

CONNACHER OIL AND GAS LIMITED

INFORMATION CIRCULAR

THIS INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF CONNACHER OIL AND GAS LIMITED (the "Corporation" or "Connacher") for use at the Annual and Special Meeting of the shareholders of the Corporation (the "Meeting") to be held on Tuesday, May 11, 2004 at 3:00 p.m. (Calgary time) at the place and for the purposes set out in the accompanying Notice of Meeting. As a shareholder you are cordially invited to be present at the Meeting. To ensure that you will be represented at the Meeting in the event that you are a *registered shareholder* and unable to attend personally, you are requested to date, complete and sign the accompanying instrument of proxy enclosed herewith and return the same to Valiant Trust Company, 510, 550 - 6th Avenue S.W., Calgary, Alberta, T2P 0S2. If you are an *unregistered shareholder* and receive these materials through your broker or through another intermediary, please complete and return the instrument or proxy in accordance with the instructions provided therein.

The solicitation of proxies is intended to be primarily by mail but may also be made by telephone, facsimile transmission or other electronic means of communication or in person by the directors and officers of the Corporation. The cost of such solicitation will be borne by the Corporation. Except where otherwise stated, the information contained herein is given as of the 1st day of April, 2004.

GENERAL

Appointment and Revocation of Proxies

The individuals named in the accompanying form of proxy are officers and directors of the Corporation. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT SUCH SHAREHOLDER AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY INSERTING SUCH PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY.** Such a shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and instruct the nominee on how the shareholder's shares are to be voted. In any case, the form of proxy should be dated and executed by the shareholder or the shareholder's attorney authorized in writing, or if the shareholder is a corporation, under its corporate seal, or by an officer or attorney thereof duly authorized.

A proxy will not be valid for the Meeting or any adjournment thereof unless the completed form of proxy is delivered to Valiant Trust Company, 510, 550 - 6th Avenue S.W., Calgary, Alberta, T2P 0S2, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the commencement of the Meeting or any adjournment thereof.

In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke it at any time before it is exercised, by instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing 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.

Voting of Proxies

The persons named in the enclosed form of proxy have indicated their willingness to represent, as proxyholders, the shareholders who appoint them. Each shareholder may instruct its proxyholder how to vote the shareholder's shares by completing the blanks in the form of proxy.

Shares represented by properly executed proxy forms in favour of the persons designated in the enclosed proxy form will be voted or withheld from voting on any poll in accordance with instructions made on the proxy forms and, if a shareholder specifies a choice as to any matters to be acted on, such shareholder's shares shall be voted accordingly. In the absence of such instructions, such shares **WILL BE VOTED IN FAVOUR OF ALL MATTERS IDENTIFIED IN THE NOTICE OF MEETING ACCOMPANYING THIS INFORMATION CIRCULAR.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments and variations to matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. At the time of printing this Information Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to many shareholders of the Corporation, as a substantial number of shareholders do not own shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information 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 Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

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 to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of that broker) 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 agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Independent Investor Communications Corporation ("IICC"). IICC typically asks Beneficial Shareholders to return proxy forms to IICC. IICC then tabulates the results of all instructions received and provides appropriate instructions respecting voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving an IICC proxy cannot use that proxy to vote Common Shares directly at the Meeting - the IICC proxy must be returned to IICC well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of a broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend at 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 instrument 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.

Voting Shares and Principal Holders Thereof

As at April 6, 2004, the Corporation's issued and outstanding voting shares consist of 46,429,925 Common Shares. Holders of Common Shares are entitled to one vote for each Common Share held on all matters to be considered and acted upon at the Meeting or any adjournment thereof.

The Corporation has set the close of business on April 8, 2004 as the record date for the Meeting. The Corporation will prepare a list of shareholders of record at such time. Holders of Common Shares of the Corporation named on that list will be entitled to vote the Common Shares then registered in their name at the Meeting, except to the extent that (a) the holder has transferred the ownership of any of the holder's shares after that date, and (b) the transferee of those shares produces properly endorsed share certificates, or otherwise establishes that the transferee owns the shares, and demands at any time before the Meeting that the transferee's name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote the shares at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Corporation, no person, firm or corporation beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation.

EXECUTIVE COMPENSATION AND REMUNERATION OF DIRECTORS

Executive Compensation

The following table discloses, for the periods indicated, total compensation received by the following executive officers: (i) the Corporation's Chief Executive Officer; and (ii) the Corporation's Chief Financial Officer; and (iii) the remaining executive officer (other than the Chief Executive Officer and Chief Financial Officer) whose total salary and bonus exceeded \$100,000 in respect of fiscal 2003 (collectively the "Named Executive Officers"). During fiscal 2003, the Corporation had three executive officers.

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation			
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts	
					Securities Under Options Granted ⁽¹⁾ (#)	Restricted Shares or Restricted Share Units (\$)	LTIP Payouts (\$)	All Other Compensation (\$)
Richard A. Gusella ⁽²⁾ President and Chief Executive Officer	2003	120,000 ⁽³⁾	35,200	15,576 ⁽⁴⁾	140,000	Nil	Nil	Nil
	2002	120,000 ⁽³⁾	25,000	15,651 ⁽⁴⁾	490,000	Nil	Nil	Nil
	2001	105,000 ⁽³⁾	Nil	12,931 ⁽⁴⁾	375,000	Nil	Nil	Nil
Paul J. Jespersen ⁽⁵⁾ Executive Vice President and Chief Operating Officer	2003	116,000	28,225	9,000 ⁽⁶⁾	115,000	Nil	Nil	Nil
	2002	108,000	22,500	9,000 ⁽⁶⁾	285,000	Nil	Nil	Nil
	2001	45,000	Nil	3,750 ⁽⁶⁾	150,000	Nil	Nil	Nil
Richard Kines ⁽⁷⁾ Chief Financial Officer	2003	114,000	14,112	Nil	40,000	Nil	Nil	Nil

Notes:

- (1) Each option entitles the holder to acquire one Common Share of the Corporation.
- (2) Mr. Gusella was appointed President and Chief Executive Officer of the Corporation on May 30, 2001.
- (3) Includes management consulting fee of \$120,000 in 2003 and 2002 and \$90,000 in 2001 paid to 942129 Alberta Ltd., a corporation which is wholly-owned by Mr. Gusella for services rendered as President and Chief Executive Officer, together with \$15,000 paid through the issuance of 45,000 Common Shares at a deemed value of \$0.3333 per share issued to Mr. Gusella for consulting services rendered during 2001. Effective January 1, 2004, Mr. Gusella became an employee of the Corporation.
- (4) Includes a car allowance of \$12,000 (2002 - \$12,000 and 2001 - \$9,000).
- (5) Mr. Jespersen was appointed Executive Vice President and Chief Operating Officer of the Corporation on July 25, 2001 and he resigned from this position effective February 15, 2004.
- (6) Includes a car allowance only.
- (7) Mr. Kines was appointed Chief Financial Officer of the Corporation on June 20, 2003.

Stock Options

The following table sets forth information in respect of all option grants made during the most recently completed financial year to each of the Named Executive Officers.

Name	Securities Under Options Granted (#) ⁽¹⁾	% of Total Options Granted to Employees in Financial Year	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)	Expiration Date
Richard A. Gusella ⁽²⁾	140,000	14.0	\$0.75	\$0.75	August 26, 2008
Paul J. Jespersen	115,000	11.5	\$0.75	\$0.75	August 26, 2008
Richard Kines	20,000	4.0	\$0.68	\$0.68	June 20, 2008
	20,000	4.0	\$0.75	\$0.75	August 26, 2008

Notes:

- (1) Options to purchase Common Shares of the Corporation.
- (2) Mr. Gusella's management consulting services are provided to the Corporation through 942129 Alberta Ltd. and stock options have been granted directly to Mr. Gusella.

The following table sets forth information in respect of options exercised by the Named Executive Officers during the fiscal year ended December 31, 2003, the aggregate number of unexercised stock options held as at December 31, 2003, and the value of unexercised, in-the-money options as at December 31, 2003. The actual value of the unexercised in-the-money options will be determined by the

market price of the Corporation's Common Shares on the dates such options may be exercised by any of the optionees.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options at December 31, 2003		Value of Unexercised in-the-money Options at December 31, 2003 ⁽¹⁾	
			Exercisable (#)	Unexercisable (#)	Exercisable (\$)	Unexercisable (\$)
Richard A. Gusella	300,000	176,000	705,000	0	\$834,000	0
Paul J. Jespersen	Nil	Nil	550,000	0	\$655,000	0
Richard Kines	Nil	Nil	100,000	0	\$108,150	0

Note:

(1) The closing trading price of the Common Shares on December 31, 2003 on the Toronto Stock Exchange was \$1.60.

Compensation of Directors

No compensation is currently paid to directors who are not executive officers for their services as directors. Directors are eligible to receive grants of stock options from time to time. During the financial year ending December 31, 2003, 30,000 stock options were granted to each of the directors of the Corporation who are not executive officers and a further 75,000 stock options were granted to each of Messrs. Freeman and McGregor in connection with their election to the Board of Directors in June 2003.

Composition of the Human Resources Committee

During the fiscal year ended December 31, 2003, the Human Resources Committee of the Board of the Corporation was comprised of Mr. Gary Freeman, Chairman, Mr. Charles Berard and Mr. Donald Copeland. None of Messrs. Freeman, Berard and Copeland is or was an officer, employee or former officer or employee of the Corporation or any of its affiliates or has any relationship with the Corporation except as a director and shareholder of the Corporation or was indebted to the Corporation during the fiscal year ended December 31, 2003.

Report on Executive Compensation

The Corporation's executive compensation program is administered by the Human Resources Committee. As part of its mandate, the Committee reviews and recommends to the Board the remuneration of the Corporation's executive officers, including the Named Executive Officers identified in the Summary Compensation Table. The Committee is also responsible for reviewing the Corporation's compensation policies and guidelines generally. The Committee met twice during the fiscal year ended December 31, 2003.

Compensation of all executive officers, including the President and Chief Executive Officer of the Corporation, is uniform and is based on individual performance and corporate performance. The compensation of the President and Chief Executive Officer is weighed more to corporate performance than the compensation of the remaining executive officers. The Corporation compensates its executive officers through a base salary, bonuses and the award of stock options under the Corporation's Stock Option Plan at levels which the Committee believes are reasonable in light of the performance of the Corporation under the leadership of the executive officers.

Base Salary: Executive annual base salaries are set at the 25 percentile level for peer group oil and gas companies based upon the 2003 Mercer Human Resources Consulting Survey.

Bonuses: The executive officers participate in the Corporation's bonus plan (the "Bonus Plan") which is designed to provide reward for achievement of corporate performance targets. At the discretion of the Board and on the advice of the Committee a modest percentage of cash flow is made available to a

bonus pool. Bonus availability is determined by three equally weighted criteria: realized cash flow from operations per share compared to the Corporation's financial plan prepared by management; finding, development and acquisitions costs compared to industry averages; and share price performance relative to the TSX / S&P Energy Index. These criteria determine the total earnable bonus. Final awards are then established as a percentage of salary depending upon position and performance of the individual, with non-executive awards recommended by management to the Committee and then the Board for final approval.

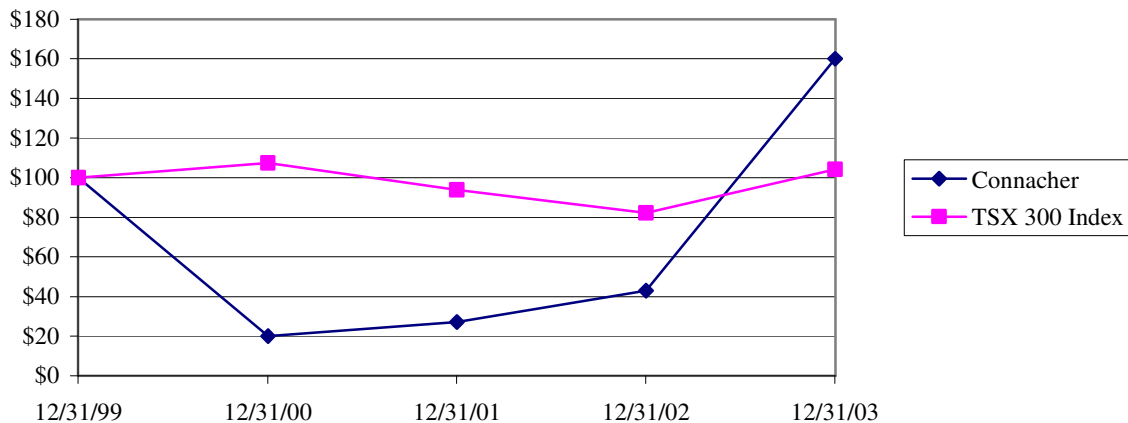
Option Plan: The executive officers are entitled to participate in the Corporation's Stock Option Plan which forms an important element of the Corporation's compensation policies. Options are granted at market price and grow in value as the trading value of the Common Shares rise. Options provide for long-term reward and incentive for increasing shareholder value and align the interests of the executive officers with the long-term interests of shareholders. Option awards are available annually and are made at the Board's discretion based on individual position and performance, current salary and using a market value criterion, having regard to the overall corporate and individual performance.

The foregoing is respectfully submitted by the Human Resources Committee.

Gary Freeman, Chairman
Charles Berard

Performance Analysis

The following graph compares the yearly change in the cumulative total shareholder return of a \$100 investment made on December 31, 1999 in the Corporation's Common Shares with the cumulative total return of the TSX 300 Total Return Index assuming the reinvestment of dividends, where applicable, for the comparable period.



	Connacher	TSX 300 Index
December 31, 1999	\$100	\$100
December 31, 2000	\$20.00	\$107.41
December 31, 2001	\$27.00	\$93.91
December 31, 2002	\$43.00	\$82.23
December 31, 2003	\$160.00	\$104.20

Note:

- (1) Formerly the TSE 300 Index.
- (2) On January 23, 2001 the Corporation amended its articles to consolidate the authorized and issued common shares on the basis of one new common share for each ten outstanding common shares.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

Management of the Corporation is not aware of any material interest, direct or indirect, of any director or officer of the Corporation, any person beneficially owning, directly or indirectly, more than 10% of the Corporation's voting securities, or any associate or affiliate of such person in any transaction within the last financial year or in any proposed transaction which in either case has materially affected or will materially affect the Corporation or its subsidiaries.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER STOCK OPTION PLAN

The following table sets forth the number of Common Shares to be issued upon exercise of outstanding options issued pursuant to equity compensation plans, the weighted average exercise price of such outstanding options, and the number of common shares remaining available for future issuance under equity compensation plans of the Corporation as at December 31, 2003.

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercised price of outstanding options (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	2,952,041	0.45	Nil ⁽¹⁾
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	2,952,041	0.45	Nil

Note:

(1) At the Meeting, shareholders will be asked to approve an increase in the number of shares reserved and available for issuance pursuant to the Stock Option Plan. See "Business of the Annual and Special Meeting - Approval of Amendments to the Corporation's Stock Option Plan.

CORPORATE GOVERNANCE

Connacher's Board of Directors ("Board") is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interest of its shareholders but that it also promotes effective decision making at the Board level. The Board is of the view that its approach to corporate governance is appropriate for the size of the Corporation. Schedule "A" to this Information Circular sets forth the guidelines relating to corporate governance adopted by the TSX, together with a brief discussion of the Corporation's alignment therewith.

Mandate of the Board

The Board has responsibility for the stewardship of the Corporation. In carrying out this mandate, the Board meets regularly and a broad range of matters are discussed and reviewed for approval. These matters include overall corporate plans and strategies, budgets, internal controls and management information systems, risk management as well as interim and annual financial and operating results. The Board is also responsible for the approval of all major transactions, including equity issuances, acquisitions and dispositions, as well as the Corporation's debt and borrowing policies. The Board strives to ensure that actions taken by the Corporation correspond closely with the objectives of its shareholders. The Board met five times in 2003, with a 95% attendance record for the independent directors.

During fiscal 2003, Donald Copeland, an unrelated director, was appointed Chairman of the Board. The Chairman is responsible for establishing a process to permit the Board to function independently of management, with the necessary resources available to support the Board in discharging its responsibilities. Mr. Copeland resigned as Chairman and a director of the Corporation effective March 31, 2004. Effective April 5, 2004, the Board of Directors appointed Colin M. Evans as a director of the Corporation to fill the vacancy created by the resignation of Mr. Copeland.

Composition of the Board

During fiscal 2003, the Board consisted of five directors who provided a diversity of business experience. Of these directors, four were independent of management and three were unrelated directors. Richard A. Gusella is a related, non-independent director due to his position as President and Chief Executive Officer of the Corporation and Charles W. Berard is a related director due to the fact that he is a partner of Macleod Dixon LLP, legal counsel to the Corporation.

There are presently five directors of the Board. Four of the current board members are independent of management and three are unrelated directors.

Board Committees and their Mandates

The Board has three committees. The committees are: Audit Committee (including the Reserves Subcommittee), Human Resources Committee and the Governance Committee. The Audit Committee is constituted with independent, unrelated directors. The following is a description of the committees and their current membership.

Audit Committee and Reserves Subcommittee

Chair: Stewart D. McGregor

Members: Gary W. Freeman (Chair of the Reserves Subcommittee) and Colin M. Evans

The functions of the Audit Committee include the review and recommendation to the Board of the annual financial statements and related management's discussion and analysis, and the review of the interim financial statements. The Committee reviews and establishes, in conjunction with the external auditors and management, audit plans and procedures. The Committee also reviews and makes recommendations to the Board on the Corporation's internal control procedures and management information systems. The Committee discusses with the external auditors its independence from management and the Corporation, and it considers the compatibility of the external auditor's non-audit services to the Corporation, vis-à-vis its independence. The Audit Committee also makes recommendations to the Board on the appointment of the external auditors.

The Reserves Subcommittee is responsible for ensuring that the Board has designed and implemented effective reserve programs, controls and reporting systems to assist the Board in fulfilling its oversight responsibilities generally and under applicable securities laws. The Subcommittee's mandate also includes reviewing the independent reserves evaluation of the Corporation and the report of the independent qualified reserves evaluator(s) thereon. In addition, the Reserves Subcommittee makes recommendations to the Board on the appointment of the independent qualified reserves evaluator and reviews any changes in the independent qualified reserves evaluator.

Human Resources Committee

Chair: Gary W. Freeman

Member: Charles W. Berard

The Human Resources Committee is responsible for reviewing, on an annual basis, the Corporation's executive compensation policies, practices and overall compensation philosophy. Total compensation packages for officers and senior management who receive in excess of \$100,000 per year are also reviewed by the Human Resources Committee and recommendations are made in respect thereof to the Board of Directors. The Committee also reviews the adequacy and form of directors' compensation and makes recommendations designed to ensure that directors' compensation adequately reflects the responsibilities of and risks of membership on the board of directors.

Governance Committee

Chair: Charles W. Berard

Member: Stewart D. McGregor

The Governance Committee's mandate is to review the structures and procedures to ensure that the Board is able to, and in fact does, function independently of management. The Governance Committee is responsible for assessing the effectiveness of the Board as a whole, the various other committees as well as individual directors. It also assesses the Corporation's approach to corporate governance and monitors the relationship between management and the Board. This Committee is responsible for recommending candidates to the Board for nomination as directors and for the composition of various Board committees and for recommendations regarding committee chair appointments. The Governance Committee is also responsible for reviewing the directors' compensation program and making recommendations to the Human Resources Committee in connection therewith.

BUSINESS OF THE ANNUAL AND SPECIAL MEETING

Receipt of the Financial Statements and Auditors' Report

The Financial Statements of the Corporation for the year ended December 31, 2003 and the auditors' report thereon will be placed before the shareholders at the Meeting.

Under National Policy 54-102 – *Interim Financial Statement and Report Exemption*, a person or corporation who in the future wishes to receive interim financial statements from the Corporation must deliver a written request for such material to the Corporation, together with a signed statement that the person or corporation is the owner of securities (other than debt instruments) of the Corporation. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed return card, together with the completed form of proxy to Valiant Trust Company, 510, 550 - 6th Avenue S.W., Calgary, Alberta, T2P 0S2.

Election of Directors

At present, the Board of Directors may consist of a minimum of three and a maximum of twelve directors. It is proposed that five persons be elected as directors at the Meeting.

Management does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons designated in the enclosed form of proxy reserve the right to vote for other nominees in their discretion.

The following table sets forth, for all persons proposed to be nominated for election as directors, all positions and offices with the Corporation now held by them, their principal occupations during the preceding five years, the periods during which they have served as directors of the Corporation, and the

number of voting shares of the Corporation beneficially owned, directly or indirectly, by each of them, or over which they exercise control or direction, as of April 1, 2004. Each director elected will hold office until the close of the next annual meeting of shareholders, or until his successor is duly elected or appointed.

Name and Position with the Corporation	Principal Occupation For the Past Five Years	Director Since	Number of Voting Shares
Richard A. Gusella Calgary, Alberta President, Chief Executive Officer and Director	President and Chief Executive Officer of the Corporation since May 2001. Prior thereto President of Gusella Oil Investments Limited, a private oil and gas corporation, since June 2000. From April 1994 to June 2000 Chairman and Chief Executive Officer of Carmanah Resources Limited, a public oil and gas corporation listed on the Toronto Stock Exchange.	May 30, 2001	950,220
Charles W. Berard ⁽²⁾⁽³⁾ Calgary, Alberta Director	Partner, Macleod Dixon LLP, Barristers & Solicitors	May 30, 2001	400,000
Colin M. Evans ⁽¹⁾ Calgary, Alberta Director	President of Evans & Co. Inc., a private consulting corporation providing financial and operating advisory services to oil and gas corporations.	April 5, 2004	Nil
Gary W. Freeman ⁽¹⁾⁽³⁾ Calgary, Alberta Director	Co-founder and director of Spirit Energy Inc., a private oil and gas corporation, since May 2000. From May 1997 to May 2000, Co-founder and director of Auburn Energy Ltd., a private oil and gas corporation acquired by TUSK Energy Inc.	June 12, 2003	50,000
Stewart D. McGregor ⁽¹⁾⁽²⁾ Calgary, Alberta Director	President of Camun Consulting Corporation, a private consulting and investment company, since 1994. From April 1995 to May 1998, Chairman and Chief Executive Officer of Numac Energy Inc., a public oil and gas exploration and production corporation.	June 12, 2003	245,000 ⁽⁵⁾

Notes:

- (1) Members of the Audit Committee and the Reserves Subcommittee.
- (2) Members of the Governance Committee.
- (3) Members of the Human Resources Committee.
- (4) The Corporation does not have an Executive Committee.
- (5) Includes Common Shares held by a personal holding corporation.

Appointment of Auditors

The shareholders will be asked to vote for the appointment of Deloitte & Touche LLP, Chartered Accountants, Calgary, Alberta, as auditors of the Corporation until the close of the next annual general meeting, at such remuneration as may be approved by the Board of Directors of the Corporation. Deloitte & Touch LLP, Chartered Accountants, have been the auditors of the Corporation since January 7, 1994.

Approval of Issuance of Common Shares Pursuant to Private Placements

Under the rules of the Toronto Stock Exchange (the "TSX") the aggregate number of shares of a listed company which may be issued by way of one or more private placement transactions during any particular six month period must not exceed 25 percent of the number of shares outstanding (on a non-diluted basis) prior to giving effect to such transactions (the "TSX 25 percent Rule") without the prior

approval of the shareholders of the listed company. The application of the TSX 25 percent Rule may restrict the availability to the Corporation of funds which it may wish to raise in the future by private placement of its securities. In certain cases, the TSX will accept advance approval by shareholders of a listed company in anticipation of private placements that may exceed the TSX 25 percent Rule, provided that such private placements are completed within 12 months of the date of such shareholder approval.

Management considers it to be in the Corporation's best interests to have the flexibility to raise working capital by way of private placement, which may result in the Corporation exceeding the TSX 25 percent Rule. Accordingly, shareholders will be asked to consider and, if thought fit, pass a resolution approving the issuance pursuant to one or more private placements of up to 46,429,925 Common Shares of the Corporation, which represents 100 percent of the Common Shares outstanding as at April 6, 2004. The approval by shareholders of the issuance of such Common Shares will be valid for a period of 12 months from the date of such shareholder approval and all share issuances must be completed within this time period.

Any private placement proceeded with by the Corporation under the advance approval being sought at the Meeting will be subject to the following additional restrictions:

- (a) it must be substantially at arm's length to the Corporation;
- (b) it cannot materially affect control of the Corporation;
- (c) it must be completed within the 12 month period following the date shareholder approval is given; and
- (d) it must comply with the private placement pricing rules of the TSX, which currently require that the price per security must not be lower than the closing market price of the security on the TSX on the trading day prior to the date notice of the private placement is given to the TSX (the "Market Price"), less the applicable discount as follows:

<u>Market Price</u>	<u>Maximum Discount</u>
\$0.50 or less	25%
\$0.51 to \$2.00	20%
Above \$2.00	15%

The TSX has neither approved nor disapproved of any proposed private placement of shares of the Corporation. The TSX retains the discretion to decide whether or not a particular private placement is "substantially at arm's length" or will "materially affect control" in which case specific shareholder approval may still be required.

The following is the text of the ordinary resolution to be considered at the Meeting:

"BE IT RESOLVED THAT:

1. The Corporation is hereby authorized to issue or make subject to issuance pursuant to private placement transactions up to 46,429,925 Common Shares of the Corporation at not less than the market price of the Common Shares on the day prior to giving notice of such proposed private placement to the TSX less the applicable discount permitted by the TSX, if any, without further approval of the shareholders of the Corporation.
2. This resolution shall be valid for a period of 12 months from the date of shareholder approval.
3. Any one director or officer of the Corporation is hereby authorized and directed to execute and deliver all documents and instruments and to do such other acts and things necessary or desirable in connection with the matters contemplated by this resolution."

In order to be effective, the resolution must be passed by the affirmative vote of a simple majority of the votes cast by holders of Common Shares, present in person or by proxy at the Meeting. If the resolution is not passed, the Corporation will not proceed with any private placements for which the TSX requires shareholder approval by resolution passed at a shareholders' meeting without again seeking shareholder approval. If the resolution is passed, the resolution shall only be effective for a period of 12 months from the date of shareholder approval.

Approval of Amendments to the Corporation's Stock Option Plan

In June 2003, the Corporation adopted the 2003 stock option plan (the "2003 Option Plan") pursuant to which the Corporation may grant incentive stock options to directors, officers, employees and consultants of the Corporation or any subsidiary thereof. The purpose of the 2003 Option Plan is to attract, retain and motivate directors, officers and employees of the Corporation and consultants engaged to provide ongoing management or consulting services to the Corporation or any subsidiary thereof by providing such persons with the opportunity to acquire an increased proprietary interest in the Corporation. The 2003 Option Plan had been drafted in a fashion to comply with the TSX Venture Exchange (the "TSX-V") requirements, as the Common Shares of the Corporation were being traded on the TSX-V at the time of the adoption of the 2003 Option Plan. In August 2003, the Corporation began trading its Common Shares on the TSX. As a result of the Corporation's listing on the TSX certain amendments were made to the 2003 Option Plan (the "Amended 2003 Option Plan") for compliance purposes. One of the amendments which was made to the 2003 Option Plan was to increase the number of Common Shares issuable pursuant to the 2003 Option Plan from 2,952,041 to 3,543,152 to provide availability for future option grants. This increase represented 10% of the then outstanding Common Shares of the Corporation and was subject to the approval of shareholders at the next annual meeting.

During 2003, 669,000 Common Shares were issued pursuant to the exercise of stock options granted under the Amended 2003 Option Plan, thus reducing the number of Common Shares available for issuance pursuant to the Amended 2003 Option Plan to 2,283,041 Common Shares. Options to purchase 3,010,000 Common Shares in aggregate have been granted, of which 726,959 are presently unexercisable as they are subject to receipt of shareholder approval to increase the number of Common Shares reserved and available for issuance pursuant to the Amended 2003 Option Plan. As the number of issued and outstanding Common Shares has increased significantly since the time the Amended 2003 Option Plan was first created, the Board of Directors of the Corporation has approved an amendment to the Amended 2003 Option Plan (the "Amendment") designed to: (i) replace 669,000 Common Shares which have been issued upon the exercise of options previously granted; and (ii) increase the number of Common Shares available for issuance upon the exercise of options granted under such Plan by an additional 1,690,951 Common Shares.

The Amendment is intended to replenish the number of Common Shares available for issuance under the Amended 2003 Option Plan so that an aggregate of 4,642,992 Common Shares (which is equal to 10% of the currently issued and outstanding Common Shares) are available for issuance under the Amended 2003 Option Plan. By the Amendment, Section 2 of the Amended 2003 Option Plan which provides for the maximum number of Common Shares available for the grant of options is amended and will result in the Plan properly reflecting the actual number of Common Shares which are available for issuance upon the exercise of options previously granted and options to be granted in the future as of the date of the Amendment. If approved, the Corporation would have 1,632,992 Common Shares available in respect of future grants of stock options.

The Board of Directors of the Corporation believes that it is important to provide competitive compensation to directors, officers, employees and consultants of the Corporation or any subsidiary thereof, including long term incentive compensation such as options. The Board of Directors of the Corporation considers the increase in the number of Common Shares reserved for issuance pursuant to the exercise of options under the Amended 2003 Option Plan to be appropriate.

Shareholders are being asked to consider and, if thought fit, pass an ordinary resolution approving the Amendment to the Amended 2003 Stock Option Plan. By approval of the Amendment, options to 726,959 Common Shares granted to certain employees, officers and directors will become exercisable in accordance with their terms. A copy of the Amended 2003 Stock Option Plan can be obtained by shareholders, upon request to the Corporate Secretary of the Corporation.

The following is the text of the ordinary resolution to be considered at the Meeting:

"BE IT RESOLVED THAT:

1. The Corporation is hereby authorized to amend Section 2 of the Amended 2003 Stock Option Plan (the "Plan") to replace 669,000 Common Shares which have been issued upon the exercise of previously granted options and increase the number of Common Shares which are available for issuance under the Plan by 1,690,951 Common Shares so that an aggregate number of Common Shares equal to 10% of the Corporation's issued and outstanding Common Shares will be available for issuance under the Plan, by deleting Section 2 in its entirety and replacing it with the following:

'Subject to Section 12 of the Plan, the number of common shares of the Corporation ("Common Shares") reserved from time to time for issuance to Eligible Optionees (as hereinafter defined) pursuant to Stock Options granted pursuant to the Plan or stock options granted prior to the adoption of the Plan shall not exceed 4,642,992 Common Shares of the Corporation. Unless otherwise approved by the Toronto Stock Exchange (or such other exchange on which the Common Shares of the Corporation may be listed from time to time) (hereinafter referred to as the "Exchange") and the shareholders of the Corporation, the number of Common Shares reserved for issuance upon the exercise of Stock Options shall not at any time exceed 10% of the aggregate number of issued and outstanding Common Shares of the Corporation on a non-diluted basis ("Total Common Shares").'

2. Any one director or officer of the Corporation be and is hereby authorized and directed to do such things and to execute and deliver all such instruments, deeds and documents, and any amendments thereto, as may be necessary or advisable in order to give effect to the foregoing resolutions, and to complete all transactions in connection with the implementation of the amendment to the Amended 2003 Option Plan."

To be approved, the foregoing resolution must be passed by the affirmative vote of holders of not less than 50% plus one of the Common Shares represented in person or by proxy at the Meeting. The persons named in the enclosed form of proxy intend, unless otherwise directed, to vote in favour of the resolution approving the amendment to the Amended 2003 Option Plan.

Other Business

Management is not aware of any matter to come before the Meeting other than the matters referred to in the Notice of the Meeting. However, if any other matter properly comes before the Meeting, the accompanying form of proxy confers discretionary authority to vote with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters that properly may come before the Meeting.

CERTIFICATE

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

Dated this 8th day of April, 2004.

(signed) "Richard A. Gusella"
Richard A. Gusella
President and Chief Executive Officer

(signed) "Richard R. Kines"
Richard R. Kines
Chief Financial Officer

SCHEDULE "A"
to the Information Circular of Connacher Oil and Gas Limited
dated April 8, 2004

Corporate Governance Guideline	Connacher Alignment	Comments
1. The Board should explicitly assume responsibility for stewardship of the Corporation, and specifically for:		
(a) Adoption of a strategic planning process	Yes	Annual meetings of the Board are held to approve the budget of the Corporation with special meetings held as required to review the Corporation's business strategies, its annual plans and changes in the annual budget. In addition, the Board reviews major strategic initiatives and acquisitions, dispositions and financings.
(b) Identification of principal risks, and implementing risk management systems	Yes	The Board's participation in the strategic planning process involves consideration of the principal risks inherent in the Corporation's business. The Audit Committee of the Board of Directors also addresses specific risks and risk management in its review of the Corporation's financial statements.
(c) Succession, planning monitoring senior management	Yes	The Governance Committee is responsible for succession planning at the Board and senior management levels. The Compensation Committee reviews compensation policies and plans, assesses the performance of senior management of the Corporation against the Corporation's goals and approves the salary, bonus and option grants of the senior executive officers of the Corporation.
(d) Communications policy	Yes	<p>The Corporation's corporate disclosure policy which was adopted in 2003 provides for open and timely disclosure of relevant information relating to the Corporation and its business and affairs and the Corporation is subject to applicable securities legislation in this regard. The Chief Executive Officer has been designated as the principal contact person pursuant to the Corporation's corporate disclosure policy. However, on occasion, the Chief Executive Officer may designate members of management and/or the directors to communicate with shareholders or the media directly. This policy provides for, among other things, procedures to identify material non-public information and to prevent inadvertent disclosure.</p> <p>The Board reviews the Corporation's audited consolidated financial statements and selected corporate disclosure documents including the annual information form, management's discussion and analysis, information circulars and all offering documents before they are publicly released. Information which is publicly disclosed is released through newswire services posted on www.sedar.com and the Corporation's website.</p>

<u>Corporate Governance Guideline</u>	<u>Connacher Alignment</u>	<u>Comments</u>
(e) Integrity of internal control and management information systems	Yes	The Audit Committee is specifically mandated to assist the Board by reviewing the effectiveness of financial reporting, management information and internal control systems. The Audit Committee meets quarterly with the auditors, independently of management, and the Reserves Sub-Committee reviews the independent reserve report with the independent engineers, independently of management.
2. Majority of directors should be "unrelated", (free from conflicting interests)	Yes	During fiscal 2003, the Board consisted of five directors in total, a majority of whom were "unrelated directors". The Board presently consists of five directors in total. Two of these directors are related directors. The Board evaluates candidates on a regular basis with a view to increasing the number of independent experienced directors on the Board.
3. Disclose for each director whether he or she is related, and how that conclusion was reached.	Yes	Colin Evans, Gary Freeman and Stuart McGregor are unrelated to the Corporation as that term is used in the TSX guidelines and applicable securities legislation. Prior to his resignation as a director on March 31, 2004, Donald Copeland, who was replaced by Colin Evans, was also unrelated to the Corporation. These directors are independent of management, none has any interest, business or other relationship that could, or could reasonably be perceived to, materially interfere with his ability to act in the best interests of the Corporation. Richard A. Gusella, President and Chief Executive Officer of the Corporation, is a member of management and thus related to the Corporation. Charles W. Berard, a partner of Macleod Dixon LLP, legal counsel to the Corporation, is also a related director as a result of this relationship. Mr. Berard is, however, independent of management.
4. Appoint a Committee:		
(a) Responsible for the appointment and assessment of directors	Yes	The Governance Committee is responsible for nominating new directors and assessing the Board overall as well as individual directors. Management evaluates potential candidates for nomination and these candidates are screened by the Governance Committee prior to making a recommendation to the Board regarding appointment.
(b) Composed exclusively of outside directors (i.e., non-management directors the majority of whom are unrelated)	Yes	The Governance Committee is comprised of all non-management directors and a majority of these directors are unrelated.
5. Implement a process for assessing effectiveness of the Board, its committees and individual directors	Yes	The Board assesses the effectiveness, composition and size of the Board.

Corporate Governance Guideline	Connacher Alignment	Comments
6. Provide orientation and education programs for new directors	No	The Corporation does not have a formal orientation or education program. An informal orientation involving meetings with senior management on key business, financial and operational issues is used to educate new directors.
7. Examine size of Board and consider reducing with a view to improving effectiveness	Yes	The Board of Directors presently consists of five members which is considered appropriate for the Corporation at this time.
8. Review compensation of directors in light of risks and responsibilities	Yes	Initially, the Governance Committee reviews directors' compensation and makes recommendations to the Compensation Committee. The Compensation Committee then reviews these recommendations and examines peer group compensation prior to reporting to the Board on directors' compensation issues. Given the present stage of development of the Corporation, the Corporation has relied upon the granting of stock options as the sole form of director compensation. This is reviewed annually.
9. Committees should generally be composed of non-management directors, a majority of whom are unrelated	Yes	All Board committees are made up of non-management directors, a majority of whom are unrelated.
10. Appoint a committee responsible for approach to corporate governance issues	Yes	The Governance Committee was recently formed to address corporate governance matters.
11. (a) Define limits to management's responsibilities by developing mandates for:		
(i) the Board	No	In light of the size of the Board, no formal position descriptions for the Board have been developed.
(ii) the Chief Executive Officer	Yes	The Board believes management is responsible for the effective, efficient and prudent management of the Corporation's day-to-day operation subject to the Board's stewardship. Management's responsibility includes the implementation of the approved strategic plan within authorized budgets and in compliance with the Corporation's policies and procedures. Additionally, management is expected to fully inform the Board on the business and affairs of the Corporation, to develop and maintain a sound, effective organizational structure and to ensure capable management.
(b) Board should approve the Chief Executive Officer's corporate objectives	Yes	The corporate objectives for which the Chief Executive Officer is responsible are set by the Board of Directors.

Corporate Governance Guideline	Connacher Alignment	Comments
12. Establish structures and procedures to enable the Board to function independently of management	Yes	In order to enable the Board to function independently of management during fiscal 2003, a director who was an unrelated director was appointed as the Chairman of the Board and was given this mandate. Following the annual meeting of shareholders, the Board will consider the appointment of a lead director or Chairman of the Board.
13. (a) Ensure an Audit Committee has a specifically defined mandate and direct communication channels with internal and external auditors	Yes	The Audit Committee has a specifically defined mandate. Reference is made to the 2003 Annual Information Form of the Corporation for a description of this mandate. The Audit Committee reviews the Corporation's audited consolidated financial statements and interim financial statements and selected corporate disclosure documents before they are approved by the Board of Directors. It approves the public release of quarterly financial results, monitors accounting, financial reporting, control and audit functions, reviews risk management policies and reviews issues relating to legal and regulatory responsibilities. The Audit Committee reviews the audit plans for the external auditors and meets with them, in each case independently of management.
(b) All members of the Audit Committee should be non-management directors	Yes	All committees of the Board are comprised solely of non-management directors.
14. Implement a system to enable individual directors to engage outside advisors at the Corporation's expense	Yes	In addition to the authority of committees to retain external advisors in connection with their responsibilities, individual directors may engage outside advisors at any time (at the expense of the Corporation) to provide advice with respect to a corporate decision or action.