FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF THE HOLDERS OF COMMON SHARES TO BE HELD ON MAY 29, 2014

THIS MANAGEMENT INFORMATION CIRCULAR (the “**Circular**”) IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY OR ON BEHALF OF THE MANAGEMENT OF LGX OIL + GAS INC. (“**LGX**” or the “**Corporation**”) for use at the Annual General and Special Meeting of the holders (the “**Shareholders**”) of common shares (the “**Shares**”) of the Corporation to be held in the McMurray Room of The Petroleum Club, 319 – 5th Avenue S.W., Calgary, Alberta at 3:00 p.m. (Calgary time) on Thursday, May 29, 2014 and any adjournment or adjournments thereof (the “**Meeting**”) for the purposes set forth in the accompanying Notice of Meeting. Information contained in this Circular is given as at April 25, 2014 unless otherwise stated.

SOLICITATION OF PROXIES

Management of the Corporation is soliciting proxies from Shareholders for the Meeting. In addition to solicitation by mail, proxies may be solicited by personal interview, telephone or other means of communication and by directors, officers and employees of the Corporation, who will not be specifically remunerated therefore. Solicitation of proxies by management will be primarily by mail, but may also be in person or by telephone. The cost of solicitation will be borne by the Corporation.

RECORD DATE

April 25, 2014 is the record date for the Meeting. Only registered Shareholders at the close of business on the record date are entitled to notice of the Meeting and to vote thereat.

APPOINTMENT AND REVOCATION OF PROXIES

Registered Shareholders may vote in person at the Meeting or they may appoint another person, who does not have to be a Shareholder, as their proxy to attend and vote in their place. The persons named in the enclosed form of proxy are the President and Chief Executive Officer and the Vice-President, Finance and Chief Financial Officer of the Corporation.

A SHAREHOLDER SUBMITTING A PROXY HAS THE RIGHT TO APPOINT A PERSON OR COMPANY TO REPRESENT HIM OR HER AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE FORM OF PROXY FURNISHED BY THE CORPORATION. TO EXERCISE THIS RIGHT, THE SHAREHOLDER SHOULD INSERT THE NAME OF THE DESIRED REPRESENTATIVE IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND STRIKE OUT THE OTHER NAMES OR SUBMIT ANOTHER APPROPRIATE PROXY.

In order to be effective, the proxy must be mailed so as to be deposited at the office of the Corporation's transfer agent, Olympia Trust Company, 2300, 125 - 9th Avenue S.E., Calgary, Alberta, T2G 0P6, before 4:00 p.m. (Calgary time) on Tuesday, May 27, 2014 or, if the Meeting is adjourned, at least 48 hours prior to the time that the Meeting is reconvened. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date of its execution. The instrument appointing a proxy shall be in writing under the hand of the Shareholder or his attorney, or, if such Shareholder is a corporation, under its corporate seal, and executed by a director, officer or attorney thereof duly authorized.

A Shareholder who has submitted a proxy may revoke it by instrument in writing executed by the Shareholder or his attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal and executed by a director, officer or attorney thereof duly authorized, and deposited either at the office of the Corporation's transfer agent, Olympia Trust Company, 125 - 2300, 9th Avenue S.E., Calgary, Alberta, T2G 0P6, at any time prior to 4:30 p.m. (Calgary time) on the last business day preceding the day of the Meeting or with the chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting, and upon such deposit the previous proxy is revoked.

Registered Shareholders may also use the internet at <https://secure.olympiustrust.com/proxy/> to vote their Shares at the Meeting. The website may also be used to appoint a proxy holder to attend and vote at the Meeting on the registered Shareholder's behalf and convey voting instructions.

EXERCISE OF DISCRETION BY PROXY HOLDERS

All Shares represented at the Meeting by properly executed proxies will be voted. Where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy the Shares represented by the proxy will be voted or withheld from being voted in accordance with such specification. **IN THE ABSENCE OF SUCH SPECIFICATION, SUCH SHARES WILL BE VOTED "FOR" ALL OF THE MATTERS SET FORTH IN THE CIRCULAR.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing of the Circular, management of the Corporation knows of no such amendment, variation or other matter.

ADVICE TO BENEFICIAL HOLDERS OF SECURITIES

The information set forth in this section is of significant importance to many Shareholders of the Corporation, as a substantial number of the Shareholders of the Corporation do not hold Shares in their own name.

Shareholders who do not hold their Shares in their own name (referred to in this Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Shares can be recognized and acted upon at the Meeting. If Shares are held in an account with an intermediary, such as a broker or financial institution, then in almost all cases those Shares will not be registered in the Beneficial Shareholder's name on the records of the Corporation. Such Shares will more likely be registered under the name of the intermediary or its agent. 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 acts as nominee for many Canadian brokerage firms). Such Shares can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions the

intermediary and its agents and nominees are prohibited from voting such Shares. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the applicable meeting. The form of proxy supplied to a Beneficial Shareholder by its broker or other intermediary or agent is similar to the form of proxy provided to registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder (the broker or other intermediary or agent) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically 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 shares to be represented at the applicable meeting. **A Beneficial Shareholder receiving a Broadridge proxy cannot use that proxy to vote Shares directly at the Meeting. The proxy must be returned to Broadridge well in advance of the Meeting in order to have the Shares voted.**

VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES

The Corporation is authorized to issue an unlimited number of Shares. As at April 25, 2014, there were 88,658,427 Shares issued and outstanding. Holders of Shares are entitled to one vote for each Share held.

To the best of the knowledge of the directors and officers of the Corporation, no person beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Shares, other than as set out below:

Name of Shareholder	Number of Shares Beneficially Owned, or over which Control or Direction is Exercised, Directly or Indirectly	Percentage of Shares Beneficially Owned, or over which Control or Direction is Exercised, Directly or Indirectly
Legacy Oil + Gas Inc.	16,000,000	18%

APPROVAL REQUIREMENTS

The matters to be considered at the Meeting, other than the election of directors, are ordinary resolutions requiring approval by more than 50% of the votes cast in respect of the resolution by or on behalf of Shareholders present in person or represented by proxy at the Meeting. The election of directors will be conducted on a slate basis and will be determined by a plurality of votes.

MATTERS TO BE ACTED UPON AT THE MEETING

The following are the matters to be acted upon at the Meeting:

Item 1 – Fixing the Number of Directors

The Shareholders will be asked to consider an ordinary resolution fixing the number of directors to be elected at the Meeting. Management proposes that the number of directors to be elected at the Meeting be set at four (4). There are presently five (5) directors of the Corporation, each of whom retires from office at the Meeting. Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of setting the number of directors to be elected at the Meeting at four (4).

Item 2 - Election of Directors

The Shareholders will be asked to consider a resolution electing the directors of the Corporation to hold office until the next annual meeting of Shareholders. The following table provides the names and cities of residence of all persons proposed to be nominated by management for election as directors, the position each currently holds with the Corporation, the principal occupations of such persons for the prior five years, the date on which each became a director of the Corporation and the number of Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each as at April 25, 2014. Each director elected will hold office until the next annual meeting of the Shareholders of the Corporation or until his successor is duly elected or appointed, unless his office be earlier vacated in accordance with the Corporation's articles or by-laws. Jim Welykochy, a current director of LGX, has declined to stand for re-election at the Meeting.

Name, Province and Country of Residence	Date of Initial Appointment or Election	Principal Occupation During Previous Five Years	Shares Beneficially Owned, Controlled or Directed
Trent Yanko Calgary, Alberta	July 5, 2012	President and Chief Executive Officer of the Corporation since July 2012. President and Chief Executive Officer of Legacy Oil + Gas Inc. since July 2009. President and Chief Executive Officer of Mission Oil & Gas Inc., a publicly traded oil and natural gas company, from January 2006 until its acquisition by Crescent Point Energy Trust in February 2007.	1,000,000 Shares
James Pasieka Calgary, Alberta	July 5, 2012	Chairman of the Board of Directors. Partner of the national law firm McCarthy Tetrault since September 2013. Partner of the national law firm Heenan Blaikie LLP from 2001 to September 2013.	200,000 Shares
Chris Bloomer ⁽¹⁾⁽²⁾ Calgary, Alberta	Dec. 22, 2009	Chief Executive Officer of Connacher Oil and Gas Limited since April 2013. Senior Vice-President and Chief Operating Officer of the Heavy Oil Business Unit as well as a director of Petrobank Energy and Resources Ltd., a publicly traded oil company, from May, 2007 until 2013.	157,500 Shares
Daryl Gilbert ⁽¹⁾⁽²⁾ Calgary, Alberta	Aug. 12, 2013	Independent businessman since 2005 and Managing Director of JOG Capital Inc., a private equity investment management company, since 2008.	Nil Shares

Notes:

(1) Member of the Audit Committee.

(2) Member of the Reserves Committee.

Other than as set out below, to the knowledge of management of the Corporation, no proposed director of the Corporation is, or within the 10 years before the date of this Circular has been, a director, chief executive officer or chief financial officer of any other issuer that: (a) was the subject of a cease trade or similar order or an order that denied the other issuer access to any exemptions under Canadian securities legislation that lasted for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation that lasted for a period of more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as set out below, to the knowledge of management of the Corporation, no proposed director of the Corporation: (a) is, at the date of this Circular or has been within the 10 years before the date of this Circular, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the 10 years before the date of this Circular, become 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 the assets of the proposed director.

Mr. Chris Bloomer was a director of Canadian Energy Exploration Inc. (“**CEE**”) (formerly TALON International Energy, Ltd.), a reporting issuer listed on the TSX Venture Exchange Inc. (the “**TSXV**”), until his resignation on September 15, 2011. A cease trade order (the “**ASC Order**”) was issued on May 7, 2008 against CEE by the Alberta Securities Commission (the “**ASC**”) for the delayed filing of CEE's audited annual financial statements and management's discussion and analysis for the year ended December 31, 2007 (“**Annual Filings**”). The Annual Filings were filed by CEE on SEDAR on May 8, 2008. As a result of the ASC Order, the TSXV suspended trading in CEE's shares on May 7, 2008. In addition, on June 4, 2009 the British Columbia Securities Commission (“**BCSC**”) issued a cease trade order (the “**BCSC Order**”) against CEE for the failure of CEE to file its audited annual financial statements and management's discussion and analysis for the year ended December 31, 2008 and its unaudited interim financial statements and management's discussion and analysis for the three months ended March 31, 2009. CEE made application to the ASC and BCSC for revocation of the ASC Order and BCSC Order. The ASC and BCSC have issued revocation orders dated October 14, 2009 and November 30, 2009, respectively, granting full revocation of compliance-related cease trade orders issued by the ASC and the BCSC in respect of CEE.

Daryl Gilbert was a director of Global Direct, Inc., a reporting issuer that was listed on the TSXV. The company sought and received protection under the *Companies' Creditors Arrangement Act* (Canada) in June 2007, and after a failed restructuring effort a receiver was appointed by one of the company's lenders in December 2007. Cease trade orders dated September 24, 2008 and September 30, 2008 were issued by the ASC and the BCSC, respectively, for failure to file financial statements. The cease trade orders were issued following the appointment of the receiver and, as at the date hereof, have not been revoked. The company has since ceased operations and its shares have been delisted from the TSXV.

To the knowledge of management of the Corporation, no proposed director of the Corporation has: (a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with the Canadian securities regulatory authority; or (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

It is the intention of the management designees, if named as proxy, to vote for the election of the above mentioned persons to the board of directors of the Corporation (the “**Board of Directors**” or the “**Board**”) unless otherwise directed. Management does not contemplate that any of such nominees will be unable to serve as a director. However, if for any reason any of the proposed nominee does not stand for election or is unable to serve as such, the management designees, if named as proxy, reserve the right to vote for any other nominee in their sole discretion unless the Shareholder has specified in his proxy that his Shares are to be withheld from voting on the election of directors.

Item 3 - Appointment of Auditors

Shareholders will be asked to consider a resolution appointing auditors of the Corporation to act until the next annual meeting of Shareholders. Management proposes the firm PricewaterhouseCoopers LLP, Chartered Accountants, Calgary, Alberta be appointed as auditors of the Corporation. PricewaterhouseCoopers LLP were appointed auditors of the Corporation on May 3, 2010. Unless otherwise directed, the management designees, if named as proxy, intend to vote for the appointment of PricewaterhouseCoopers LLP as the auditors of the Corporation to hold office until the next annual meeting of the Shareholders at remuneration to be fixed by the Board.

Item 4 – Approval of Stock Option Plan

The policies of the TSXV require all incentive stock option grants to be made pursuant to a stock option plan approved by the Corporation’s Shareholders. At the present time the Corporation has a “rolling” stock option plan (the “**Option Plan**”) pursuant to which directors, officers, employees and consultants of the Corporation may be awarded options to purchase Shares (the “**Options**”). The Option Plan was most recently approved by the Shareholders at the annual and special meeting of the Shareholders held on May 28, 2013. Pursuant to the policies of the TSXV, such “rolling” plans must receive annual Shareholder approval. Accordingly, Shareholders are being asked to approve the current Option Plan in accordance with Policy 4.4 of the TSXV. The terms of the Option Plan are more fully described in this Circular under the heading “*Option Plan*”.

Resolution for Approval of the Option Plan

The text of the ordinary resolution to be considered at the Meeting re-approving the Option Plan is set forth below:

BE IT RESOLVED as an ordinary resolution of the shareholders of the Corporation as follows:

1. the Corporation’s Stock Option Plan (the “**Option Plan**”) is hereby approved, confirmed and ratified;
2. the Board of Directors from time to time is authorized to grant options in the capital stock of the Corporation pursuant to and in accordance with the Option Plan and the Corporation is authorized to reserve and issue common shares in the capital of the Corporation for issuance upon exercise of stock options granted pursuant to the Option Plan; and
3. any director or officer of the Corporation be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director or officer may, in their discretion, determine to be necessary in order to give full effect to the intent and purpose of this resolution.

In order for the foregoing resolution to be passed, it must be approved by a majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting. It is the intention of the management designees, if named as proxy, to vote in favour of the resolution re-approving the Option Plan.

Item 5 – Other Business

The financial statements of the Corporation for the financial year ended December 31, 2013 will be put before the Shareholders at the Meeting. The directors and officers of the Corporation are not aware of any matters, other than those indicated above, which may be submitted to the Meeting for action. However, if any other matters should properly be brought before the Meeting, the enclosed proxy confers discretionary authority to vote on such other matters according to the best judgment of the person holding the proxy at the Meeting.

CORPORATE GOVERNANCE PRACTICES

Every issuer that is listed on the TSXV is required under Section 2.2 of National Instrument 58-101 - *Corporate Governance Disclosure* (“**NI 58-101**”) to disclose annually in its information circular certain information concerning its corporate governance practices. The Board is responsible for the governance of the Corporation. The Board and senior management consider good governance to be central to the effective and efficient operation of the Corporation. Listed below is a discussion of the Board’s approach to governance of the Corporation. The information provided below is given as at April 25, 2014. Jim Welykochy, a current director of LGX, has declined to stand for re-election at the Meeting.

Board of Directors

Board Mandate

The Board operates under a written mandate (the “**Board Mandate**”). Under the Board Mandate, the fundamental responsibilities of the Board are to: (i) appoint and oversee a competent executive team to manage the business of the Corporation, with a view to maximizing shareholder value, (ii) identify and understand the risks associated with the business of the Corporation and (iii) ensure corporate conduct in an ethical and legal manner via an appropriate system of corporate governance, disclosure processes and internal controls.

Board Independence

A director is considered to be independent of an issuer under applicable Canadian securities laws if the director is free of any relationship with the issuer which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of the director's independent judgement. Certain directors, such as current or former employees or officers of the issuer, are deemed not to be independent of the issuer.

The Board has five members, three of whom are considered to be independent. Chris Bloomer, Jim Welykochy and Daryl Gilbert are independent. Trent Yanko is not independent as he is the President and Chief Executive Officer of the Corporation. James Pasiaka is considered by the Board not to be independent as he is a partner of a law firm that provides legal services to the Corporation.

The Board Mandate does not require that the Board hold regularly scheduled meetings of its independent members and no such meetings were held in the year ended December 31, 2013. The Board ensures open and candid discussion among its independent directors by continuously monitoring situations where a conflict of interest or perceived conflict of interest with respect to a director may exist. In cases where such a conflict of interest or perceived conflict of interest is identified, it is addressed in accordance with the *Business Corporations Act* (Alberta), the Corporation’s code of business conduct and ethics and the Board Mandate. The Board may determine that it is appropriate to hold an *in camera* session excluding a director with a conflict of interest or perceived conflict of interest or such director may consider that it is appropriate to recuse himself from considering and voting with respect to the matter under consideration.

Directors that are Directors of Other Reporting Issuers

The following directors of the Corporation are also currently directors of other reporting issuers or their equivalent in a domestic or foreign jurisdiction:

<u>Name of Director</u>	<u>Reporting Issuer</u>
Trent Yanko	Legacy Oil + Gas Inc. (TSX)
James Pasieka	Legacy Oil + Gas Inc. (TSX) Surge Energy Inc. (TSX)
Chris Bloomer	Connacher Oil and Gas Limited (TSX) Calmena Energy Services Inc. (TSX)
Daryl Gilbert	PennWest Petroleum Ltd. (TSX / NYSE) AltaGas Ltd. (TSX) Cequence Energy Ltd. (TSX) Crocotta Energy Inc. (TSX) Longview Oil Corp. (TSX) MGM Energy Corp. (TSX) Falcon Oil & Gas Ltd. (TSXV) Suroco Energy Inc. (TSXV) PRD Energy Inc. (TSXV)
Jim Welykochy	None

Orientation and Continuing Education

The Board Mandate provides that any newly appointed or elected directors will be provided with an orientation which will include written information about the duties and obligations of directors and the business and operations of the Corporation, documents from recent Board meetings and opportunities for meetings and discussion with senior management and other directors.

All members of the Board are provided with copies of the Board Mandate, the charters of each committee of the Board and the Corporation's code of business conduct and ethics, trading policy, whistleblower policy and corporate disclosure and confidentiality policy. The Board relies on its legal counsel and other outside advisers to advise it as necessary of corporate governance developments. The Board also relies on management to keep it apprised of developments within the oil and natural gas industry that may affect the governance and management of the Corporation. In addition, the Board Mandate provides that any director who feels that he or she requires the services of an outside advisor to assist with discharging his or her responsibilities as a director may engage one at the expense of the Corporation with the authorization of the Chair.

Ethical Business Conduct

The Corporation has adopted a code of business conduct and ethics. The code has been filed on SEDAR and can be view under the Corporation's profile at www.sedar.com. Any breach of the code may be reported directly to the responsible officer or may be reported to the Chair of the Audit Committee in accordance with the whistleblower policy of the Corporation.

The Corporation has adopted a whistleblower policy. The whistleblower policy establishes procedures that allow employees of the Corporation to confidentially and anonymously submit any concerns regarding activity that may be considered ethically, morally or legally questionable to the Chair of the Audit Committee without fear of retaliation.

The Corporation has adopted a share trading policy. The purpose of the share trading policy is to promote investor confidence in the securities of the Corporation by ensuring that persons who have access to material, undisclosed information concerning the Corporation or its affiliates will not make use of it by trading in securities of the Corporation or tipping others before the information has been fully disclosed to the public.

Conflicts of Interest

Each of the officers and two of the directors of LGX are also officers and directors of Legacy Oil + Gas Inc. (“**Legacy**”). The interests of LGX may not always be aligned with the interests of Legacy and circumstances may arise where the duties of such officers and directors to Legacy may conflict with their duties to LGX. In addition, all of the directors and officers of LGX may participate in other activities and investments in the oil and natural gas industry outside the scope of their engagement or employment as directors or officers of LGX. As a result, the directors and officers may become subject to conflicts of interest from time to time. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the *Business Corporations Act* (Alberta), the written mandate of the Board of Directors and LGX’s corporate governance policies.

Nomination of Directors

The Board’s mandate provides that the Board shall consider succession planning and management recruitment and development. The Board does not have a nominating committee, but encourages an objective nomination process by considering succession planning (including appointment of management) based mainly on periodic reports to the Board by the Chief Executive Officer and Chief Financial Officer. The Board as a whole considers the need for the nomination of additional directors and individual nominees.

Compensation

The Board as a whole is responsible for determining the compensation of the Corporation’s directors and officers. The Board periodically reviews the adequacy and form of compensation of directors and officers to ensure that the compensation realistically reflects the responsibility and risks involved in being an effective director and/or officer. See "*Compensation Discussion and Analysis*" for further information concerning the Board’s compensation practices.

Other Board Committees

In addition to the Audit Committee, the Board has a Reserves Committee. The primary functions of the Reserves Committee are to: (i) assist the Board in the selection, engagement and instruction of an independent reserves evaluator for the Corporation and its affiliates, (ii) ensure there is a process in place to provide all relevant reserves data to the independent reserves evaluator, (iii) monitor the preparation of the independent reserves evaluation of the Corporation and its affiliates and (iv) review the annual independent reserves evaluation of the Corporation and its affiliates and any other independent reserves evaluations prepared for the Corporation.

Assessments

The Board Mandate provides that the Board is responsible for annually assessing its overall performance and that of its committees. The objective of this review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. Each review will have regard to the mandate or charter of the Board or committee and identifies any areas where the directors or management believe that the Board or committee could make a better collective contribution to overseeing the affairs of the Corporation. The written mandate of the Audit Committee also provides that the Audit Committee will, on an annual basis, assess its own performance.

The Board is also responsible for regularly assessing the effectiveness and contribution of the individual directors, having regard to the competencies and skills each director is expected to bring to the Board.

OPTION PLAN

LGX's Option Plan was last approved by the Shareholders at the annual and special meeting of the Shareholders held on May 28, 2013. The purpose of the Option Plan is to provide directors, officers, employees and consultants of the Corporation ("**Participants**") with an opportunity to purchase Shares and to benefit from the appreciation thereof. This provides an increased incentive for the Participants to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Shares for the benefit of all the shareholders and increasing the ability of the Corporation to attract and retain individuals of exceptional skill.

The Option Plan is currently administered by the Board, but the Board may delegate administration to a committee of the Board consisting of not less than three directors. The Board may, from time to time, adopt such rules and regulations for administering the Plan as it may deem proper and in the best interests of the Corporation.

Summary of the Plan

Option Grants

Under the Option Plan, the Board may, from time to time, grant Options to such Participants as it chooses and, subject to the restrictions described below, in such numbers as it chooses. In considering such grants, the Board consults with the President and Chief Executive Officer and considers numerous factors, including the capital position of the Corporation, market conditions, the number of outstanding Options and previous grants.

The exercise price of each Option is fixed by the Board when the Option is granted, provided that such price shall not be less than the last per share closing price for the Shares on the TSXV before the date of the grant of an Option, less any applicable discount under the policies of the TSXV. Options granted to Participants are non-assignable unless the prior written consent of the Corporation and the TSXV has been obtained.

Limits on Option Grants

The aggregate number of Shares that may be reserved for issuance under the Option Plan, together with any Shares reserved for issuance under any other share compensation arrangement implemented by the Corporation after the date of the adoption of the Option Plan, shall be equal to 10% of outstanding Shares (on a non-diluted basis) outstanding at that time. In addition, any grant of Options under the Option Plan shall be subject to the following restrictions:

- (a) the aggregate number of Shares reserved for issuance pursuant to Options granted to any one person within any one year period, when combined with any other share compensation arrangement, may not exceed 5% of the outstanding Shares (on a non-diluted basis);
- (b) the aggregate number of Shares reserved for issuance pursuant to Options granted to Insiders (as defined in the TSXV's Corporate Finance Manual) pursuant to the Option Plan, when combined

with any other share compensation arrangement, may not exceed 10% of the outstanding Shares (on a non-diluted basis); and

- (c) the aggregate number of Shares issued within any one year period to Insiders pursuant to Options, when combined with any other share compensation arrangement, may not exceed 10% of the outstanding Shares (on a non-diluted basis).
- (d) the aggregate number of Shares reserved for issuance pursuant to Options granted to any one Consultant (as defined in the TSXV's Corporate Finance Manual) within a one year period may not exceed 2% of the outstanding Shares (on a non-diluted basis);
- (a) the aggregate number of Shares reserved for issuance pursuant to Options granted to persons employed to provide Investor Relations Activities (as such term is defined in the TSXV's Corporate Finance Manual) within a one year period may not exceed 2% of the outstanding Shares (on a non-diluted basis); and
- (b) the aggregate number of Shares issuable to non-employee directors of the Corporation at any time pursuant to outstanding Options shall not exceed 1% of the outstanding Shares.

Expiry

Options granted pursuant to the Option Plan must be exercised within a period of five years after the date of grant. In the event that any Option expires during, or within two business days after, a self imposed blackout period on trading securities of the Corporation, such expiry date will become the tenth day following the end of the blackout period.

In the event of the Participant ceasing to be a director, officer, employee or consultant of the Corporation for any reason other than death (including the resignation or retirement of the Participant as a director, officer or employee of the Corporation or the termination by the Corporation of the employment of the Participant or the termination by the Corporation or the Participant of the consulting arrangement with the Participant), Options held by such Participant shall cease and terminate and be of no further force or effect on the earlier of the expiry time of the Option and the thirtieth day following: (i) the effective date of such resignation or retirement; (ii) the date the notice of termination of employment is given by the Corporation; or (iii) the date the notice of termination of the consulting agreement is given by the Corporation to the Participant, as the case may be. Notwithstanding the foregoing, in the event of termination for cause, such Option shall cease and terminate immediately upon the date notice of termination of employment for cause is given by the Corporation and shall be of no further force or effect whatsoever as to the Common Shares in respect of which an Option has not previously been exercised.

If a Participant dies, the legal representatives of the Participant may exercise the Options held by the Participant within a period after the date of the Participant's death as determined by the Board, provided that such period shall not extend beyond 12 months following the death of the Participant or exceed the expiry date of such Option.

Vesting

The vesting period or periods of Options granted under the Option Plan is determined by the Board at the time of grant. The Board may, in its sole discretion at any time, accelerate vesting of Options previously granted. In the event a change of control of the Corporation, as defined in the Option Plan, is contemplated or has occurred, all Options which have not otherwise vested in accordance with their terms shall vest and be exercisable at such time as is determined by the Board for a period of time ending on the earlier of the expiry time of the Option and the date which is ninety days after the date of the date of notice to the Participant of such change of control.

Exercise

Participants may exercise vested Options by providing a notice in writing signed by the Participant to the Corporation together with payment in full of the exercise price for the Shares which are the subject of the exercise. The Corporation does not provide Participants with financial assistance for the exercise of Options.

Amendments to the Option Plan

The Board may amend the Option Plan and any Options granted thereunder in any manner, or discontinue it at any time, without the approval of the holders of a majority of the Shares, provided that:

- (a) the consent of the applicable Participants must be obtained for any amendment that would adversely affect any outstanding Options;
- (b) the approval of the holders of a majority of the Shares present and voting in person or by proxy at a meeting of Shareholders must be obtained for any amendment that would have the effect of:
 - (i) increasing the maximum percentage of Shares that may be reserved for issuance under the Option Plan;
 - (ii) increasing the maximum percentage of Shares that may be reserved for issuance under the Option Plan to non-employee directors, Insiders or any one person;
 - (iii) increasing the maximum percentage of Shares that may be issued under the Option Plan within any one year period to Insiders;
 - (iv) changing the amendment provisions of the Option Plan;
 - (v) changing the terms of any Options held by Insiders;
 - (vi) reducing the exercise price of any outstanding Option (including the reissue of an Option within 90 days of cancellation which constitutes a reduction in the exercise price);
 - (vii) amending the definition of Participants to expand the categories of individuals eligible for participation in the Option Plan;
 - (viii) extending the expiry date of an outstanding Option or amending the Option Plan to allow for the grant of an Option with an expiry date of more than five years from the grant date; or
 - (ix) amending the Option Plan to permit the transferability of Options, except to permit a transfer to a family member, an entity controlled by the Participant or a family member, a charity or for estate planning or estate settlement purposes.

Adjustments

The Option Plan provides that appropriate adjustments in the number of Shares subject to the Option Plan, the number of Shares optioned and the exercise price, shall be made by the Board to give effect to adjustments in the number of Shares resulting from subdivisions, consolidations or reclassifications of the Shares, the payment of stock dividends by the Corporation (other than dividends in the ordinary course) or other relevant changes in the authorized or issued capital of the Corporation.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Option Plan is the only compensation plan pursuant to which equity securities of the Corporation are authorized for issuance. The Option Plan is described in detail above under the heading “*Option Plan*”. Information concerning the outstanding Options and the Shares available for issuance under the Option plan is set out in the table below.

Number of Shares issuable upon exercise of outstanding Options	Weighted-average exercise price of outstanding Options	Number of Shares remaining available for future issuance under Option Plan⁽¹⁾
3,620,500	\$0.81	5,245,342

Note:

- (1) The maximum number of Shares reserved for issuance under the Option Plan is set at 10% of the outstanding Shares at any time. The number of Shares remaining available for future issuance reflects 10% of the currently outstanding Shares, less the currently outstanding number of Options. The number of Shares remaining available for future issuance will increase as the outstanding number of Shares increases.

SERVICES AGREEMENT

On July 5, 2012, the Corporation completed a transaction (the “**Legacy Transaction**”) with Legacy pursuant to which the Corporation acquired certain assets in southern Alberta from Legacy. In connection with the Legacy Transaction, LGX and Legacy entered into a management, administrative and technical services agreement on July 5, 2012 (the “**Services Agreement**”). Pursuant to the Services Agreement:

- Legacy is engaged as an independent contractor to perform technical, corporate, regulatory, administrative and asset management services in accordance with good oilfield practice, including prudent reservoir management and conservation principles, to permit LGX to operate, maintain and develop its assets. Legacy's fee for provision of the services is one hundred and sixty-seven thousand Canadian dollars (\$167,000.00) per month plus GST;
- the Board of Directors maintains control, discretion and authority for the management of the business and affairs of LGX;
- either party may terminate the Services Agreement: (i) on 90 days written notice; (ii) after a five day default period in the event of breach; or (iii) immediately upon an act of bankruptcy or insolvency or in the event of a bankruptcy cause, proceeding or action persisting for 30 consecutive days;
- Legacy, at its sole cost, shall have the right to subcontract the services to be performed under the Services Agreement. Services outside the scope of the Services Agreement shall be contracted by officers and/or directors of LGX at its sole cost;
- each party will generally be permitted to pursue business interests that may be similar to or competitive with those of the other party or its affiliates; and
- to avoid potential conflicts of interest, LGX shall have first priority to pursue potential acquisition transactions related to hydrocarbon substances within a defined area (roughly covering the Province of Alberta south of Calgary, but excluding a defined area around Legacy's Turner Valley properties). Legacy shall have first priority to pursue potential acquisition transactions related to hydrocarbon substances outside of the above referenced area.

A complete copy to the Services Agreement has been filed by LGX on SEDAR and may be reviewed under LGX's profile at the SEDAR website at www.sedar.com.

EXECUTIVE COMPENSATION

Named Executive Officers

This Circular is required to contain certain disclosure concerning the compensation for the financial year ended December 31, 2013 of individuals considered to be "Named Executive Officers" of the Corporation under applicable Canadian securities laws, being the Chief Executive Officer, the Chief Financial Officer and each of the three most highly compensated executive officers whose compensation was, individually, more than \$150,000 in the financial year. The Named Executive Officers for the purposes of this Circular are:

Trent Yanko - President and Chief Executive Officer

Matt Janisch - Vice-President, Finance and Chief Financial Officer

Compensation Discussion and Analysis

The Board as a whole is responsible for determining the compensation of the Corporation's directors and officers. The Board periodically reviews the adequacy and form of compensation of directors and officers to ensure that the compensation realistically reflects the responsibility and risks involved in being an effective director and/or officer.

The Named Executive Officers are not paid any salary or remuneration for their services by LGX, other than awards of Options under the Option Plan. Grants of Options under the Corporation's Option Plan are intended to provide the Corporation's executive officers with a long term incentive to increase shareholder value. In 2013, the Corporation granted 200,000 Options to the President and Chief Executive Officer and 150,000 Options to the Vice-President, Finance and Chief Financial Officer. These grants were approved by the Board based on its subjective assessment of the appropriate base level of Option holdings by the Named Executive Officers after considering the Corporation's development to date, the number of Options previously granted to the Named Executive Officers and the current capital base of the Corporation. The Board's primary focus in awarding Options in 2013 was to provide appropriate incentives to future performance.

The Board considers the risks that may be associated with LGX's compensation policies and practices as part of its broader mandate of understanding the principal risks associated with LGX's business. There is a risk with any compensation policy, like the Option Plan, that provides for compensation that is linked to the trading price of the Shares, that an executive officer or other employee will attempt to maximize the personal return from these elements of compensation by taking excessive risks that are not in the best interests of the company or its shareholders. LGX attempts to identify and mitigate these risks through mandatory vesting periods for Options and the implementation and monitoring of rigorous internal controls and procedures respecting, among other matters, the maintenance of records, reporting and required authorizations for expenditures, acquisitions, dispositions and other corporate actions.

LGX does not have a policy restricting directors and officers from purchasing financial instruments, such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an executive officer or director. Any transactions of this nature would be subject to insider reporting requirements and be reported on the System for Electronic Disclosure by Insiders (SEDI). No director or officer of LGX has entered into a transaction of this nature to date.

Summary of Compensation of Named Executive Officers

The following table sets forth information concerning the total compensation paid by Legacy to the Named Executive Officers in 2013 and 2012. Each of the Named Executive Officers became an officer of the Corporation on July 5, 2012.

Name and Position	Year	Salary ⁽¹⁾ (\$)	Share- Based Awards (\$)	Option- Based Awards ⁽²⁾ (\$)	Non- Equity Annual Incentive Plans (\$)	All Other Compen- sation (\$)	Total Compen- sation (\$)
Trent Yanko ⁽³⁾ President and CEO	2013	-	-	63,726	-	-	63,726
	2012	-	-	166,000	-	-	166,000
Matthew Janisch Vice President and CFO	2013	-	-	47,795	-	-	47,795
	2012	-	-	124,500	-	-	124,500

Notes:

- (1) No salary is paid to the Named Executive Officers by LGX. See "Compensation Discussion and Analysis".
- (2) Comprised of Options granted pursuant to the Corporation's Option Plan. All Options vest as to 1/3 per year for a period of 3 years from the date of grant. For a complete description of the terms of the Option Plan, see "Option Plan". Value is based on the grant date fair value of the Options calculated using the Black-Scholes-Merton Method.
- (3) Trent Yanko is also a director of the Corporation. Mr. Yanko received no compensation in 2013 or 2012 specifically in relation to his duties as a director of the Corporation.

Outstanding Options

The following table outlines for each Named Executive Officer all Options outstanding as at December 31, 2013.

Name	Number of Shares Underlying Unexercised Options (#)	Option Exercise Price	Option Expiration Date	Value of Unexercised In-the- Money Options ⁽¹⁾
Trent Yanko President and CEO	200,000	\$0.47	April 26, 2018	\$36,000
	200,000	\$1.09	August 17, 2017	Nil
Matthew Janisch Vice President and CFO	150,000	\$0.47	April 26, 2018	\$27,000
	150,000	\$1.09	August 17, 2017	Nil

Notes:

- (1) Calculated based on the difference between the closing price of \$0.65 per Share on the TSXV on December 31, 2013 and the exercise price of the Options, multiplied by the number of Shares under option.

Options – Value Vested or Earned During the Year

All Options vest as to one third on each of the first, second and third anniversaries of the date of grant. 66,666 Options with an exercise price of \$1.09 per Share held by Trent Yanko, the President and Chief Executive Officer, vested during the year ended December 31, 2013. 50,000 Options with an exercise price of \$1.09 per Share held by Matt Janisch, Vice-President, Finance and Chief Financial Officer, vested during the year ended December 31, 2013. All of the Options that vested in 2013 were out of the money at the applicable vesting dates and, accordingly, no value would have been realized by the Named Executive Officers if the Options had been exercised as of the vesting dates.

Options Exercised During the Year

The Named Executive Officers did not exercise any Options during the year ended December 31, 2013.

Pension Plans

LGX does not have any pension plan or similar benefit program in place for its executive officers, employees or directors.

Employment Agreements and Termination and Change of Control Benefits

LGX does not have employment agreements with either of the Named Executive Officers, nor is there any contract, agreement, plan or arrangement that would provide for any payment to a Named Executive Officer in connection with termination, resignation, retirement, change of control of the Corporation or a change in the officer's responsibilities. As described under "*Option Plan*", the Option Plan provides for the accelerated vesting of outstanding Options in certain circumstances, including in connection with a change of control of the Corporation. See "*Outstanding Options*" above for a description of the value to Named Executive Officers of the outstanding Options on December 31, 2013, which value would have been realizable by the Named Executive Officers at that date if the accelerated vesting of the Options held by them had occurred at that date.

DIRECTOR COMPENSATION

Summary of Director Compensation

The only compensation paid to the directors of LGX in 2013 was in the form of the grants of Options under the Option Plan. The Corporation does not, at this time, have in place any arrangement providing for any other fees or remuneration payable to the directors, although it may adopt such arrangements in the future.

Trent Yanko, the President and Chief Executive Officer of LGX, is also a director. Trent Yanko does not receive any compensation specifically in relation to his duties as a director and references to the directors under this heading do not include him.

In the year ended December 31, 2013, Daryl Gilbert was granted 140,000 Options and each of the other directors were granted 60,000 Options. The following table describes the value of the Options granted to the directors in the year ended December 31, 2013 based on the grant date fair value of the Options calculated using the Black-Scholes-Merton method.

Name	Option-Based Awards (\$)
Chris Bloomer	19,116
Daryl Gilbert	41,970
James Pasieka	19,116
Jim Welykochy	19,116

Outstanding Options

The following table outlines for each director all Options outstanding as at December 31, 2013.

Name	Number of Shares Underlying Unexercised Options (#)	Option Exercise Price	Option Expiration Date	Value of Unexercised In-the-Money Options ⁽¹⁾
Chris Bloomer	60,000	\$0.47	April 26, 2018	\$10,800
	60,000	\$1.09	August 17, 2017	Nil
	30,000	\$4.00	February 8, 2015	Nil
Daryl Gilbert	140,000	\$0.52	November 11, 2018	\$18,200
James Pasieka	60,000	\$0.47	April 26, 2018	\$10,800
	60,000	\$1.09	August 17, 2017	Nil
Jim Welykochy	60,000	\$0.47	April 26, 2018	\$10,800
	60,000	\$1.09	August 17, 2017	Nil
	30,000	\$4.00	February 8, 2015	Nil

Notes:

- (1) Calculated based on the difference between the closing price of \$0.65 per Share on the TSXV on December 31, 2013 and the exercise price of the Options, multiplied by the number of Shares under option.

Options – Value Vested or Earned During the Year

All Options vest as to one third on each of the first, second and third anniversaries of the date of grant. 20,000 Options with an exercise price of \$1.09 per Share held by each of Chris Bloomer, James Pasieka and Jim Welykochy vested during the year ended December 31, 2013. All of the Options that vested in 2013 were out of the money at the applicable vesting date and, accordingly, no value would have been realized by the directors if the Options had been exercised as of the vesting date.

INDEBTEDNESS OF DIRECTORS, OFFICERS AND EMPLOYEES

No current or former director, officer or employee of the Corporation was indebted to the Corporation as at the date of this Circular. At no time since the beginning of the financial year ended December 31, 2013 did any director or officer, or any associate of any such director or officer, owe any indebtedness to the Corporation or owe any indebtedness to any other entity which is, or at any time has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this Circular, an “informed person” means (i) a director or officer of the Corporation, (ii) a director or officer of a person or company that is itself an informed person, or (iii) any person or company who beneficially owns, directly or indirectly, and/or exercises control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attaching to all outstanding voting securities of the Corporation.

Except as disclosed below, since the beginning of the financial year ended December 31, 2013, no informed person of the Corporation, nominee for director of the Corporation, nor any affiliate or associate of any informed person or nominee for director, had any material interest, direct or indirect, in any transaction or proposed transaction which has materially affected or would materially affect the Corporation.

James Pasioka, a director of LGX, was a partner of the law firm Heenan Blaikie LLP until August 31, 2013 and has been a partner of the law firm McCarthy Tetrault LLP since September 1, 2013. LGX paid an aggregate of \$85,522 in legal fees to Heenan Blaikie LLP during the year ended December 31, 2013. LGX paid an aggregate of \$7,817 in legal fees to McCarthy Tetrault LLP during the year ended December 31, 2013.

ADDITIONAL INFORMATION AND AVAILABILITY OF FINANCIAL STATEMENTS

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information concerning the Corporation is provided in its financial statements for the year ended December 31, 2013 and the accompanying management's discussion and analysis, which can be accessed under the Corporation's profile on SEDAR at www.sedar.com.

Further information concerning the Audit Committee, including the text of the Audit Committee Charter, is included in the Annual Information Form of the Corporation for the year ended December 31, 2013 dated March 24, 2014. A copy of the Annual Information Form is available on SEDAR at www.sedar.com.

The Corporation will mail its annual and interim financial statements and accompanying management's discussion and analysis to any Shareholder who requests them by (i) sending the enclosed return card to the Corporation's agent, Olympia Trust Company, 2300, 125 – 9th Avenue S.E., Calgary, Alberta, T2G 0P6, as directed, or (ii) contacting the Corporation at 4400, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1, telephone (403) 441-2300.

AUDITORS OF THE CORPORATION

The auditors of the Corporation are PricewaterhouseCoopers LLP, Chartered Accountants, Calgary, Alberta. PricewaterhouseCoopers LLP were appointed auditors on May 3, 2010.

DIRECTORS' APPROVAL

The contents and the sending of this Circular have been approved by the directors.