

TUSCANY ENERGY LTD.
2000, 633 – 6th Avenue SW
Calgary, Alberta
T2P 2Y5

NOTICE OF THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD JUNE 24, 2010

TO THE HOLDERS OF COMMON SHARES

Notice is hereby given that the Annual and Special Meeting (the "**Meeting**") of the shareholders ("**Shareholders**") of Tuscany Energy Ltd. (the "**Corporation**") will be held at the Calgary Petroleum Club, 319 – 5th Avenue S.W., Cardium Room, on June 24, 2010, at **3:00 p.m.** (Calgary time), for the following purposes:

1. to receive and consider the consolidated financial statements of the Corporation for the fiscal year ended December 31, 2009 and the Auditors' Report thereon;
2. to fix the number of directors of the Corporation to be elected at the meeting at eight (8);
3. to consider and, if thought appropriate, to pass an ordinary resolution electing eight (8) directors of the Corporation for the ensuing year, with their term to commence as of the date of the Meeting;
4. to consider and, if thought appropriate, to pass an ordinary resolution appointing PricewaterhouseCoopers LLP as auditors of the Corporation and to authorize the directors to fix their remuneration;
5. to consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution ratifying the Corporation's existing stock option plan; and
6. to transact such further and other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying Information Circular.

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is May 20, 2010 (the "**Record Date**"). Shareholders whose names have been entered in the register of Shareholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent a Shareholder transfers the ownership of any of such Shareholder's shares after such date and the transferee of those shares establishes that the transferee owns the shares and requests, not later than 10 days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those shares at the Meeting.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be mailed so as to reach or be deposited with the Transfer Agent and Registrar of the Corporation c/o Computershare Trust Corporation of Canada, 100 University Avenue, 9th Floor Toronto, Ontario M5J 2Y1, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment thereof.

The instrument appointing a proxy shall be in writing and shall be executed by the Shareholder or the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation. Each Shareholder has the right to appoint a proxyholder other than such persons, who need not be a Shareholder, to attend and to act for such Shareholder and on such Shareholder's behalf at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space provided.

In the event of a strike, lockout or other work stoppage involving postal employees, all documents required to be delivered by a Shareholder should be delivered by facsimile to the Transfer Agent and Registrar at (403) 267-6529.

DATED at Calgary, Alberta this 27, th day of May, 2010.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) *"Robert W. Lamond"*
Robert W. Lamond
Chairman of the Board

TUSCANY ENERGY LTD.

INFORMATION CIRCULAR – PROXY STATEMENT

Dated May 27, 2010

for the Annual and Special Meeting of Shareholders
to be held on June 24, 2010

Solicitation of Proxies

This Information Circular - Proxy Statement ("**Information Circular**") is furnished in connection with the solicitation of proxies by the management of Tuscany Energy Ltd. ("**Tuscany**" or the "**Corporation**") for use at the Annual and Special Meeting of the shareholders ("**Shareholders**") of Tuscany (the "**Meeting**") to be held on the 24th day of June, 2010 at 3:00 p.m. (Calgary time) at the Calgary Petroleum Club, 319 – 5th Avenue S.W., Cardium Room, and at any adjournment thereof, for the purposes set forth in the Notice of Annual and Special Meeting. Instruments of Proxy must be received by the Secretary of the Corporation, c/o Computershare Trust Company of Canada, 100 University Avenue, 9th Floor Toronto ON M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for the holding of the Meeting or any adjournment thereof. The board of directors of the Corporation (the "**Board of Directors**") has fixed the record date for the Meeting at the close of business on May 20, 2010 (the "**Record Date**"). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such Shareholder transfers his shares after the Record Date and the transferee of those shares establishes that he owns the shares and demands, not later than 10 days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

Unless otherwise stated, the information contained in this Information Circular is given as at May 27, 2010.

The instrument appointing a proxy shall be in writing and shall be executed by the Shareholder or his attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

The persons named in the enclosed Instrument of Proxy are officers and directors of the Corporation. Each Shareholder has the right to appoint a proxyholder other than the persons designated in the Instrument of Proxy furnished by the Corporation, who need not be a Shareholder, to attend and to act for and on behalf of such Shareholder at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space provided.

Beneficial Holders of Shares

The information set forth in this section is provided to beneficial holders of common shares ("**Common Shares**") of the Corporation who do not hold their Common Shares in their own name ("**Beneficial Shareholders**"). 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 listed in an account statement provided to a Beneficial Shareholder by a broker, 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 Beneficial 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 CDS Clearing and Depository Services Inc., which acts as nominees 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, the broker/nominees are prohibited from voting shares for their clients. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing 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. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically provides a scannable voting request form or applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting request forms or proxy forms to Broadridge. Often Beneficial Shareholders are alternatively provided with a toll-free telephone number to vote their shares. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder receiving a voting instruction request or a proxy with a Broadridge sticker on it cannot use that instruction request or proxy to vote Common Shares directly at the Meeting as the proxy must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed instructions or proxies as directed by Broadridge well in advance of the Meeting.

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

Revocability of Proxy

A Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or his attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized and deposited either at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

Persons Making the Solicitation

The solicitation is made on behalf of the management of the Corporation. The costs incurred in the preparation and mailing of the Instrument of Proxy, Notice of Annual and Special Meeting and this Information Circular will be borne by the Corporation. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or other means of communication and by directors, officers and employees of the Corporation, who will not be specifically remunerated therefore.

Exercise of Discretion by Proxy

The Common Shares represented by proxy in favour of management nominees shall be voted on any ballot at the Meeting and, where the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares shall be voted on any ballot in accordance with the specification so made.

In the absence of such specification, the Common Shares will be voted in favour of the matters to be acted upon. The persons appointed under the Instrument of Proxy furnished by the Corporation are conferred with discretionary authority with respect to amendments or variations of those matters specified in the Instrument of Proxy and Notice of Annual and Special Meeting. At the time of printing this Information Circular, management of the Corporation knows of no such amendment, variation or other matter.

MATTERS TO BE ACTED UPON AT THE MEETING

Presentation of Financial Statements

At the Meeting, Shareholders will receive and consider the audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2009 and the auditor's report on such statements.

Fixing the Number of Directors

At the Meeting, Shareholders will be asked to fix the number of directors of the Corporation to be elected to the Board of Directors at eight (8) directors, as may be adjusted between Shareholders' meetings by way of resolution of the Board of Directors. Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of fixing the number of directors to be elected at the Meeting at eight (8) directors.

Election of Directors

At the Meeting, Shareholders will be asked to elect eight directors to hold office until the next annual meeting of Shareholders or until their successors are elected or appointed. There are currently eight (8) 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 the election as directors of the following eight (8) nominees, with their term to commence as of the date of the Meeting:

Peter Barker	John G.F. McLeod
Donald K. Clark	Glen Philips
Roger W. Hume	Jorg Reich
Robert W. Lamond	Charles A. Teare

The names and municipalities of residence of the persons nominated for election as directors, the number of voting securities of the Corporation beneficially owned or controlled or directed, directly or indirectly, or over which each exercised control or direction as at May 27, 2010, the offices held by each in the Corporation, the period served as director and the principal occupation of each are as follows:

Name, Province and Country of Residence	Principal Occupation	Director Since	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly,
Robert W. Lamond ⁽¹⁾⁽²⁾ Alberta, Canada Chairman	President and Chief Executive Officer of the Corporation. Chairman of the Board and President and Chief Executive Officer of Humboldt Capital Corporation (" Humboldt "), a TSX Venture Exchange listed investment company since 1982. Chairman of the Board, President and Chief Executive Officer of Diaz Resources Ltd. (" Diaz "), a TSX Inc. (" TSX ") listed oil and gas exploration and development company since January, 1998.	October 16, 2001	23,037,100 ⁽⁴⁾

Name, Province and Country of Residence	Principal Occupation	Director Since	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly,
John G. F. McLeod ⁽¹⁾⁽³⁾⁽⁵⁾ Alberta, Canada President and Chief Executive Officer	Vice President and Chief Operating Officer of the Corporation. President of Paris Energy Inc., an oil and gas exploration and development company listed on the TSX Venture Exchange and California Oil & Gas Corp., a public oil and gas exploration and development company.	April 10, 2002	125,000
Charles A. Teare Alberta, Canada Director and Chief Financial Officer	Chief Financial Officer of the Corporation. Executive Vice President and Chief Financial Officer of Humboldt since 1982. Executive Vice-President of Diaz since January 1998. Chief Financial Officer of Diaz from 1998 to August 2006.	October 16, 2001	1,130,000
Donald K. Clark ⁽³⁾ Alberta, Canada Director	Vice President and Chief Operating Officer of the Corporation. Chief Operating Officer of Diaz since April 2006. Vice President, Operations of Diaz from January, 1998. Vice-President of Operations of Humboldt from January 1998.	October 16, 2001	Nil
Roger W. Hume ⁽¹⁾⁽²⁾ British Columbia, Canada Director	Independent businessman since 2009	May 26, 2009	Nil
Jorg M. Reich Neurtingen, Germany	Independent Businessman since January 2004.	October 7, 2009	100,240
Glen Phillips Alberta, Canada	President and Chief Executive Officer of Eiger Energy Ltd., a private oil and gas company since 2001.	October 7, 2009	9,000
Peter Barker ⁽²⁾ Alberta, Canada	CEO of Navitas Inc a private company	October 7, 2009	213,000

Notes:

- (1) Member of Compensation Committee.
- (2) Member of Audit Committee.
- (3) Member of the Reserves Committee.
- (4) 1,313,400 of these Common Shares are held by Mr. Lamond personally. Of the remaining Common Shares, 21,394,400 Common Shares are held by Humboldt, 350,000 are held by Lamond Investments Ltd., a related holding company and 1,000 are held by Mary Lamond. Mr. Lamond has ownership of, or control and direction over 69% of the outstanding shares of Humboldt. Mr. Lamond is also the Chairman of the Board, President and Chief Executive Officer of Humboldt.
- (5) John G. F. McLeod Vice President and Chief Operating Officer of the Corporation was a director of Consolidated Beacon Resources Ltd. ("**Consolidated**") at which time Consolidated was a reporting issuer. Management of Consolidated applied for a management cease trade order which was issued on an interim basis on May 5, 2006 by the Alberta Securities Commission and the British Columbia Securities Commission for failure to file annual financial statements for the year ended December 31, 2005. The management cease trade order was revoked in July 2006 following the filing of the financial statements.

All of the directors and officers have been engaged for more than five years in their present principal occupations or executive positions with the same or associated companies, except the following: Mr. McLeod, who was President

of Onco Petroleum Inc., a private oil and gas company from 2005 to March 2006 and Rally Energy Corporation, an oil and gas exploration and development company from 2001 to 2005; Mr. Hume, who was Vice President, Exploration, Northern Hunter Energy Inc., a private oil and gas company, since January 2008 and Chairman of the Board and Chief Executive Officer, Castle Rock Petroleum Ltd, a public oil and gas company, from April 2004 to October 2007; and Mr. Barker, who was President and CEO of Goldmark Minerals Ltd. from November 26, 2006 to October 8, 2009, VP and then CEO of Oromonte Resources Inc., a mining company from April 2005 to July 2006 and President of Travellersmaul.com Ltd. from 2001 to 2005.

The directors and officers of the Corporation as a group, beneficially own, or exercise control or direction over, an aggregate of 24,635,040 Common Shares, representing approximately 44.7% of the issued and outstanding Common Shares.

The information as to shares beneficially owned, directly or indirectly or over which control or direction is exercised, is based upon information furnished to the Corporation by the respective nominees.

Cease Trade Order, Bankruptcies, Penalties or Sanctions

Other than as described herein, to our knowledge, no proposed director: (i) is, or has been in the last 10 years, a director, chief executive officer or chief financial officer of an issuer (including the Corporation) that, (a) while that person was acting in that capacity was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemptions under securities legislation, that was in effect for a period of more than 30 consecutive days, (b) was subject to an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer, which resulted, after that person ceased to be a director, chief executive officer or chief financial officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, or (c) while that person was acting in the 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; (ii) has, within the last 10 years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromises with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets; or (iii) has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Appointment of Auditors

Unless otherwise directed, it is management's intention to vote the proxies in favour of an ordinary resolution to reappoint the firm of PricewaterhouseCoopers LLP, Chartered Accountants, Calgary, Alberta, to serve as auditors of the Corporation until the next annual meeting of the Shareholders and to authorize the directors to fix their remuneration as such. PricewaterhouseCoopers LLP was first appointed as auditors of the Corporation in June 2002.

Approval of Share Option Plan

The Board of Directors and Shareholders have previously approved the adoption of a share option plan which provides for the "rolling" grant of options equal to up to 10% of the issued and outstanding Common Shares of the Corporation. In accordance TSX Venture Exchange (the "**Exchange**") Policy 4.4, which requires annual approval of "rolling" stock option plans, the following ordinary resolution, with or without variation will be placed before Shareholders in order to reaffirm the Corporation's stock option plan:

"RESOLVED THAT:

1. the stock option plan of the Corporation, which provides for the rolling grant of options to acquire up to 10% of the number of issued and outstanding Common Shares, be and the same is hereby ratified, confirmed and approved; and
2. any one director or officer of the Corporation be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution."

The Board of Directors unanimously recommends that Shareholders ratify, confirm and approve the Option Plan by voting in favour of the resolution to be submitted to the Meeting. For further information on the Corporation's stock option plan, see "Schedule "B" – Statement of Executive Compensation – Incentive Plan Awards – Stock Option Plan".

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at May 27, 2010, 55,091,825 Common Shares were issued and outstanding, each such share carrying the right to one vote on a ballot at the Meeting.

The presence in person or by proxy of one person holding or representing not less than ten percent (10%) of the Common Shares entitled to vote is necessary to convene the Meeting. Each resolution that will be placed before the Meeting will either be an ordinary resolution requiring for its approval a simple majority of the votes cast in respect of the resolution.

To the knowledge of the directors and senior officers of the Corporation, as at August 21, 2009, no person or company beneficially owned, directly or indirectly, or exercised control or direction over, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation except as set out in the table below:

<u>Name and Address</u>	<u>Number of Voting Shares</u>	<u>Percentage of Common Shares</u>
Robert W. Lamond Alberta, Canada	23,037,100 ⁽¹⁾	41.7%

Notes:

- (1) 1,292,700 of these Common Shares are held by Mr. Lamond personally. Of the remaining Common Shares, 21,394,400 Common Shares are held by Humboldt, 350,000 are held by Lamond Investments Ltd., a related holding company and 1,000 are held by Mary Lamond. Mr. Lamond has ownership of, or control and direction over 69% of the outstanding shares of Humboldt. Mr. Lamond is also the Chairman of the Board, President and Chief Executive Officer of Humboldt.

STATEMENT OF EXECUTIVE COMPENSATION

See "Schedule "B" – Statement of Executive Compensation" attached hereto.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Corporation or any of its subsidiaries, or any associate of any such director, officer or employee is, or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation or any of its subsidiaries in respect of any indebtedness that is still outstanding, nor, at any time since the beginning of the most recently completed financial year of the Corporation has, any indebtedness of any such person been 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.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth below, there were no material interests, direct or indirect, of directors or executive officers of the Corporation, of any shareholder who beneficially owns or controls or directs, directly or indirectly, over more than 10% of the outstanding Common Shares, or any other Informed Person (as defined in National Instrument 51-102) or any known associate or affiliate of such persons, in any transaction since the commencement of the most recently completed financial year of the Corporation or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

Pursuant to a plan of arrangement involving the Corporation, Goldmark Minerals Ltd. ("**Goldmark**") and the shareholders of Goldmark (the "**Plan of Arrangement**"), the Corporation acquired all of the issued and outstanding common shares of Goldmark Minerals Ltd. ("**Goldmark Shares**"). Messrs. Barker, Philips and Reich were former directors or officers of Goldmark (the "**Goldmark Group**") and held, collectively, 520,100 Goldmark Shares and in connection with the Plan of Arrangement, the Goldmark Group received in exchange for such Goldmark Shares, collectively, 312,060 Common Shares. The Goldmark Group also held, collectively, 250,000 options to purchase Goldmark Shares, which were cancelled prior to the effective date of the Plan of Arrangement. Mr. Lamond, the Chairman of the Corporation, was also a director of Goldmark and held directly and indirectly, 7,103,500 Goldmark Shares and received 4,262,100 Common Shares in exchange for his Goldmark Shares in connection with the Plan of Arrangement. Mr. Teare, a current director of the Corporation and the Chief Financial Officer of the Corporation was a former director and Chief Financial Officer of Goldmark and held directly and indirectly, 50,000 Goldmark Shares and received 30,000 Common Shares in exchange for his Goldmark Shares in connection with the Plan of Arrangement.

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

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or nominee for director, or executive officer of the Corporation or anyone who has held office as such since the beginning of the Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting other than the election of directors and the approval of the Option Plan to the extent such directors and officers of the Corporation are participants in the Option Plan.

OTHER MATTERS

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than as set forth above and in the notice of meeting. Should any other matters properly come before the Meeting, the Common Shares represented by the proxies solicited hereby will be voted on such matters in accordance with the best judgment of the person voting by proxy.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information in respect of the Corporation and its affairs is provided in the Corporation's annual audited comparative financial statements for the year ended December 31, 2009 and the related management's discussion and analysis. Copies of the Corporation's financial statements and related management discussion and analysis are available upon request from the Corporation at 403-264-2398 or email at info@tuscanenergy.com.

See also "Audit Committee Information" in the Corporation's annual information form for the year ended December 31, 2009 for information relating to the Audit Committee, including its mandate, composition of the Audit Committee and fees paid to the Corporation's auditors.

SCHEDULE "A"

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 – *Corporate Governance Guidelines* ("NP 58-201") have been adopted by the securities commissions in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. Set forth below is a description of the Corporation's current corporate governance practices.

Board of Directors – Disclose how the board of directors (the board) facilitates its exercise of independent supervision over management, including:

- (i) the identity of directors that are independent:

Roger W. Hume
Peter Barker
Glen Philips
Jorg M. Reich

- (ii) the identity of directors who are not independent, and the basis for that determination:

Robert W. Lamond – Current President and Chief Executive Officer
John G.F. McLeod – Current Vice President and Chief Operating Officer
Charles A. Teare – Current Chief Financial Officer
Donald K. Clark- Currently Vice President, Operations

Directorship – If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

The following directors are presently directors of other issuers that are reporting issuers (or the equivalent)

<u>Name of Directors</u>	<u>Name of Other Issuers</u>
Robert W. Lamond	Paris Energy Inc. Diaz Resources Ltd. Humboldt Capital Corporation Sharon Energy Ltd. Trafina Energy Ltd.
Charles A. Teare	Humboldt Capital Corporation Sharon Energy Ltd. Paris Energy Inc. Diaz Resources Ltd. Trafina Energy Ltd.

<u>Name of Directors</u>	<u>Name of Other Issuers</u>
Donald K. Clark	Paris Energy Inc. Diaz Resources Ltd.
John G.F. McLeod	Heritage Oil Plc. Paris Energy Inc. Diaz Resources Ltd. Kallisto Energy Corp.. California Oil & Gas Corp. Range Energy Ltd

Orientation and Continuing Education – Describe what steps, if any the board takes to orient new board members, and describe any measures the board takes to provide continuing education for directors. Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and directors, and (ii) the nature and operation of the issuer's business.

Due to the size of the Corporation, no formal education program currently exists for the orientation of new directors. However, existing directors provide orientation education to new members on an informal and ad hoc basis. In addition, new directors are given a copy of the mandate of each of the committees of the Board of Directors. The Board of Directors also ensures that each of its members have extensive oil and gas industry experience at both the managerial and directorship levels.

Nomination of Directors – Disclose what steps, if any, are taken to identify new candidates for board nomination, including:

- (i) *who identifies new candidates, and*
- (ii) *the process of identifying new candidates.*

Nomination and review of potential new directors is reviewed by the complete Board of Directors and senior management.

Compensation – Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including:

- (i) *who determines compensation, and*
- (ii) *the process of determining compensation.*

The Compensation Committee, comprised of Robert W. Lamond, John G.F. McLeod and Roger W. Hume, annually review the compensation packages of the directors and the senior management of the Corporation based on performance and industry conditions. The Compensation Committee reports their findings back to the Board of Directors on an annual basis. See also "Schedule "B" – Statement of Executive Compensation" attached hereto.

Other Board Committees – If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

The Corporation's Reserves Committee, consists of John G.F. McLeod and Donald K. Clark who review the annual engineering report prepared by the Corporation's independent engineer's.

Assessments – Disclose what steps, if any, that the board takes to satisfy itself that the board, its committees, and its individual directors are performing effectively.

No formal steps are in place, however performance is reviewed informally.

SCHEDULE "B"

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Compensation Committee (the "**Committee**") is comprised of Robert W. Lamond (Chairman), John G.F. McLeod and Roger W. Hume. Mr. Hume is an independent director.

The Committee is required to review and make recommendations to the Board of Directors respecting the compensation of the Chief Executive Officer, including salaries, bonuses and stock options. The Chief Executive Officer is required to make recommendations to the Committee regarding compensation for the other Named Executive Officers, as defined below, and other employees. Upon receiving the recommendations of the Chief Executive Officer, the Committee makes recommendations to the Board of Directors on compensation for the Named Executive Officers (as defined herein) and the employees of the Corporation. While option grants are considered from time to time by the Committee and the Board of Directors, the Committee and the Board of Directors does not employ a prescribed methodology when determining the grant or allocation of options.

Mr. McLeod was President and Chief Executive Officer of the Corporation from June 2008 to May 2010 on a consulting basis and was subsequently appointed as the Vice President and Chief Operating Officer. In order to reduce overhead costs, Mr. Macleod's salary and the salary of the employees are shared between the Corporation and Paris Energy Inc. ("**Paris**") based on the time dedicated to each of the companies by Mr. McLeod and the employees. A company controlled by Charles A. Teare has an agreement with the Corporation to provide the services of a Chief Financial Officer; accordingly such company is paid a consulting fee based on the number of hours of service provided by it, through its employee, Mr. Teare. In addition, since August 2009, the Corporation paid Diaz an overhead fee equal to \$17,200 per month in exchange for rent and overhead services provided to the Corporation.

The Corporation is currently in the process of evaluating a business plan for future operations. In particular, the Corporation is in the process of evaluating and acquiring additional prospective acreage in Canada with two related companies, Diaz and Sharon Energy Ltd., and the Corporation intends to participate as to 30% of the prospective acreage to be acquired. The Corporation plans to continue to share management and overhead costs and responsibilities with Diaz on an equitable basis in keeping with this planned joint future acquisition strategy. The Committee intends to develop a compensation strategy, in conjunction with Diaz that is designed to reward the satisfaction of the objectives of this business plan.

Summary Compensation Table

The following table sets forth for the year ended December 31, 2009 information concerning the compensation paid to our Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**"). No other officer received total compensation of more than \$150,000 in the last completed financial year of the Corporation (each a "**Named Executive Officer**" or "**NEO**" and collectively, the "**Named Executive Officers**" or "**NEOs**").

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards ⁽³⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation ⁽⁴⁾	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
John G.F. McLeod ⁽¹⁾ President and Chief Executive Officer	2009	\$67,500	-	\$11,042	-	-	-	-	\$78,542
	2008	\$26,250	-	-	-	-	-	-	\$26,250
Charles A. Teare ⁽²⁾ Chief Financial Officer	2009	\$15,000	-	\$11,042	-	-	-	-	\$26,042
	2008	\$42,775	-	-	-	-	-	-	\$42,775

Notes:

- (1) The Corporation pays to Paris 75% (50% in 2008) of the salary paid to Mr. McLeod by Paris in exchange for Mr. McLeod's dedication of 75% of his time to his position as CEO of the Corporation.
- (2) The Corporation paid the salary amounts to a company owned by the Mr. Teare for CFO consulting services.
- (3) The grant date fair values for compensation purposes is calculated using the Black Scholes Option pricing methodology with the following assumptions: (i) risk free interest rate of 2.33%, expected life of 5 years, volatility of 1.54% and no expected dividends.
- (4) The value of perquisites received by each of the Named Executive Officers, including property or other personal benefits provided to the Named Executive Officers that are not generally available to all employees, were not in the aggregate greater than \$50,000 or 10% of the Named Executive Officer's total salary for the financial year.

Incentive Plan Awards

Stock Option Plan

The Corporation has adopted a stock option Plan (the "**Option Plan**") pursuant to which the Board of Directors may allocate non-transferable options to purchase Common Shares to directors, officers, employees of and service providers to the Corporation and its subsidiaries. Options granted pursuant to the Option Plan are exercisable at the closing price per share on the Exchange on the last trading date preceding the date of grant. Options granted under the Option Plan may be exercised during a period not exceeding ten years, subject to earlier termination upon the termination of the optionee's employment, upon the optionee ceasing to be an employee, senior officer, director or service provider of the Corporation or any of its subsidiaries, as applicable, or upon the optionee retiring or dying. The Option Plan contains provisions for adjustment in the number of shares issuable thereunder in the event of a sub-division, consolidation, re-classification or change of the Common Shares, a merger or other relevant changes in the Corporation's capitalization. The Board of Directors may from time to time amend or revise the terms of the Option Plan provided that the Board of Directors shall not amend or revise the terms of the Option Plan where such amendment or revisions would impair or change the rights and options granted under the Option Plan without the prior written consent of the optionee or optionees affected. The Option Plan does not contain any provision for financial assistance by the Corporation in respect of options granted thereunder.

Additionally, the Option Plan includes the following provisions:

1. the total number of Common Shares reserved for issuance on exercise of all stock options issued under the Option Plan at any given time shall not exceed 10% of the aggregate of the issued and outstanding Common Shares at such time;

2. the number of Common Shares reserved for issuance, within a one-year period, to any one optionee shall not exceed 5% of the number of issued and outstanding Common Shares;
3. the aggregate number of Common Shares reserved for issuance to any one consultant in a 12 month period shall not exceed 2% of the number of outstanding Common Shares; and
4. the number of Common Shares reserved for issuance to an employee conducting investor relations activities in a 12 month period shall not exceed 2% of the number of outstanding Common Shares.

Outstanding Option-based Awards

The following table sets forth for each Named Executive Officer all option-based awards outstanding at the end of the year ended December 31, 2009.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)
John G.F. McLeod	250,000	\$0.10	June 25, 2014	\$5,000
	50,000	\$0.25	April 11, 2010	Nil
Charles A. Teare	250,000	\$0.10	June 25, 2014	\$5,000
	50,000	\$0.25	April 11, 2010	Nil

Note:

- (1) Calculated based on the difference between the market price of the Common Shares at December 31, 2009 being \$0.12 and the exercise price of the options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each Named Executive Officer, the value of option-based awards during the year ended December 31, 2009. The Corporation did not have any share-based awards outstanding at the end of the most recently completed financial year.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Non-equity incentive plan compensation – Value earned during the year ⁽²⁾ (\$)
John G.F. McLeod	\$1,650	Nil
Charles A. Teare	\$1,650	Nil

Notes:

- (1) Calculated based on the difference between the market price of the Corporation's Common Shares underlying the vested stock option on the vesting date and the exercise price of the vested stock option.
- (2) Reflects cash bonus earned by and paid to the Named Executive Officer in respect of the year ended December 31, 2009.

Pension Plan Benefits

The Corporation does not have a pension plan or similar benefit program.

Termination and Change of Control Benefits

The Corporation is not a party to any contract, agreement, plan or arrangement that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in an NEO's responsibilities.

Director Compensation

During the last completed financial year of the Corporation, directors of the Corporation were not paid any remuneration in their capacities as such. Directors are reimbursed, however, for miscellaneous out-of-pocket expenses in carrying out their duties as directors and have been granted options pursuant to the Corporation's Option Plan.

Directors' Summary Compensation Table

The following table sets forth for the year ended December 31, 2009, information concerning the compensation paid to our directors other than directors who are also Named Executive Officers.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Robert W. Lamond	Nil	Nil	\$11,042	Nil	Nil	Nil	\$11,042
Donald K. Clark	Nil	Nil	\$11,042	Nil	Nil	Nil	\$11,042
Roger W. Hume	Nil	Nil	\$11,042	Nil	Nil	Nil	\$11,042
Peter Barker	Nil	Nil	\$9,128	Nil	Nil	Nil	\$9,128
Glen Philips	Nil	Nil	\$9,128	Nil	Nil	Nil	\$9,128
Jorg M. Reich	Nil	Nil	\$9,128	Nil	Nil	Nil	\$9,128

Note:

- (1) The grant date fair values for compensation purposes is calculated using the Black Scholes Option pricing methodology with the following assumptions: (i) risk free interest rate of 2.33%, expected life of 5 years, volatility of 1.54% and no expected dividends.

Directors' Outstanding Option-Based Awards

The following table sets forth for each of our directors other than directors who are also Named Executive Officers, all option-based awards outstanding at the end of the year ended December 31, 2009.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)
Robert W. Lamond	250,000	\$0.10	June 25, 2014	\$5,000
	50,000	0.25	April 12, 2010	Nil
Donald K. Clark	250,000	\$0.10	June 25, 2014	\$5,000
	50,000	0.25	April 12, 2010	Nil
Roger W. Hume	250,000	\$0.10	June 25, 2014	\$5,000
Peter Barker	250,000	\$0.10	November 24, 2014	\$5,000
Glen Philips	250,000	\$0.10	November 24, 2014	\$5,000
Jorg M. Reich	250,000	\$0.10	November 24, 2014	\$5,000

Note:

- (1) Calculated based on the difference between the market price of the Common Shares at December 31, 2009 and the exercise price of the Options.

Directors' Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each director, the value of option-based awards during the year ended December 31, 2009. The Corporation did not have any share-based awards outstanding at the end of the most recently completed financial year.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)
Robert W. Lamond	\$1,650
Donald K. Clark	\$1,650
Roger W. Hume	\$1,650
Peter Barker	\$1,650
Glen Philips	\$1,650
Jorg M. Reich	\$1,650

Note:

- (1) Calculated based on the difference between the market price of the Corporation's Common Shares underlying the vested stock option on the vesting date and the exercise price of the vested stock option.

Securities Authorized for Issuance Under Equity Compensation Plans

The following sets forth information in respect of securities authorized for issuance under our equity compensation plans as at December 31, 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	2,220,000	\$0.115	3,309,982
Equity compensation plans not approved by securityholders	-	-	-
Total	2,220,000	\$0.115	3,309,982

Note:

- (1) Based on the number of outstanding Common Shares as at December 31, 2009 and the number of Options outstanding at December 31, 2009. As at December 31, 2009, there were a total of 2,220,000 Options outstanding, leaving a total of 3,309,982 remaining available for issue. Pursuant to the Option Plan, the maximum number of Common Shares that may be subject to Options granted and outstanding thereunder at any time shall not exceed 10% of the outstanding Common Shares.