June 17, 2015

IMPORTANT LETTER TO SHAREHOLDERS OF TERRA NOVA ENERGY LTD.

Dear Shareholders:

You have an important decision to make which will impact the future of your investment in Terra Nova Energy Ltd. ("Terra Nova" or the "Company"). We are writing to you today as the Terra Nova team that will position your Company for a successful future, by delivering sustainable shareholder value. Our line-up of seasoned executive officers and directors will deliver on operations, governance and maximizing shareholder value. By leveraging our previous successes, our team will implement its operations plan on the Company's Australian petroleum exploration licenses that are ready to drill.

Your Company faces a contested election for its board of directors at its upcoming annual general meeting of shareholders (the "Meeting"). We believe a proxy contest is simply a distraction from the important work that lies ahead of us. Dissident shareholders have proposed a new slate of directors for your Company. The motives for the dissident shareholders are uncertain as they are without an experienced management team or operations plan for the Company's Australian petroleum exploration licenses. As such, your vote and support for the current board of directors and management (the "Terra Nova Team") will have a direct impact on the future of Terra Nova and the value of your investment.

We encourage you to carefully review our strategy. The Meeting will be held at offices of Computershare Investor Services Inc. located at 510 Burrard Street, 3rd Floor, Vancouver, British Columbia on July 15, 2015, at 11:00 am (Vancouver time).

Vote your YELLOW Proxy today in favour of stable, focused and experienced leadership.

REASONS TO SUPPORT THE TERRA NOVA TEAM

We recognize that most shareholders do not want a proxy contest. Our team would much rather focus efforts and resources on the long term future of the Company than on costly quarrels and rhetoric.

With a fresh perspective, we have spent considerable time objectively reviewing the Company's approach to technical activities, management, performance and governance issues. We have identified the following crucial and important reasons to support the Terra Nova Team.

- We have valuable oil and gas experience.
- We have a proven track record in mergers, acquisitions and securing capital.
- We know what is required to maximize shareholder value for your Company.
- We have developed an operations plan and are ready to drill.
- We have extensive corporate governance experience with respect to Canadian public companies.

To assist you in determining why you should vote your YELLOW Proxy, please see additional details on each of the reasons below.

1. We have valuable oil and gas experience.

The Terra Nova Team has extensive experience with oil and gas issuers, including large producing oil and gas companies. In addition, the Terra Nova Team has valuable connections with Australia. The Company needs you to vote the YELLOW Proxy in order to prevent the Company from losing the following individuals:

- Henry Aldorf, the Company's CEO, Chairman and director, has more than 40 years' experience in the petroleum and chemicals industry. Since February 2010, Mr. Aldorf has been the President of Pacific LNG Operations Ltd. In February 2014, Mr. Aldorf, after having been instrumental in developing the project, concluded the sale of Pacific LNG 22.835% interest in PRL 15 containing the Elk and Antelope fields in the eastern Highlands of Papua New Guinea to Oil Search Ltd, the largest oil and gas exploration and development company in incorporated in Papua New Guinea, for an initial payment of $900,000,000 with further contingent payments. Pacific LNG Operations Ltd. continues to be involved in a successful drilling campaign with Interoil Corp. (NYSE: IOC) in Papua New Guinea.

  From August 2001 to January 2010, Mr. Aldorf held a variety of senior executive positions with Marathon Oil Inc. including; President of Marathon International and Corporate Vice-President of Global Upstream and Business Development of Marathon Oil (2008-2010), Senior Vice President International Business Development – Marathon Oil International (2006-2008), Senior Vice-President West Africa, Middle East and Asia Business Development (2005-2006), and Senior Vice-President West Africa Business Development (2004-2005). In the latter position, Mr. Aldorf was responsible for Marathon's EG LNG project in Equatorial Guinea and was the first Managing Director of EG LNG Co.

  Before joining Marathon in 2001, Mr. Aldorf worked for Unocal (now part of Chevron) in a variety of positions of increasing responsibility, in both the chemical, oil and gas and business development organization of that company. His last position was President of Unocal Thailand New Ventures. He graduated from the University of Leiden in the Netherlands, with a Bachelor of Science degree in Chemistry and Biochemistry. He also gained a Master of Science degree in Chemical Engineering from Technical University in Delft in the Netherlands, and holds a master of Business Administration from the INSEAD graduate business school, Fountainebleau, France. Mr. Aldorf is frequently invited as a speaker at international oil and gas conferences.

- Steve Harding, P. Geol., an independent director of the Company, brings more than 30 years' experience, which has included geotechnical and leadership roles in restructuring companies and equity financing. Mr. Harding is currently President and CEO of Kicking Horse Energy Inc., an oil and gas company with an extensive land holding and producing assets in the Deep Basin, Alberta. Previous positions have included VP Alaska/MacKenzie Delta and VP Northern Canada for EnCana Corporation, Chief Geoscientist and Clastic Sedimentologist/Manager with Husky Oil (Energy).

- Mark Jarvis, an independent director of the Company, has more than 25 years of experience in the exploration, development and financing in the energy and metal industries. After a career in financing exploration projects as a stockbroker, Mr. Jarvis joined the Board of Ultra Petroleum (NYSE: UPL) in 1996 when it was a Junior Oil & Gas exploration and development company. He was the director responsible for Corporate Finance during the early stages of acquisition, exploration and development of Ultra's Pinedale (Wyoming) acreage. Mr. Jarvis is the CEO of Shoal Point Energy (CSE: SHP), which is an exploration stage company with an Eastern Canadian oil in shale prospect. He is also CEO of Hard Creek Nickel Corp. (TSX: HNC), whose core asset is the Turnagain nickel sulphide deposit in North-Central British Columbia, Canada.

- Chas Lane, country manager for the Company, is a petroleum geologist, with 30 years experience in exploration and production operations around Australia. As Exploration Manager for Senex Energy Ltd (formerly Victoria Petroleum NL) he managed that company's foray in to the prolific Cooper/Eromanga Basin of South Australia and Queensland, and the discoveries and development of the Mirage, Growler and Snatcher Oilfields. Over 10 years the company grew from a junior explorer into a substantial explorer/producer with excellent oil assets and acreage positions. Prior to joining Terra Nova, Mr. Lane consulted to a range of exploration and producing companies with interests in South Australia, Queensland and Western Australia, with a focus on obtaining exploration permits, native title negotiations and drilling and seismic operations. He has authored several papers that have been presented at the annual APPEA conferences in Australia.

- Istvan Gyorfi, exploration manager for the Company, is an experienced explorationist, who worked in many parts of the world including classical hydrocarbon provinces like Middle-East & North-Africa, West-Africa, Sub-Andean basins of South-America, SE Asia, Central-and Eastern Europe as well as in frontier regions such as the Zagros-Himalayan foldbelt, Central America and PNG. His experience includes all major aspects of the exploration lifecycle: from seismic acquisition, through processing and interpretation, prospect definition, ranking and risking and exploratory well drilling. He has a proven track record in discovering commercial hydrocarbons in Pakistan, Venezuela, Hungary and Kurdistan. Mr. Gyorfi has worked for companies such as MOL, PDVSA, Gaz

de France (now GDF Suez), Aspect Energy and Pacific Rubiales Energy. Mr. Gyorfi in 1994 received an MSc degree in Structural Geology from the Eotvos University, Budapest, Hungary. In 1998 he was awarded an MSc degree in Petroleum Geology by the IFP School, Rueil-Malmaison, France. He also holds a PhD degree in Geophysics (Exploration Seismology) from the University of Saskatchewan, Canada awarded in 2005.

2. We have a proven track record in mergers, acquisitions and securing capital.

The Terra Nova Team has raised sufficient capital to ensure your Company's continued operations. The board of directors is confident that the Company will be able to continue to meet its financing needs in the future. The Company needs you to vote the YELLOW Proxy in order to prevent the Company from losing the following individuals:

- Henry Aldorf is President of Pacific LNG Operations Ltd, which recently concluded a deal with Oil Search Ltd. for $900,000,000 plus further cash payments.

- Nico Civelli, our Vice President of Finance and a Director of the Company, is a Zurich-based independent financial advisor. In this capacity, Mr. Civelli works closely with several leading European and North American private asset management companies and funds, which specialize in the natural resources sector. Since 2011, Mr. Civelli has also served as Vice President of Finance of Pacific LNG Operations Ltd. Further, Mr. Civelli is Vice President of Finance of Callinex Mines Inc.

- Steve Harding served as CEO, President and a director of Contact Exploration Inc. which merged with Donnycreek Energy to form Kicking Horse Energy Inc., a diversified oil and gas producer in Alberta.

3. We know what is required to maximize shareholder value.

In 2013, the current Terra Nova Team took over management responsibilities and began the process of reducing unnecessary expenditures, and efficiently managed the Company's Australian petroleum exploration licenses. With the guidance of Henry Aldorf, the Terra Nova Team expanded to include a board with exploration and production experience together with invaluable corporate governance experience and initiated an extensive subsurface work program using the latest technologies to decrease the dry hole risk in the complex stratigraphic reservoirs in Petroleum Exploration License 444 ("PEL 444").

Recently, management made the determination to terminate its Farm-In Agreement with Holloman Energy Corporation ("Holloman"). This decision was made after a careful, detailed and lengthy examination of the operations plan and the projected costs to implement a successful program. The Farm-In Agreement was signed by previous management at a peak in the oil and gas market and, if your Company was to bear the entire costs of the drill program, the existing cash position would only allow for one well to be drilled on PEL 444 in order to earn an additional 5.8333% interest in the licenses. Given that the anticipated cost of a one well program is approximately $2,500,000, this represents a farm-in premium of more than 17 to 1 versus the current 2 to 1 or maximum 3 to 1 farm-in deals offered in the Cooper Eromanga basin for similar exploration projects with only 3D seismic available. By terminating this inequitable agreement, the Terra Nova Team has reduced your Company's risk substantially as it is not required to spend approximately $2,500,000, being the nearly all of its available capital, on a one-well drill program that could result in a dry well. Instead, your Company has sufficient cash to drill a multi-well program on the licenses based on it paying its proportionate share of the drill costs.

And, the Terra Nova Team, by way of disinterested director approval, sold a 5.1666% to Perseville Investing Inc. ("Perseville"), a company controlled by Carlo Civelli, the father of Nico Civelli, for $3,000,000. The Terra Nova Team believes that its sale to Perseville represents a significant premium in today's oil and gas market, and plans to use this capital injection to start drilling shortly after the operating committee approves the drill program and the other partners demonstrate proof of funds.

Further, by terminating the Farm-In Agreement, each of Holloman and Perseville will be required to contribute their portion of the well costs instead of being carried under the Farm-In Agreement. The Terra Nova Team believes this is beneficial to the shareholders.

It is possible that a new board of directors will not be aware of such concerns and enter into a costly new Farm-In Agreement with Holloman.

4. We have developed an operations plan and are ready to drill.

Through its experienced executive officers, directors and managers, the Company has already invested a significant amount of time and money into developing its operations plan. After having completed a substantial subsurface program on PEL 444, the Terra Nova Team believes the Company is ready to commence drilling and has the cash necessary to fund its proportionate share in a multi-well drill program. The Company has received bids for drilling and management has formed relations with other nearby operators to optimize drill rig use to further reduce costs. If the dissident's proposed board is elected, the drilling will likely be delayed for an indeterminate time while the new board familiarizes itself with the Company and develops its own operations plan. **If the dissidents fail to drill PEL 444 by January 2016, PEL 444 will be extinguished, which will have a material adverse effect on your Company's future performance and value.**

In order to prevent the Company from incurring additional expenditures developing a new operations plan or failing to drill PEL 444 by January 2016 you need to vote your YELLOW Proxy.

5. We have extensive corporate governance experience with respect to Canadian public companies

The Terra Nova Team has extensive experience dealing with Canadian public companies and complying with reporting requirements. In order to ensure compliance and reduce the costs of professional fees the Company needs a Board of Directors and management with Canadian public company experience. The Company needs you to vote the YELLOW Proxy in order to prevent the Company from losing the following individuals:

- Robert McMorran, a director of the Company, obtained his Chartered Accountant designation in 1981 while working with a large public accounting firm. Mr. McMorran has over 25 years experience in dealing with financial reporting and the administration of public companies. Mr. McMorran has served as an officer and/or director of several public companies, primarily involved in mineral exploration and development. He was CFO of the highly successful Canada Dominion Resources Group family of flow-through limited partnerships from 1998 to 2006. He is currently a director and/or officer of a number of junior resource companies including Encanto Potash Corp. and Santacruz Silver Mining Ltd.

- Lyle Davis, P.Eng., MBA, an independent director of the Company, has extensive experience in the corporate finance, advisory and management services of public companies. He is President and CEO of Condor Resources Inc. (TSXV: CN), Chairman and director of Hard Creek Nickel Corp. (TSXV: HNC). Mr. Davis has completed consulting assignments on corporate governance and regulatory compliance, and was employed by the Vancouver Stock Exchange from 1985 through 1996. Mr. Davis is a member of the Company's audit committee.

- Matt Anderson, Chief Financial Officer, obtained his Chartered Accountant designation in 2008 while articling at a large accounting firm. He serves or has served as CFO of I-Minerals Inc. as well as several other junior public companies including EFLO Energy, Inc., Wolfpack Gold Corp., Search Minerals Inc. and Dynamic Oil & Gas Exploration Inc.

Without your vote in support of the Terra Nova Team, this strategy is unlikely to go ahead on a timely basis and Terra Nova will be left in the hands of the dissident nominees with no continuity, no relationships in Australia and no strategy to address the real needs of the Company.

TERRA NOVA IS AT A CROSSROAD – CHOOSE STRATEGY OF CONTINUITY AND SUCCESS

The Company is at an important crossroad. Now more than ever, experienced, focused, smart, stable and strategic leadership is needed. You are being asked to endorse a highly respected and credible team of directors that is committed to creating sustainable shareholder value, or risk losing momentum and turning the Company over to nominees who don't have the requisite experience, continuity, or necessary plans for the future.

Our director nominees together bring experience and continuity necessary to fulfill the operations plan for the Company's petroleum licenses that are ready to drill that the Company needs at this time.

DISSIDENT SHAREHOLDERS WILL LOSE MOMENTUM AND HINDER PROGRESS

Supporting the dissidents and an all new slate of directors would force the Company to start from scratch with a collection of people that lack substantial oil and gas experience, lack a proven track record in mergers, acquisitions and securing capital, lack a well-defined operations plan, and lack extensive corporate governance experience. A wholesale change will cause the Company to lose the momentum it has worked hard to achieve, will cause costly delays in the Company's transition efforts, and will slow any attempts to increase liquidity and maintain valuable relationships with stakeholders. By listening to shareholders and advisors, the Terra Nova Team will absorb insight that will, after the Meeting, allow us to immediately implement our strategy and lead the Company into its next stage.

The dissident motives are unclear to the Terra Nova Team for the following reasons:

- The dissident team is composed of: Michael Caetano, Kent Edney, Robert Madzej and Peter Cockcroft. Each of Messrs. Caetano, Edney and Madzej are either officers or directors of Strongbow Resources Inc. ("Strongbow"), which is an oil and gas company quoted on the OTCQB with **cash on hand of $26,858 and a working capital deficit of $1,020,724** as at February 28, 2015.

- The dissidents plan to "leverage their good relationships with Holloman to negotiate and consummate a new agreement for PEL 112 and PEL 444 with a view to increasing Terra Nova's interest". The Terra Nova Team has determined that it is in the best interests of your Company to have both Holloman and Perseville share in the costs of any future drill program. By having all the stakeholders proportionately pay for the drill program, we believe that it will allow for a multi-well drill program and, together with the recent subsurface work, reduce the risk of a dry well.

- The relationship between the dissidents and Holloman should be a concern to the shareholders of Terra Nova. Holloman Value Holdings, LLC holds 23.04% of the issued shares of Strongbow, being its largest shareholder (as set forth in Strongbow's Annual Report on Form 10-K filed with the SEC on June 2, 2015). In their news release dated June 11, 2015, the dissidents failed to disclose this material relationship and, on review of the SEC's EDGAR site, it is apparent that Holloman Value Holdings, LLC may have failed to file any insider reports under section 16 of the Securities Exchange Act of 1934, as amended, or Schedule 13D's with the Securities Exchange Commission disclosing that it is in fact an insider of Strongbow.

- The dissident team also wishes to "raise adequate financing to carry out PEL 112 and PEL 444 exploration activities". By selling a 5.1666% interest in the Australian petroleum licenses to Perseville, the Terra Nova Team raised $3,000,000 without causing any share capital dilution to the shareholders. Your Terra Nova Team has already completed detailed exploration activities, and financing, and is ready to drill.

- The dissidents intend to "review other strategic opportunities, including corporate acquisitions, in order to enhance shareholder value." It remains unclear whether the dissidents intend to use your Company to merge with either Strongbow and/or Holloman. The Terra Nova Team is opposed to any such merger due to a lack of value to the shareholders of the Company. In particular, your Company would be assuming Strongbow's working capital deficiency of approximately $1.021 million as at February 28, 2015, as reported in their Annual Report on Form 10-K for the year then ended, and/or Holloman's working capital deficiency of approximately $0.194 million and cash on hand of $18,233 as at March 31, 2015, as reported in their Quarterly Report on Form 10-Q for the three months then ended.

- <u>The dissidents have little equity ownership in Terra Nova as they have notified us that they hold, directly and indirectly only 536,496 common shares of your Company, representing 0.6% of the issued and outstanding shares.</u> The Terra Nova Team will hold the dissidents to strict compliance with the requirement that they have not solicited more than 15 persons prior to filing the dissident circular. Given numerous message board posts over the past weeks, the Terra Nova Team is concerned that the dissidents did not comply with the mandatory proxy solicitation requirements.

- Therefore, the Terra Nova Team is concerned that your Company's attractive cash position may be exploited for reasons unclear to us and that the use of funds will not be for drilling, or to the benefit of Terra Nova's shareholders.

The Terra Nova Team believes that the dissidents do not have the knowledge, continuity, financial backing, or plans to address the technical, management, performance and governance needs of your Company.

Unlike the dissidents, the Terra Nova Team represents the interests of ALL stakeholders to build on the solid foundation that has already been laid and create great success for Terra Nova. We urge you to vote FOR the experienced Terra Nova Team by using the enclosed YELLOW Proxy to implement the operations while continuing the momentum and avoiding costly and disruptive delays at this pivotal point.

The deadline for receipt of proxies is 11 a.m. (Vancouver time) on Monday, July 13, 2015. You may vote by telephone or Internet, or by signing, dating and returning the enclosed YELLOW Proxy in the postage-paid envelope provided.

Your vote is critical, no matter how many shares you own. We thank you, the shareholders of this Company, for your support; we appreciate your patience, share your vision for Terra Nova, and look forward to a winning future together.

Sincerely,

"Henry Aldorf"

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Henry Aldorf
Chairman and Chief Executive Officer

YOUR VOTE IS IMPORTANT REGARDLESS OF HOW MANY SHARES YOUR OWN.

IF YOU HAVE ANY QUESTIONS OR REQUIRE ASSISTANCE WITH VOTING, YOU MAY CONTACT TERRA NOVA'S PROXY SOLICITATION AGENT.



North American Toll-Free Number: 1-877-452-7184

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