SPYGLASS
RESOURCES CORP.

INFORMATION CIRCULAR

SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON THURSDAY, DECEMBER 17, 2015

November 4, 2015

LETTER TO SHAREHOLDERS

Dear Shareholder:

This special meeting of shareholders is being held for the sole purpose of electing directors to serve until the next annual general meeting of shareholders or until their successors are elected or appointed.

At the May 13, 2015 annual general meeting of shareholders, while all of the director nominees were duly elected, each of five directors; namely, Messrs. Thomas Buchanan, Dennis Balderston, M.H. (Mike) Shaikh, Jeffrey Smith and John Wright had more shareholder votes withheld for his election to the Board than were voted in favour of his election. Each of the remaining two directors; namely, Messrs. Dan O'Byrne and Peter Harrison, received more shareholder votes in favour of his election to the Board than votes withheld.

In accordance with the Corporation's Majority Voting Policy (the "**Policy**"), each of the five directors with more withheld votes than affirmative votes immediately submitted their resignation to the Board, to be effective on acceptance by the Board. Thereafter, the Board referred the resignations to the Governance, Human Resources and Compensation Committee (the "**Committee**") for considersation. On May 14, 2015, Mr. Peter Harrison, the sole independent director, was appointed by the Board to chair the Committee and oversee the process. The other members of the Committee were Messrs. Balderston, Smith and Wright who assisted Mr. Harrison in discharging the Committee's mandate; however in accordance with the requirements of the Toronto Stock Exchange, none of such directors participated in any decision of the Board or the Committee where his own resignation was considered. The final recommendation made to the Board for approval was provided by Mr. Harrison in his sole discretion.

In considering the recommendation that the Committee would make to the Board as to whether or not to accept each director's resignation, the Committee considered all factors deemed relevant by the members of the Committee, including, without limitation: the stated reason or reasons (if any were provided) why shareholders cast "withhold" votes for the director; the qualifications of the director, including the impact the director's resignation would have on the Corporation; the relevant skills and qualifications of both current directors and potential candidates; current industry conditions; director independence; the impact a change of directors would have on current strategic initiatives, potential transactions, the Corporation's relationship with its lenders; and whether the director's resignation from the Board would be in the best interests of the Corporation and the shareholders. The Committee also considered that proxies or ballots were received for a total of 58,443,478 common shares (representing 45.73 percent of the Corporation's issued and outstanding shares), however only 37,995,245 common shares (representing 29.73 percent of the Corporation's issued and outstanding shares) were voted with respect to the election of directors.

In particular, as part of its deliberations, the Committee considered the risk to such initiatives which would result from a significant reduction in the number of sitting directors, and/or the appointment of directors with limited experience respecting the Corporation's operations, and considered such risk to be highly prejudicial to the Corporation and its shareholders. As well, in terms of overall governance, a significant reduction in the number of sitting directors would have a material negative impact on the ability of the Board's various committees to discharge their respective mandates. The Committee also undertook a review of qualified candidates who possessed the skills and experience necessary to fill potential board vacancies.

The Committee and the Board considers the foregoing concerns to constitute exceptional circumstances as to why the resignation of one or more of the directors was not accepted.

As a result of the detailed review conducted by the Committee and upon the recommendation of the Committee, the Board determined not to accept the resignations of Messrs. Thomas Buchanan, Dennis Balderston, M.H. (Mike) Shaikh or John Wright. Pursuant to his wishes, the Board accepted the resignation of Mr. Jeff Smith, effective August 11, 2015. The Board would like to thank Mr. Smith for his valued contributions to the Corporation. The resignation of Mr. Smith, combined with the previous resignations of Mr. Randall Findlay and Mr. Michael Rapps, has allowed the Corporation to reconstitute the Board to achieve the renewal objectives.

The Board also reviewed board size and compensation and as a result, the current size of the Board will be set at six members, four of whom are deemed independent, a reduction from nine members over the past year. The Board also approved a 25 percent reduction for board and committee annual retainers and an 80 percent reduction for the annual equity component of the compensation program. In addition, board members may elect to forego cash compensation and alternatively receive Director Restricted Share Unit Awards.

On August 12, 2015, the Corporation announced the conclusion of the review and advised that it would be holding a special meeting of the Shareholders prior to year-end for the purposes of electing a Board.

The unprecedented current challenges in the international oil and gas markets have had a significant negative impact on the Corporation's financial position, and the Board has been actively considering strategic initiatives to improve the financial position, including corporate cost reductions and the continued disposition of certain of the Corporation's assets. Due to the current challenges facing the Corporation, the Committee was unable to identify any new qualified candidates willing to join the Board at this time.

The Corporation is stewarding a number of initiatives that require the experience, expertise and dedication of the current directors familiar with the operations and key stakeholders of Spyglass. The Board of Directors respectfully requests your support of the six director candidates nominated for re-election.

Sincerely,

(signed)	(signed)
Thomas. W. Buchanan Chairman of the Board	Daniel J. O'Byrne President & Chief Executive Officer, Director

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

The Special Meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of Spyglass Resources Corp. ("**Spyglass**" or the "**Corporation**") will be held at the Jamieson Place Conference Centre, Jamieson Place , 3rd Floor, 308 – 4th Avenue S.W., Calgary, Alberta, on Thursday, December 17, 2015 at 9:00 a.m. (MST) for the following purposes:

1. to fix the number of directors to be elected;
2. to elect the directors of the Corporation until the next annual general meeting; and
3. to transact such other business as may properly be brought before the Meeting.

The specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular accompanying and forming part of this Notice.

Registered Shareholders of the Corporation who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and return it to our transfer agent, Computershare Trust Company of Canada, as follows:

1. **By Hand Delivery -** to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 (Attention: Proxy Department)
2. **By Mail –** by using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5
3. **By Facsimile –** to (416) 263-9524 or 1-866-249-7775
4. **Through the Internet -** at **www.investorvote.com** and follow the instructions. You will require the 15-digit control number found on your proxy form.

In order to be valid and acted upon at the Meeting, forms of proxy as well as votes by internet must be received in each case not less than 48 hours (excluding weekends and statutory holidays) before the time set for the holding of the Meeting or any postponement or adjournment thereof. The Chairman may waive or extend the proxy deadline without notice.

Beneficial or non-registered Shareholders should follow the steps on the voting instruction form provided by their intermediaries with respect to the procedures to be followed for voting at the Meeting.

The Board has fixed the record date for the Meeting at the close of business on November 4, 2015.

Calgary, Alberta
November 4, 2015

BY ORDER OF THE BOARD

(signed)

Daniel J. O'Byrne
President and Chief Executive Officer, Director

CONTENTS

INFORMATION CIRCULAR

FOR THE SPECIAL MEETING OF HOLDERS OF COMMON SHARES TO BE HELD AT 9:00 A.M. (MST) ON THURSDAY, DECEMBER 17, 2015

GENERAL PROXY INFORMATION

This Management Information Circular (the "**Circular**") is furnished to holders ("**Shareholders**") of common shares ("**Common Shares**") of Spyglass Resources Corp. ("**Spyglass**" or the "**Corporation**") in connection with the solicitation by management of proxies to be used at the Special Meeting of Shareholders (the "**Meeting**") to be held at 9:00 a.m. (MST) on Thursday, December 17, 2015 at the Jamieson Place Conference Centre, Jamieson Place, 3rd Floor, 308 – 4th Avenue S.W., Calgary, Alberta, and at any adjournment thereof, for the purposes set forth in the accompanying Notice of Meeting.

DATE OF INFORMATION

Information contained in this Circular is given as at November 4, 2015 unless otherwise specifically stated.

VOTING SHARES, PRINCIPAL HOLDERS AND QUORUM

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value (defined in this Circular as "**Common Shares**"). As at November 4, 2015, there were 127,804,720 Common Shares issued and outstanding. The Corporation is also authorized to issue preferred shares without nominal or par value issuable in series. As at November 4, 2015, there were no preferred shares issued and outstanding.

At the Meeting, upon a show of hands, every shareholder present in person or represented by proxy and entitled to vote shall have one vote. On a poll or ballot, every shareholder present in person or by proxy has one vote for each Common Share of which such shareholder is the registered holder.

A quorum for the transaction of business at the Meeting is at least two individuals present in person at the commencement of the Meeting holding, or representing by proxy, Common Shares carrying in the aggregate not less than 5 percent of the votes eligible to be cast at the Meeting. If a quorum is not present at the opening of the Meeting, the shareholders present may adjourn the Meeting to a fixed time and place but may not transact any other business.

To the knowledge of the directors and executive officers of the Corporation, there is no person or corporation which beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying more than 10 percent of the voting rights attached to the issued and outstanding Common Shares of the Corporation which may be voted at the Meeting.

As at November 4, 2015, the percentage of Common Shares of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by all directors and officers of the Corporation as a group is approximately 2.8 percent (3.7 million Common Shares).

RECORD DATE

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting or at any adjournment thereof is November 4, 2015 (the "**Record Date**").

NOTICE-AND-ACCESS

The Corporation has elected to use the "notice-and-access" provisions under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* (the "**Notice-and-Access Provisions**") for the Meeting in respect of mailings to its beneficial Shareholders and registered Shareholders. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that allows issuers to post meeting materials on an easily-accessible website rather than mailing physical copies. The use of notice-and-access will reduce paper use and the Corporation's printing and mailing costs.

On or before November 10, 2015, all Shareholders of record as of the Record Date will be mailed a notice package (the "**Notice Package**") which will include: (i) the relevant form of proxy or voting instruction form; (ii) basic information about the meeting and matters to be voted on; (iii) instructions on how to obtain a paper copy of the meeting materials; and (iv) a plain-language explanation of how the Notice-and-Access system operates and how the meeting materials can be accessed online. No Shareholder will receive a paper copy of the Circular unless one is specifically requested.

The Corporation will be mailing the Notice Package to non-objecting beneficial Shareholders ("**NOBOs**") directly with the assistance of Broadridge Investor Communication Solutions, Canada ("**Broadridge**"). The Corporation does not intend to pay for intermediaries to forward the Notice Package to beneficial Shareholders who object to their name being made known to Spyglass ("**OBOs**") under the Notice-and-Access-Provisions, and therefore OBOs will not receive the Notice Package unless the OBO's intermediary assumes the cost of delivery.

These securityholder materials are being sent to both registered and non-registered owners of the Common Shares. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions."

THE ARRANGEMENT

On March 28, 2013, Pace Oil & Gas Ltd. ("**Pace**"), Charger Energy Corp. ("**Charger**") and AvenEx Energy Corp. ("**AvenEx**") completed an amalgamation pursuant to a plan of arrangement under the *Business Corporations Act* (Alberta), (the "**ABCA**") to form "Spyglass Resources Corp." (the "**Arrangement**"). Additional information related to the Arrangement is included in the joint information circular and proxy statement of Pace, Charger and AvenEx dated January 18, 2013, the "**Joint Circular**"), available under the Spyglass issuer profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") at www.sedar.com.

GENERAL VOTING INFORMATION

QUESTIONS AND ANSWERS ON VOTING

Am I entitled to vote?

You are entitled to vote if you are a Shareholder at the close of business on the Record Date. Each Common Share is entitled to one vote at the Meeting, or any adjournment of the Meeting.

Am I a registered or beneficial Shareholder?

You are a *registered* Shareholder if your Common Shares are held directly in your own name on a Common Share certificate.

You are a *beneficial* Shareholder if your Common Shares are registered in the name of a nominee, (a bank, trust company, securities broker or other). These Common Shares are not typically represented by a Common Share certificate, but rather, are recorded on an electronic system.

What items of business am I voting on?

The following items of business will be voted upon at the Meeting:

1. to set the number of directors to be elected;
2. to elect the directors of the Corporation until the next annual general meeting; and
3. any other business that may be properly brought before the Meeting or any adjournment of the Meeting.

How will these items of business be decided at the Meeting?

All of the matters to be considered at the Meeting are ordinary resolutions requiring approval by a simple majority of votes cast (50 percent plus one vote) by the Shareholders present, in person or represented by proxy.

How do I vote?

Registered Shareholder

If you are a registered Shareholder, you may vote either in person or at the Meeting as follows:

1. *To vote in person* – Do not complete and return the form of proxy enclosed in the Notice Package, but simply attend the Meeting where your vote will be taken and counted. Be sure to register with Computershare Trust Company of Canada ("**Computershare**"), the Corporation's transfer agent and registrar, when you arrive at the Meeting.

2. *To vote by proxy* – You can convey your voting instructions by mail, internet, telephone or facsimile and by doing so your Common Shares will be voted at the Meeting. Instructions as to how to convey your voting instructions by any of these means are provided on the back of the form of proxy included in the Notice Package and should be carefully followed.

To be valid, your proxy voting instructions must be received not less than 48 hours (excluding weekends and statutory holidays) before the time set for the holding of the Meeting or any postponement or adjournment thereof.

Beneficial Shareholder

The Corporation has distributed copies of the Notice Package to intermediaries/brokers for distribution to beneficial Shareholders. Intermediaries/brokers are required to deliver these materials to beneficial Shareholders who have not waived their rights to receive these materials, and to seek instructions as to how to vote their Common Shares.

If you are a beneficial Shareholder, your Common Shares will likely be registered in the name of a nominee. In Canada, the vast majority of such Common Shares are registered under the name "CDS & Co.", (the registration name for CDS Clearing and Depository Services Inc.), which acts as a nominee 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 Common 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 the Meeting. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder (the nominee) on how to vote on behalf of the beneficial Shareholder. The majority of brokers delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge typically mails a Voting Instruction Form in lieu of the form of proxy. The beneficial Shareholder is requested to complete and return the Voting Instruction Form to Broadridge as per the instructions on the Voting Instruction Form. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A beneficial Shareholder receiving a Voting Instruction Form from Broadridge cannot use that Voting Instruction Form to vote Common Shares directly at the Meeting as the Voting Instruction Form must be returned as directed by Broadridge, or the alternative voting procedures must be completed, well in advance of the Meeting in order to have the Common Shares voted.

As a beneficial Shareholder can I vote in person at the Meeting?

Yes, however the Corporation does not have the names of beneficial Shareholders. As such, if you wish to attend the Meeting and vote in person, you must ensure that your nominee has appointed you as proxyholder. To be appointed you must insert your own name in the space provided on the Voting Instruction Form provided to you by your nominee and carefully follow the instructions provided. Do not otherwise complete the form. This will allow you to attend the Meeting and vote your Common Shares in person. Be sure to register with Computershare when you arrive at the Meeting.

Can I appoint someone other than the management nominees, Dan O'Byrne and Lynn Rannelli, to act as my proxyholder at the Meeting?

Each of the persons named in the enclosed form of proxy to represent Shareholders at the Meeting is a director or officer of the Corporation. ***Whether or not you attend the Meeting, each Shareholder has the right to appoint some other person to represent him or her at the Meeting and may exercise this right by inserting such other person's name in the blank space provided in the enclosed form of proxy or by completing another form of proxy*****.** A person so appointed to represent a Shareholder at the Meeting does not need to be a Shareholder. Your votes will be counted if the person you appoint as proxy attends the Meeting and votes on your behalf.

Who is soliciting my proxy?

The Corporation is soliciting your proxy and the cost of the solicitation will be borne by the Corporation. It is expected that the solicitation of proxies from the Shareholders for use at the Meeting will be primarily by mail, but proxies may also be solicited by personal interviews, telephone or other means of communication by directors, officers or employees of the Corporation, who will not be specifically remunerated thereunder.

How will my Common Shares be voted?

On any ballot that may be called for at the Meeting, all Common Shares in respect of which the persons named in the enclosed form of proxy have been appointed to act will be voted or withheld from voting in accordance with the specifications made in the proxy, or you can let your proxyholder decide for you. ***If a***

specification is not made with respect to any matter, the Common Shares will be voted FOR each of the resolutions to be voted on at the Meeting.

What if there are amendments or variations to the items of business set forth in the Notice?

The form of proxy confers discretionary authority upon the persons appointed with respect to amendments to the matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As of the date of this Circular, management of the Corporation knows of no matters which are not known and should properly come before the Meeting. If any matters which are not known should properly come before the Meeting, the persons named in the enclosed form of proxy will vote on such matters in their discretion.

Can I change my mind once I have submitted my proxy?

Yes, you may revoke your proxy at any time before it is acted upon. As a registered Shareholder, if your proxy was submitted by facsimile or mail, you may revoke it by instrument in writing executed by you, or by your attorney authorized in writing, or if the Shareholder is a corporation, under corporate seal or by an officer or attorney duly authorized, and deposit such instrument in writing at the registered office of the Corporation. If you conveyed your voting instructions by telephone or internet, then conveying new instructions will revoke prior instructions.

Instructions may be revoked up to and including 9:00 am (MDT) on December 15, 2015 or by depositing the revoking instrument with the Chair of the Meeting on the day of the Meeting, or any adjournment of that Meeting, or in any other manner permitted by law, including personal attendance at the Meeting or any adjournment of that Meeting.

If an instrument of revocation is deposited with the Chair of the Meeting, it will not be effective with respect to any item of business that has been voted upon prior to the deposit.

If you are a beneficial Shareholder, you should contact your nominee for instructions on how to revoke your proxy.

Who counts the votes?

Votes are counted by Computershare in its capacity as transfer agent and registrar of the Corporation, and who will act as scrutineer of the Meeting.

How are my Common Shares voted if a ballot is called at the Meeting on any of the items of business?

Your Common Shares will be voted as you specified in your proxy. If no such specification is made, then your Common Shares will be voted FOR each of the matters to be considered at the Meeting.

Who can I contact if I have any further questions on voting at the Meeting?

You can contact Computershare Trust Company of Canada, the Corporation's transfer agent and registrar at 1-800-564-6253.

MATTERS TO BE ACTED UPON AT THE MEETING

1. Fixing the Number of Directors

At the Meeting, it is proposed that the number of directors of Spyglass to be elected at the Meeting to hold office until the next annual general meeting or until their successors are elected or appointed, be set at six (6). There are currently six (6) directors of Spyglass.

2. Election of Directors

The Board of directors of the Corporation (the "**Board**") is responsible for overseeing the management of the business and affairs of the Corporation.

At the Meeting, Shareholders will be asked to elect the persons listed below as directors of the Corporation. To be approved, such resolution must be passed by the affirmative votes cast by holders of more than 50 percent of the Common Shares represented by person or by proxy at the Meeting that vote on such resolution. Each of the proposed nominees has consented to be named in this Circular and to serve as a director of the Corporation, if elected. In the election of directors, votes are cast in favour or withheld from voting for each director individually. The Corporation has no reason to believe that any proposed nominee will be unable to serve as a director, but should any such nominee become unable to do so for any reason prior to the Meeting, the persons named in the enclosed form of proxy, unless directed to withhold from voting, reserve the right to vote for another nominee in their discretion.

The six (6) nominees for election as directors of the Corporation by Shareholders are as follows:

Thomas W. Buchanan	Daniel J. O'Byrne
Dennis B. Balderston	M.H. (Mike) Shaikh
Peter T. Harrison	John D. Wright

Each director elected will serve until the next annual meeting of Shareholders or until his or her successor is elected or appointed.

Majority Voting for Directors

The Board has adopted a policy which provides that if a director nominee has more votes withheld than are voted in favour of him or her, the nominee will submit his or her resignation promptly after the Meeting for the Governance, Human Resources and Compensation (the "**GHRC**") Committee's consideration. The GHRC Committee will make a recommendation to the Board after reviewing the matter and the Board's decision to accept or reject the resignation will be disclosed to the public. The nominee will not participate in any GHRC Committee or Board deliberations considering their resignation. The policy does not apply in circumstances involving contested director elections.

Advance Notice By-law

In 2013, the Corporation's by-laws were amended such that provisions relating to the provision of advance notice of nominations of directors of the Corporation (the "**Advance Notice Provisions**") were enacted.

The purpose of the Advance Notice Provisions is to provide Shareholders, the Board and management of the Corporation with a clear framework for director nominations to help ensure orderly business at Shareholder meetings, by effectively preventing a Shareholder from putting forth director nominations from the floor of a meeting without prior notice. Among other things, the Advance Notice Provisions fix a deadline by which a nominating Shareholder must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders. It also specifies the information that a nominating Shareholder must include in the notice to the Corporation in order for any director nominee to be eligible for election at any annual or special meeting of Shareholders.

Summary of Terms of the Advance Notice Provisions

Among other things, the Advance Notice Provisions provide that advance notice to the Corporation must be made in circumstances where nominations of persons for election to the Board are made by Shareholders other than pursuant to: (a) a "proposal" made in accordance with Section 136 of the ABCA; or (b) a requisition of a meeting made pursuant to Section 142 of the ABCA. The Advance Notice Provisions fix a deadline by which holders of record of Common Shares must submit director nominations to the Corporate Secretary of the Corporation prior to any annual or special meeting of Shareholders and outlines the specific information that a nominating Shareholder must include in the written notice to the Corporate Secretary of the Corporation for an effective nomination to occur. No person nominated by a Shareholder will be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of the Advance Notice Provisions. In the case of an annual meeting of Shareholders, notice to the Corporate Secretary of the Corporation must be made not less than 30 days and not more than 65 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement. In the case of a special meeting of shareholders (which is not also an annual meeting), notice to the Corporation must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made. The Board may, in its sole discretion, waive any requirement of the Advance Notice Provisions.

Appointment of Auditor

At the annual meeting of Shareholders held on May 13, 2015, PricewaterhouseCoopers LLP was re-appointed as the Corporation's Auditors to act until the next annual meeting of Shareholders and the Board was authorized to fix their remuneration as such. PricewaterhouseCoopers LLP is independent in accordance with the auditor's rules of professional conduct in Canada.

DIRECTOR NOMINEES

The following tables set out the names of the proposed nominees for election as directors, together with their age, place of primary residence, principal occupation, the year first appointed as a director, membership on committees of the Board as of November 4, 2015, attendance at board and committee meetings during 2015 and directorships at other public and private entities. Also indicated for each director nominee is the number of Common Shares and share equivalents beneficially owned, or controlled or directed, directly or indirectly, on November 4, 2015 and, as at such date, the value of such Common Shares and share equivalents.

Dennis B. Balderston, CA			
Independent Director Calgary, Alberta, Canada Age: 70 Director Since: March, 2013	Mr. Balderston is a Chartered Accountant and independent businessman with over 36 years of public accounting experience in public and private energy sector companies. He also has experience serving as a director of a number of public oil and gas related companies. Previously, Mr. Balderston was a partner with Ernst & Young LLP from 1990 to 2005.		
Board/Committee Membership[5]:	**Meeting Attendance (January 1 to November 4, 2015)**		
Board of Directors		6 of 6	100%
Audit Committee		3 of 3	100%
Governance, Human Resources & Compensation Committee		4 of 4	100%
Other Public Board Membership			
Condor Petroleum Inc. (TSX: CPI)	Chairman of the Audit Committee		
Securities Held	**Common Shares**	**DRSUs[2]**	**Total Market Value[1]**
2015	16,602	83,714	$7,524
2014	16,602	48,932	$21,626
2013	16,602	20,343	$67,240

Thomas W. Buchanan, FCA			
Non-Independent Director and Chairman of the Board Calgary, Alberta, Canada Age: 60 Director Since: March, 2013	Until March 2015, Mr. Buchanan was Chief Executive Officer of Athabasca Oil Corporation. Prior thereto he was Chief Executive Officer of Spyglass Resources Corp. from March 2013 to July 2014. He was Chairman and Chief Executive Officer of Charger Energy Corp. since October 2010. Prior thereto he was Director, President and Chief Executive Officer of Provident Energy Trust, a diversified energy income trust with investments in upstream oil and gas production and natural gas liquids midstream services from March 2001 to April 2010. Mr. Buchanan is a Fellow of the Canadian Institute of Chartered Accountants.		
Board/Committee Membership	**Meeting Attendance (January 1 to November 4, 2015)**		
Board of Directors (Chairman)		6 of 6	100%
Other Public Board Membership			
Athabasca Oil Corporation (TSX: ATH)	Chairman of the Board of Directors		
Securities Held	**Common Shares**	**DRSUs /PSUs[2]**	**Total Market Value[1]**
2015	1,112,966	179,984	$96,971
2014	1,112,966	127,811	$409,456
2013	1,103,853	289,252	$2,535,451

Peter T. Harrison, CFA			
Independent Director Brossard, Quebec, Canada Age: 60 Director Since: March, 2013	Mr. Harrison is Manager, Oil and Gas Investments for CN Investment Division since August 2009. Previously, he was Senior Vice President of Montrusco Bolton Investments Inc. (Montreal) since December 1997, where he managed the firm's Canadian Equity portfolios. Mr. Harrison is a Chartered Financial Analyst (CFA).		
Board/Committee Membership(6)	**Meeting Attendance (January 1 to November 4, 2015)**		
Board of Directors		6 of 6	100%
Audit Committee		3 of 3	100%
Governance, Human Resources and Compensation Committee		5 of 5	100%
Operations, Reserves and Environmental, Health & Safety Committee		4 of 4	100%
Other Public Board Membership			
Freehold Royalties Ltd. (TSX: FRU)			
Private Board Membership			
Rife Resources Ltd. Canpar Holdings Limited			
Securities Held	**Common Shares**	**DRSUs(2)**	**Total Market Value(1)**
2015	51,017	83,714	$10,105
2014	51,017	48,932	$32,983
2013	41,017	20,343	$111,675

Daniel J. O'Byrne, P.Eng, MBA			
Non-Independent Director Calgary, Alberta, Canada Age: 56 Director Since: July, 2014	Mr. O'Byrne is President and Chief Executive Officer of Spyglass Resources Corp. since July 2014 and prior thereto held the position of President since March 2013. He was Director and President of Charger Energy Corp. since October 2010. Previously he was Executive Vice President and Chief Operating Officer of Provident Energy Trust and held various executive positions at Nexen Inc. He has over 34 years of diverse experience in the North American and international oil and natural gas sector and has served as a director for a number of public energy companies.		
Board/Committee Membership(7):	**Meeting Attendance (January 1 to November 4, 2015)**		
Board of Directors		6 of 6	100%
Operations, Reserves and Environmental, Health & Safety Committee		-	-
Other Public Board Membership:			
None			
Securities Held	**Common Shares**	**PSUs/RSUs(2)**	**Total Market Value(1)**
2015	418,763	1,007,593	$106,977
2014	362,064	560,109	$304,317
2013	311,997	229,596	$985,700

M.H. (Mike) Shaikh(3), FCA			
Independent Director Calgary, Alberta, Canada Age: 67 Director Since: March, 2013	Mr. Shaikh is an independent businessman with over 35 years of experience in finance, oil and gas operations and mergers and acquisitions. Mr. Shaikh is currently and has served in the past as a Director of a number of private and public companies in a variety of industries and not-for-profit organizations. Mr. Shaikh is a Fellow of The Canadian Institute of Chartered Accountants.		
Board/Committee Membership	**Meeting Attendance (January 1 to November 4, 2015)**		
Board of Directors Audit Committee (Chair)	6 of 6 3 of 3	100% 100%	
Other Public Board Membership			
Amica Mature Lifestyles Inc. (TSX: ACC) Hawk Exploration Ltd. (TSXV: HWK)	Member of the Audit Committee Member of the Audit Committee Member of the Compensation Committee Member of the Corporate Governance Committee		
Securities Held (at December 31)	**Common Shares**	**DRSUs(2)**	**Total Market Value(1)**
2015	219,478	92,410	$23,392
2014	219,478	48,932	$88,575
2013	219,478	20,343	$436,474

John D. Wright(4), P.Eng.., CFA			
Independent Director Calgary, Alberta, Canada Age: 55 Director Since: March, 2013	Mr. Wright is President and Chief Executive Officer of Lightstream Resources Ltd. (since 2011). Previously he was the President and Chief Executive Officer of Petrobank Energy and Resources Ltd. (2000-2014), President and Chief Executive Officer of Pacalta Resources (1996-1999) and held increasingly responsible management and executive roles with Morgan Hydrocarbons (1987-1996). Mr. Wright holds a B.Sc. in Petroleum Engineering and is a Chartered Financial Analyst (CFA).		
Board/Committee Membership	**Meeting Attendance (January 1 to November 4, 2015)**		
Board of Directors Governance, Human Resources and Compensation Committee Operations, Reserves and Environmental, Health & Safety Committee (Chair)	6 of 6 4 of 4 4 of 4	100% 100% 100%	
Other Public Board Membership			
Alvopetro Energy Ltd. (TSXV: ALV) Hawk Exploration Inc. (TSXV: HWK) Lightstream Resources Ltd. (TSX: LTS) Touchstone Exploration (TSX:TXP)	Chairman of the Board of Directors Member of the Reserves Committee Member of the Audit Committee Member of the Reserves and Environment Committee President and Chief Executive Officer Member of the Reserves Committee Chairman of the Board of Directors Member of the Audit Committee Member of the Reserves Committee		
Securities Held (at December 31)	**Common Shares**	**DRSUs(2)**	**Total Market Value(1)**
2015	1,080,055	83,714	$87,283
2014	1,080,055	48,932	$372,566
2013	880,055	20,343	$1,638,724

Notes:

(1) Total value is the aggregate value of Common Shares and share equivalents held by the director. In 2015 Total Value was based on the closing price of the Common Shares on the TSX on November 4, 2015 of $0.075 per share. In 2014 Total Value was based on the closing price of the Common Shares on the TSX on December 31, 2014 of $0.33 per share. In 2013 Total Value was based on the closing price of the Common Shares on the TSX on December 31, 2013 of $1.82.

(2) Share equivalents include DRSUs issued to independent directors under the Directors Long Term Incentive Plan as at November 4, 2015. The share equivalents include PSUs issued under the Employee Long Term Incentive Plan for Mr. Buchanan. The PSU award for Mr. Buchanan is prorated for the term of his employment and will be paid out in accordance with the Employee Long Term Incentive Plan. All RSUs awarded to Mr. Buchanan during his term of employment were forfeited on his resignation as Chief Executive Officer. Share equivalents include PSUs and RSUs issued under the Employee Long Term Incentive Plan to Mr. O'Byrne.

(3) Mr. Shaikh was a director of Mystique Energy Inc. ("**Mystique**") from November 11, 2004 until his resignation on April 24, 2007. On April 25, 2007 the Court of Queen's Bench of Alberta granted an initial order to Mystique for creditor protection under the Companies' Creditors Arrangement Act ("**CCAA**"). The initial order grants CCAA protection for an initial period of 30 days, expiring May 24, 2007, to be extended thereafter as the court deems appropriate. The CCAA proceedings have been completed and Mystique has settled with its creditors.

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

(5) Mr. Balderston was appointed to the Governance, Human Resources and Compensation Committee on May 12, 2015.

(6) Mr. Harrison was appointed to the Governance, Human Resources and Compensation Committee on May 14, 2015.

(7) Mr. O'Byrne was appointed to the Operations, Reserves and Environmental, Health & Safety Committee on August 12, 2015.

4. Other Business

The directors and officers of Spyglass are not aware of any matter, other than those indicated above, which may be submitted to the Meeting for action. However, if any matter should properly be brought before the Meeting, the enclosed proxy confers discretionary authority to vote on such other matters according to the best judgment of the person holding the proxy at the Meeting.

CORPORATE GOVERNANCE POLICIES AND PRACTICES

The Board is responsible for the stewardship of the Corporation. Its role is to provide effective leadership and oversight of Spyglass. The officers and employees are responsible for the day-to-day management and conduct of the business of Spyglass and the implementation of the strategic plan approved by the Board. Fundamentally, the Board seeks to ensure that the Corporation conducts its business with honesty and integrity, with a view to creating sustainable and long-term value and growth. Supported by its committees, the Board's processes are designed to achieve an appropriate degree of independence from management; to oversee succession planning; to consider, approve and monitor the Corporation's strategic, operating, capital and financial plans; to monitor safety and environment as it applies to the Corporation's business; and to monitor the risk management framework, including the integrity of internal financial and other systems. The duties and responsibilities of the Board are set out in a written mandate of the Board which is attached to this Circular as "Appendix A".

To assist the Board with its fiduciary responsibilities, the Board is currently supported by three standing committees:

- Audit Committee (the "**Audit Committee**")
- GHRC Committee
- Operations, Reserves and Environmental, Health & Safety Committee (the "**Operations Committee**")

Strategic Planning Oversight

The Board is actively involved in the oversight of the Corporation's strategy due to its importance and impact on Shareholder value. Management, under the direction of the President and Chief Executive Officer, is responsible for the development and implementation of a detailed strategic plan. This includes the efficient acquisition and allocation of the financial, human and other resources required to achieve short and longer term strategic goals, while managing associated risks. The Board provides guidance, insight and input and ultimately approves the overall vision, objectives and long term strategy of the Corporation, including any modifications to the strategic plan as appropriate in response to progress made and/or changing market conditions.

The Board monitors the performance against, the strategic plan through a monthly report provided by the executive officers and at each quarterly meeting where a more in-depth analysis and discussion takes place. New strategic opportunities and risks are discussed as they arise throughout the year.

Risk Assessment and Oversight

Effective risk management is one of the key responsibilities of the board and critical to the Corporation's success and achievement of its business strategies. The Board considers Spyglass' overall risk profile and aims to achieve a proper balance between risks incurred and potential return to shareholders. The committees of the board assist in identifying, assessing and monitoring the corporation's risks.

At the corporate level, management reviews on a continual basis, strategic, financial, operational, human resources and compliance risks, taking an enterprise-wide approach to ensure that appropriate systems, policies and procedures are in place to mitigate these risks.

Independence of Board and Committee Members

Director independence is determined by the Board with the assistance of the GHRC Committee, based on the definition of independence in the Corporation Governance Rule and National Policy 58-201 – "Corporate Governance Guidelines" which refers to sections of National Instrument 52-110 "Audit Committees" (the "**Audit Committee Rule**"). Director independence for the Corporation's Audit Committee is determined in accordance with the Audit Committee Rule.

The Board, with the assistance of the GHRC Committee has assessed the independence of each director. Of the current and proposed six members of the Board, four are independent. Mr. O'Byrne, President and Chief Executive Officer is a non-independent director. Mr. Buchanan is non-executive Chairman of the Board and, based on the terms of the Corporate Governance Rule, cannot be regarded as independent until three years following his July 1, 2014 resignation as Chief Executive Officer. In his role as Chair, Mr. Buchanan provides overall leadership to the Board. Among other things, the Chair maintains a liaison and communication with the directors and committee chairs to co-ordinate input to optimize the effectiveness of the Board and its committees and provide updates on issues important to Spyglass. The Chair also has the following responsibilities: (i) set the Board agendas and chair Board meetings; (ii) convene meetings of independent directors when advisable; (iii) engage outside advisors at the expense of the Corporation if and when appropriate, or if requested by any director of the Corporation; (iv) ensuring any follow-up action requested and approved by the Board is pursued as necessary; and (v) perform any and all other appropriate duties as determined by the Corporation's directors during a duly constituted meeting in which he is the acting chair.

From July 1, 2014 to May 13, 2015, Mr. Findlay served as lead director (the "**Lead Director**") of Spyglass. Upon Mr. Findlay's decision not to stand for re-election at the May 13, 2015 AGM, the board appointed Mr. Shaikh as Lead Director. The primary role of the Lead Director is to strengthen the independence of the Board from management. Key duties of the Lead Director include enhancing the ability of the Board to act independently of management and non-independent directors, reviewing conflict of interest issues that may arise, in conjunction with the Chairman and the relevant committees of the Board, reviewing and assessing director attendance, performance, compensation and the size and composition of the Board and its committees, and chairing Board meetings when the Chairman is unavailable or when there is any potential conflict. All current members of the Audit Committee and the GHRC Committee are independent. All members of the Audit Committee are independent under the provisions of the Audit Committee Rule. All members of the GHRC Committee are independent under the Corporation Governance Rule.

In accordance with the Board's mandate, during each regularly scheduled meeting of the Board, an in-camera session of the independent directors is held to allow for the discussion of any necessary matters without management or non-independent directors present. In addition, in-camera sessions comprising of only independent directors are held at all Audit Committee, Operations Committee and GHRC Committee meetings. During 2015, Spyglass' independent directors held in-camera meetings at every meeting of the Board and its Committees.

The following table illustrates the independence of the current directors, including the composition of the committees of the Board.

Directors	Independent		Audit Committee	GHRC Committee	Reserves Committee
	Yes	No			
Dennis B. Balderston	✓		✓	✓	
Thomas W. Buchanan		✓			
Peter T. Harrison	✓		✓	✓ (Chair)	✓
Daniel J. O'Byrne		✓			✓
M.H. (Mike) Shaikh	✓		✓ (Chair)		
John D. Wright	✓			✓	✓ (Chair)

Position Descriptions

Position descriptions for the Chairman of the Board, the President and Chief Executive Officer and the Lead Director delineate their roles and responsibilities. The Board has also developed written position descriptions for the Chair of each of its standing committees. The complete text of these position descriptions can be found on the Corporation's website at www.spyglassresources.com.

Other Public Board Memberships

Currently, certain directors of Spyglass serve on the board of directors of other public companies. For further information, see "Director Nominees" commencing on page 8 of this Circular.

Interlocking Directorships

The following table shows directors that serve on the same boards of another reporting issuer. The board is of the view that these interlocking directorships do not adversely impact the effectiveness of these directors on Spyglass' Board.

Name of Director	Reporting Issuer
M.H. (Mike) Shaikh John D. Wright	Hawk Exploration Ltd. (TSXV: HWK)

Board and Committee Meetings and Meeting Attendance

The following table provides a summary of Board and committee meetings and director attendance at such meetings during 2014. In-camera sessions without management present were held at every regular meeting of the Board and each committee meeting during 2014.

Director	Board Meetings	Audit Committee Meetings	GHRC Committee Meetings	Reserves Committee Meetings
Dennis B. Balderston	10 of 10	4 of 4	-	-
Thomas W. Buchanan[(4)]	10 of 10	-	-	-
Randall J. Findlay	10 of 10	-	3 of 3	-
Peter T. Harrison	10 of 10	-	-	4 of 5
Daniel J. O'Byrne[(1)]	5 of 5	-	-	-
M.H. (Mike) Shaikh	9 of 10	4 of 4	-	-
Jeffrey T. Smith	10 of 10	-	3 of 3	5 of 5
John D. Wright	10 of 10	-	3 of 3	5 of 5
George S. Armoyan[(2)]	7 of 7	3 of 3	-	-
Michael B. Rapps[(3)]	2 of 2	1 of 1	--	-
Total	**83/84 99%**	**12/12 100%**	**9/9 100%**	**14/15 93%**
Overall Percentage and Number of Meetings Attended				**118/120 98%**

Notes:

(1) Mr. O'Byrne was appointed to the Board on July 1, 2014.
(2) Mr. Armoyan resigned from the Board on September 22, 2014.
(3) Mr. Rapps was appointed to the board of directors on September 22, 2014 and resigned from the Board on November 25, 2014.
(4) Effective July 1, 2014, Mr. Buchanan resigned from the position of Chief Executive Officer and was appointed Chairman.

The following table provides a summary of Board and committee meetings and director attendance at such meetings from January 1 to November 4, 2015. In-camera sessions without management present were held at every regular meeting of the Board and each committee meeting during from January 1 to November 4, 2015.

Director	Board Meetings	Audit Committee Meetings	GHRC Committee Meetings	Operations Committee Meetings
Dennis B. Balderston[(1)]	6 of 6	3 of 3	4 of 4	-
Thomas W. Buchanan	6 of 6	-	-	-
Randall J. Findlay[(5)]	2 of 2	-	2 of 2	-
Peter T. Harrison[(2)]	6 of 6	3 of 3	4 of 4	4 of 4
Daniel J. O'Byrne[(3)]	6 of 6	-	-	-
M.H. (Mike) Shaikh	6 of 6	3 of 3	-	-
Jeffrey T. Smith[(4)]	4 of 4	-	3 of 3	4 of 4
John D. Wright	6 of 6	-	4 of 4	4 of 4
Total	**41/41** **100%**	**9/9** **100%**	**17/17** **100%**	**12/12** **100%**
Overall Percentage and Number of Meetings Attended				**79/79** **100%**

Notes:

(1) Mr. Balderston was appointed to the GHRC Committee on May 12, 2015.
(2) Mr. Harrison was appointed to the GHRC Committee on May 14, 2015.
(3) Mr. O'Byrne was appointed to the Operations Committee on August 11, 2015.
(4) Mr. Smith resigned from the Board effective August 11, 2015.
(5) Mr. Findlay did not stand for re-election at the May 13, 2015 annual general meeting.

Mandatory Retirement Age or Term Limits

While the Board does not have a policy which provides for a mandatory retirement age or limits the time in which a director can serve, the Board does regularly review its composition and expertise.

Diversity

Each year, the GHRC Committee reviews the general and specific criteria applicable to candidates to be considered for nomination to the Board. The GHRC Committee aims to maintain the composition of the Board in a way that provides the best mix of skill and experience to guide the Corporation's long-term strategy and ongoing business operations.

The Board has not adopted a written policy or set targets for identifying and nominating women directors or executive officers. However, when considering candidates to fill vacancies, the review takes into account representation of women, diversity and personal characteristics such as age, cultural and educational background in addition to ensuring the board and executive management have the proper skills and experience to be effective.

Currently the Corporation has no female board members and 25% of officers are female.

Skills and Experience

The following table lists the categories of skills and experience that are essential to the Board to effectively oversee and act as a strategic resource to Spyglass. The table also illustrates the number of directors who have the indicated level of skills and experience according to their self-assessments:

	Accounting, Finance & Capital Markets	Board / Governance	Energy, Oil & Natural Gas	Government and Stakeholder Relations	Health, Safety & Environment	Human Resources & Compensation	Legal and/or Regulatory	Risk Management	Senior Executive in a Public Company	Strategic Planning & Execution
Dennis B. Balderston	✓	✓	✓		✓	✓	✓	✓		✓
Thomas W. Buchanan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Peter T. Harrison	✓	✓	✓				✓	✓		✓
Daniel J. O'Byrne	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
M.H. (Mike) Shaikh	✓	✓	✓	✓		✓		✓		✓
John D. Wright	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Total	**8**	**8**	**8**	**6**	**6**	**7**	**7**	**8**	**5**	**8**

Nomination of Directors

The GHRC Committee, which is comprised of independent directors, has, as part of its mandate, the responsibility for selecting nominees for election to the Board. The GHRC Committee does not have a formal process by which it identifies new candidates for Board nomination but rather the identification of new candidates is done on an as-needed basis. In doing so, the GHRC Committee will: (i) consider the competencies and skills the Board, as a whole, should possess; (ii) formulate criteria for candidates after considering the competencies and skills of each existing director; (iii) consider the competencies and skills of each new nominee and whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board member; (iv) canvas current Board members for suggestions as to candidates; and (v) make a formal recommendation to the Board of proposed nominees for election.

Orientation and Continuing Education

The GHRC Committee is responsible for oversight of the orientation process and/or education programs for new directors, as well as for the continuous education for Board members so that individuals may maintain and enhance their skills and abilities as directors, and to improve their knowledge of the affairs of the Corporation.

Orientation

The Chairman and President & Chief Executive Officer discuss with new directors, the role of the Board and its committees, governance, integrity and corporate values and the contribution individual directors are expected to make. Senior management provides orientation and education on operations, the strategic plan, financial position, risk and risk management processes and current issues facing the Corporation. New directors are provided, either through the electronic board portal or by hard copy, an information binder which contains the Corporation's constating documents, public disclosure documents, organizational charts and policies and guidelines. Also included in the information package are the Board and committee terms of reference, schedule of meetings, remuneration and indemnification and relevant business and operational information. Site visits to the Corporation's operating areas may be arranged.

Continuing Education

In conjunction with the annual board and director effectiveness evaluation, directors are surveyed to determine the areas that would assist them to update their skills and knowledge of the Corporation and to address ongoing and emerging issues in the functional areas of the Board. This information serves as the basis for developing the annual continuing education program. Ongoing education efforts include internal presentations made to the Board at all regularly scheduled board meetings to educate and keep directors current on changes within the Corporation, regulatory and industry requirements and legal matters. In addition, senior management or external advisors regularly provide specific information on commodity pricing, market conditions, risks and the current business environment. As required, the Board obtains legal and accounting advice whenever considered necessary to keep current on developments relating to the obligations of directors. The Corporation will reimburse directors for attending external education events.

Ethical Business Conduct

The Corporation has adopted a Code of Business Conduct and Ethics (the "**Code**") applicable to all Board members, officers and employees, a copy of which is available for review under the Corporation's profile on SEDAR at www.sedar.com and on the Corporation's website at www.spyglassresources.com. Each director, officer and employee is required to certify annually that he or she has read, understood and complied with the Code. Any reports of a material variance from the Code will be reported to the Board. There have been no material change reports filed during 2015 that pertain to any conduct of a director, officer or employee that constitutes a material departure from the Code.

Spyglass has also adopted a whistleblower policy which provides employees with the ability to report any policy violation within Spyglass including (but not limited to), falsification of financial records, unethical conduct, harassment or theft. The Board believes that providing a forum for employees, officers and directors to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct. The whistleblower policy establishes procedures that allow confidential and anonymous disclosure to the Chair of the Audit Committee of concerns regarding activity that may be considered ethically, morally or legally questionable without fear of retaliation. The application of the whistleblower policy is the primary means by which the Board monitors compliance with the Code.

Conflicts of Interest

The directors and officers of Spyglass may participate in activities and investments in the oil and natural gas industry outside the scope of their engagement or employment as directors or officers of Spyglass. As a result, the directors and officers may become subject to conflicts of interest. In accordance with the ABCA, directors who are a party to or are a director or an officer of a person who is a party to a material contract or material transaction or a proposed material contract or proposed material transaction are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the ABCA, the written mandate of the Board and Spyglass' corporate governance policies.

Compensation

The Board is responsible for determining the compensation of directors and executive officers. The Board has delegated certain responsibilities respecting compensation to the GHRC Committee. Under its written mandate, a key function of the GHRC Committee is to assist the Board in carrying out its responsibilities by reviewing compensation and human resources issues and making recommendations to the Board as appropriate. Among other things, the GHRC Committee: (i) formulates and makes recommendations to the Board in respect of compensation issues; (ii) reviews and monitors the compensation practices of the Corporation to ensure that current practice facilitates the attraction and retention of a strong management team and employees; (iii) reviews and recommends to the Board the retainer and fees to be paid to members of the Board; (iv) reviews the performance objectives and compensation and benefits package for the officers; and (v) administers incentive plans in accordance with the terms thereof.

Executive Compensation Related Fees

The Board encourages objectivity in the compensation process by monitoring the criteria and methodology employed by the GHRC Committee in arriving at its recommendations to the Board. Upon the completion of the Arrangement in 2013, the GHRC Committee engaged Mercer (Canada) Ltd. ("**Mercer**") to provide compensation consulting services on the competiveness and appropriateness of compensation programs for directors and executive officers. This review included compensation benchmarking as well as short-term incentive and long-term incentive plan designs. The following table provides information about the fees paid to Mercer in respect of its services provided to the GHRC Committee and to management in respect of the years ended December 31, 2013 and December 31, 2014.

	2014	2013
Executive Compensation –Related Fees	-	$55,124
All Other Fees	-	-

The GHRC Committee did not engage a compensation consultant to assist in determining compensation for any of the Corporation's directors or executive officers during 2014 or from January 1 to November 4, 2015.

Annual Assessments

The GHRC Committee conducts a full annual evaluation of the effectiveness and performance of the Board, the Chairman of the Board, all Board committee chairs, Board committees and individual directors. The GHRC Committee has developed an annual survey that uses confidential director questionnaires to encourage candid and constructive commentary. In this process, directors provide their views on whether the board is functioning effectively, as well as matters as specific as key strategic, risk and operational issues and the director education program. The assessment mechanism is led by the Chair of the Committee. The results are tabulated, analyzed and reported to the GHRC Committee and Board after the GHRC Committee Chair interviews each director. The Board then develops priorities for the year to address any areas for improvement that have been identified.

BOARD COMMITTEES

The Board has three committees; the Audit Committee, the GHRC Committee and the Operations Committee.

Audit Committee

The Audit Committee consists of three directors, Messrs. M.H. (Mike) Shaikh (Chair), Dennis B. Balderston and Peter T. Harrison each of whom is "financially literate" and "independent" within the meaning of the Audit Committee Rule.

The Audit Committee reviews with management and the external auditors, and recommends to the Board for approval, the annual and interim financial statements of the Corporation, the reports of the external auditors thereon and related financial reporting, including management's discussion and analysis and financial news releases. The Audit Committee assists the Board, in conjunction with the external auditors and management, with its review and oversight of audit plans and procedures and meets with the auditors independent of management at each quarterly meeting. The Audit Committee is responsible for reviewing and overseeing auditor independence, approving all non-audit services, reviewing and making recommendations to the Board on internal control processes and reporting to the Board on financial risk management positions and monitoring (a) the processes and compliance with respect to National

Instrument 52-109 "*Certification of Disclosure in Issuer's Annual and Interim Filings"* requirements, (b) other accounting and finance-based legal and regulatory compliance requirements, and (c) transactions or circumstances which could materially affect the financial profile of the Corporation.

For further information about the Audit Committee and the Audit Committee Mandate, please see the Audit Committee section of the Corporation's Annual Information Form for the year ended December 31, 2014 filed on SEDAR at www.sedar.com and available at spyglassresources.com. The Audit Committee Mandate is also available at spyglassresources.com.

GHRC Committee

The GHRC Committee consists of three independent directors, Messrs. Peter T. Harrison (Chair), Dennis B. Balderston and John D. Wright. Each member of the committee has extensive experience in strategic, business, industry, compensation and governance matters.

The GHRC Committee assists the Board with its review and oversight of corporate governance practices and assessing the functioning, performance and effectiveness of the Board, its Chair, committee chairs, committees and individual members. It is also responsible for recommending suitable candidates to the Board to ensure the Board remains balanced in terms of skill and experience. In addition, the GHRC Committee oversees continuous education programs and new director orientation programs. The GHRC has developed and conducts an annual effectiveness survey designed to assess the effectiveness of the Board, its committees and individual directors. It also monitors developments in corporate governance and best practices to be satisfied the Corporation continues to carry out high standards of corporate governance.

The GHRC Committee also assists the Board in fulfilling its review and oversight responsibilities in relation to human resources and compensation matters. The GHRC Committee mandate includes making recommendations to the Board with respect to director and executive compensation, human resources policies, as well as management succession and development. The GHRC Committee also evaluates the performance of the President and Chief Executive Officer and recommends his compensation for approval by the independent directors of the Board. In-camera sessions without management present and non-independent directors (if applicable) are held at every meeting. This committee also has the authority to engage its own outside consultants and advisors, including independent counsel. The mandate of the GHRC Committee is available for viewing on the Corporation's website at www.spyglassresources.com and in print to any Shareholder who requests a copy at info@spyglassresources.com.

Operations Committee

The Operations Committee consists of three directors, two of whom are independent, Messrs. John D. Wright (Chair), Peter T. Harrison and Daniel J. O'Byrne. Each member of the committee has extensive experience in operations, reserves and environmental, health and safety matters.

The Operations Committee assists the Board in fulfilling its oversight responsibilities in the annual review of the Corporation's petroleum and natural gas reserves pursuant to National Instrument 51-101 "*Standards of Disclosure for Oil and Gas Activities"* and also has responsibility for considering, reviewing and reporting to the Board in respect of the appointment of the independent reserves evaluator. The Reserves Committee is also responsible for developing and monitoring the approach of the Corporation's operations, environmental, health and safety matters. The mandate of the Operations Committee is available for viewing on the Corporation's website at www.spyglassresources.com and in print to any Shareholder who requests a copy at info@spyglassresources.com.

DIRECTOR COMPENSATION

The objectives of the Corporation's compensation plan for non-executive directors are to:

- attract and retain highly qualified Board members by providing market competitive compensation which recognizes the increasing responsibilities, time commitment and accountability of Board members;
- appropriately reflect the risks, size and complexity of the business; and
- align the interests of the directors with the Shareholders.

The Corporation provides all non-executive directors with a compensation package of annual cash retainers, meeting fees and long term incentive awards in the form of Director Restricted Share Units ("**DRSUs**"). The package provides comprehensive remuneration for the responsibilities and time commitments of Board members. Management, the GHRC Committee and the Board periodically benchmark the compensation package for competitiveness against a peer group of comparably-sized oil and gas organizations. Spyglass' director compensation philosophy was designed to target total compensation at the median or 50th percentile compared to market. However, on August 11, 2015, the Corporation announced the Board had approved a reduction of 25 percent for annual board and committee retainers and an 80 percent reduction for the annual equity component of the compensation program.

Upon the completion of the Arrangement in 2013, the GHRC Committee engaged the consulting services of Mercer to review its director compensation program. As part of the study, Mercer compared the Corporation's director compensation to the following publicly-traded organizations which are comparable in size to the Corporation in terms of assets and market capitalization. Several of these organizations were also included in the Corporation's review of executive compensation. See "Compensation and Market Position" for further details. Due to the comprehensive review of director compensation undertaken in 2013, the Corporation did not engage a compensation consultant to assist in determining compensation for directors in 2014 or from January 1 to November 4, 2015.

Peer Group[(1)]		
Advantage Oil & Gas Ltd.	Legacy Oil & Gas Inc.	Peyto Exploration & Development Corp.
Bellatrix Exploration Ltd.	NuVista Energy Ltd.	Santonia Energy Inc.
Birchcliff Energy Ltd.	Lightstream Resources Ltd.	Trilogy Energy Corp.
Chinook Energy Inc.	Long Run Exploration Ltd.	Twin Butte Energy Ltd.
Crew Energy Inc.	Longview Oil Corp.	Whitecap Resources Inc.
Crocotta Energy Inc.	Paramount Resources Ltd.	Zargon Oil & Gas Ltd.
Delphi Energy Corp.	Perpetual Energy Ltd.	

Note:
(1) Used by Mercer in 2013.

Schedule of Annual Retainers and Meeting Fees for Non-Executive Directors

Independent directors receive an annual retainer for membership on the Board as well as a fee for each meeting attended. The Lead Director and the chair of the three Board committees receive an additional annual retainer. On August 12, 2015, the Corporation announced the Board had approved a reduction of 25 percent for annual board and committee retainers and an 80 percent reduction for the annual equity component of the compensation program. In addition, board members may elect to forego cash compensation and alternatively receive DRSUs. Spyglass reimburses the directors for out-of-pocket expenses incurred to attend meetings.

The annual compensation rates for non-executive directors of the Corporation are as follows:

Annual Retainers		2014	Effective August 11, 2015
Board Chair	Annual cash retainer	$60,000	$45,000
	Annual equity retainer	$60,000	$12,000
Lead Director	Annual cash retainer	$45,000	$33,750
	Annual equity retainer	$50,000	$10,000
Board Member	Annual cash retainer	$30,000	$22,500
	Annual equity retainer	$40,000	$ 8,000
Committees	Audit Committee Chair retainer	$10,000	$ 7,500
	GHR&C Committee Chair retainer	$ 5,000	$ 3,750
	Reserves Committee Chair retainer	$ 5,000	$ 3,750
Fees			
	Board meeting attendance fee(1)	$ 1,500	$ 1,500
	Committee meeting attendance fee(1)	$ 1,500	$ 1,500

Notes:

(1) The fees reflect meeting attendance by a director either in person or by teleconference.

Director Compensation Table

The following table sets forth all amounts of compensation provided to non-executive directors from January 1 to November 4, 2015:

	Retainer ($)		Fees earned ($)				
Name	**Annual Cash Retainer(1) ($)**	**Committee Chair Retainer ($)**	**Board/ Committee Attendance Fees ($)**	**Travel Fees(2) ($)**	**Share-based Awards ($)(3)**	**All other compensation ($)**	**Total ($)**
Dennis B. Balderston	20,625	-	19,500	-	8,000	-	48,125
Thomas. W. Buchanan	41,250	-	9,000	-	12,000	-	62,250
Randall J. Findlay(6)	7,442	827	6,000	-	-	-	14,269
Peter T. Harrison	20,625	2,804	25,500	3,428	8,000	-	60,357
M.H. (Mike) Shaikh(7)	29,037	6,875	13,500	-	10,000	-	59,412
Jeffrey T. Smith	15,000	2,500	19,500	908	-	-	37,908
John D. Wright	20,625	938	24,000	-	8,000	-	53,563
Michael D. Rapps(4)						7,061	7,061
George S. Armoyan(5)						12,500	12,500
Total	**154,604**	**13,944**	**117,000**	**4,336**	**46,000**	**19,561**	**355,445**

Notes:

(1) Includes annual Board, Board Chair and Lead Director retainer.

(2) Directors are compensated for out-of-pocket expenses incurred incidental to attending Board/committee meetings.

(3) Each independent director received a grant of 34,782 DRSUs effective July 1, 2015, other than Mr. Buchanan, Board Chair, who received a grant of 52,173 DRSUs and Mr. Shaikh, Lead Director, who received a grant of 43,478 DRSUs. The value of the award is based on the sum of the number of DRSUs granted to the director multiplied by $0.23 which was the ten day average closing market price of the Common Shares (as calculated under the terms of the DRSU Plan) on the TSX ending on June 30, 2015. The actual value of the DRSUs will be determined based on the market value of the Common Shares on the payment dates.

(4) Mr. Rapps was appointed to the Board on September 22, 2014 and resigned from the Board on November 25, 2014. Under the terms of the DRSU Plan, the DRSUs awarded to Mr. Rapps on September 22, 2014 vested immediately and were paid out 182 days after his resignation. The value of the Award is based on the number DSRUs granted to the director, multiplied by $0.33 which was the ten day average closing market price of the Common Shares (as calculated under the terms of the DRSU Plan) on the TSX ending on May 26, 2015.

(5) Mr. Armoyan resigned from the Board on September 22, 2014. Under the term of the DRSU Plan, the DRSUs awarded to Mr. Armoyan on September 23, 2013 and July 1, 2014 vested immediately and were paid out 182 days after his resignation. The value of the Award is based on the number DSRUs granted to the director, multiplied by $0.32 which was the ten day average closing market price of the Common Shares (as calculated under the terms of the DRSU Plan) on the TSX ending on March 23, 2015.

(6) Mr. Findlay did not stand for re-election at the May 13 ,2015 annual general meeting.

(7) At the request of Mr. Shaikh, all director compensation earned by Mr. Shaikh during 2015 was donated to a charitable organization.

The following table sets forth all amounts of compensation provided to non-executive directors as of December 31, 2014:

Name	Retainer ($)		Fees earned ($)				
	Annual Cash Retainer[1] ($)	Committee Chair Retainer ($)	Board/ Committee Attendance Fees ($)	Travel Fees[2] ($)	Share-based Awards ($)[3]	All other compensation ($)	Total ($)
George S. Armoyan[4]	22,500	-	15,000	1,826	40,000	-	79,326
Dennis B. Balderston	30,000	-	21,000	-	40,000	-	91,000
Gary H. Dundas[6]	-	-	-	-	-	34,741	34,741
Randall J. Findlay	48,750	5,000	21,000	-	50,000	-	124,750
Peter T. Harrison	30,000	-	21,000	2,126	40,000	-	93,126
Michael B. Rapps[5]	7,500	-	3,000	2,687	36,952	-	50,139
M.H. (Mike) Shaikh[7]	30,000	10,000	18,000	-	40,000	-	98,000
Jeffrey T. Smith	30,000	5,000	28,500	1,189	40,000	-	104,689
John D. Wright	30,000	-	28,500	-	40,000	-	98,500
Total	**228,750**	**20,000**	**156,000**	**7,828**	**326,952**	**34,741**	**774,271**

Notes:

(1) Includes annual Board, Board Chair and Lead Director retainer.

(2) Directors are compensated for out-of-pocket expenses incurred incidental to attending Board/committee meetings.

(3) Each independent director received a grant of 22,599 DRSUs effective July 1, 2014, and Mr. Findlay, who was appointed Lead Director on July 1, 2014 and received a grant of 28,249 DRSUs. The value of the Award is based on the sum of the number of DRSUs granted to the director multiplied by $1.77 which was the ten day average closing market price of the Common Shares (as calculated under the terms of the DRSU Plan) on the TSX ending on June 30, 2014. The actual value of the DRSUs will be determined based on the market value of the Common Shares on the payment dates.

(4) Mr. Armoyan resigned from the Board on September 22, 2014.

(5) Mr. Rapps was appointed to the Board on September 22, 2014 and resigned from the Board on November 25, 2014.

(6) Mr. Dundas did not stand for re-election at the May 15, 2014 annual general meeting. Under the term of the DRSU Plan, the DRSUs awarded to Mr. Dundas on June 1, 2013, vested immediately and were paid out 182 days after his retirement. The value of the Award is based on the number DSRUs granted to the director, multiplied by $1.85 which was the ten day average closing market price of the Common Shares (as calculated under the terms of the DRSU Plan) on the TSX ending on March 24, 2014.

(7) At the request of Mr. Shaikh, all director compensation earned by Mr. Shaikh during 2014 was donated to a charitable organization.

Share Ownership Requirements

To align the interests of directors with those of Shareholders, Spyglass maintains ownership guidelines for its non-executive directors. Non-executive directors have five years after having been appointed to the Board to accumulate the minimum number of shares and/or share equivalents that are required as outlined below:

Name	Required Share and Share Equivalent Ownership	Shares and Share Equivalents as of December 31, 2014 (#)	Meets Minimum Share Ownership Guidelines[1]
Dennis B. Balderston	5 times annual cash retainer	65 534	Yes
Thomas W. Buchanan	5 times annual cash retainer	1,149,942	Yes
Peter T. Harrison	5 times annual cash retainer	99,949	Yes
M.H. (Mike) Shaikh	5 times annual cash retainer	268,410	Yes
John D. Wright	5 times annual cash retainer	1,123,387	Yes

Note:

(1) The determination of whether a non-management director meets the applicable guideline will be made on December 31 of each year by using the greater of: (a) the average price of the Spyglass shares on the TSX for the prior 60 day period and; (b) the acquisition cost of the applicable form of equity.

Director Long Term Incentive Plan

The Corporation's non-executive directors are eligible to participate in the Directors' Restricted Share Unit Plan (the "**DRSU Plan**"). The DRSU Plan is intended to promote a greater alignment of long-term interests between eligible directors of the Corporation and its Shareholders and to provide a compensation system for eligible directors that, together with the other director compensation mechanisms, is reflective of the responsibility, commitment and risk accompanying Board membership and the performance of the duties required of the various committees of the Board. DRSUs are cash settled on the settlement date.

The annual equity retainer for non-executive directors is satisfied in the form of DRSUs. The amount of the Award to be paid to eligible directors in the form of DRSUs is at the discretion of the Board. Each DRSU will entitle the holder to receive an amount in cash equal to the market value of the Common Shares multiplied by the number of DRSUs designated in the Award, and are adjusted on a compounding basis to reflect dividends paid on Common Shares between the date of grant and date of settlement. Each DRSU reflects the market value of one Common Share at the time of payment, calculated using the weighted average trading price of the Common Shares on the TSX for the 10 trading days before the payment date. DRSUs vest immediately and are paid out on the third anniversary of the grant date or as otherwise determined under the DRSU Plan in the event that the director ceases to be a director prior to the third anniversary of the grant date.

Director Outstanding Share-Based Awards Compensation

The following table sets forth information with respect to the outstanding DRSU Awards granted to non-executive directors under the DRSU Plan as of November 4, 2015:

	Share-Based Awards		
Name	**Number of Units That Have Not Vested (#)**	**Market or Payout Value of Share-Based Awards That Have Not Vested ($)**	**Market or Payout Value of Share-Based Awards Not Paid Out or Distributed ($)(1)**
Dennis B. Balderston	Nil	Nil	$6,279
Thomas W. Buchanan	Nil	Nil	$13,499
Randall J. Findlay(2)	Nil	Nil	$5,043
Peter T. Harrison	Nil	Nil	$6,279
M.H. (Mike) Shaikh	Nil	Nil	$6,931
Jeffrey T. Smith(3)	Nil	Nil	$3,670
John D. Wright	Nil	Nil	$6,279

Notes:

(1) The value of the DRSUs shown above is based on the closing market price of the Common Shares on the TSX on November 4, 2015 of $0.075 per Common Share and takes into account the notional reinvestment of dividends since the date of grant up to December 31, 2014. The actual value of the DRSUs will be determined based on the market value of the Common Shares on the payment dates.

(2) Mr. Findlay did not stand for re-election at the May 13, 2015 annual general meeting and his DSRUs will be paid in accordance with the terms of the DRSU Plan. The actual value of the DRSUs paid to Mr. Findlay will be determined based on the market value of the Common Shares on the payment date.

(3) Mr. Smith resigned from the Board effective August 12, 2015 and his DSRUs will be paid in accordance with the terms of the DRSU Plan. The actual value of the DRSUs paid to Mr. Smith will be determined based on the market value of the Common Shares on the payment date.

The following table sets forth information with respect to the outstanding DRSU Awards granted to non-executive directors under the DRSU Plan as of December 31, 2014**:**

Name	Share-Based Awards		
	Number of Units That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested ($)	Market or Payout Value of Share-Based Awards Not Paid Out or Distributed ($)[1]
George S. Armoyan[2]	Nil	Nil	15,046
Dennis B. Balderston	Nil	Nil	16,148
Thomas W. Buchanan	Nil	Nil	12,173
Randall J. Findlay	Nil	Nil	22,188
Peter T. Harrison	Nil	Nil	16,148
Michael B. Rapps[3]	Nil	Nil	7,333
M.H. (Mike) Shaikh	Nil	Nil	16,148
Jeffrey T. Smith	Nil	Nil	16,148
John D. Wright	Nil	Nil	16,148

Notes:

(1) The value of the DRSUs shown above is based on the closing market price of the Common Shares on the TSX on December 31, 2014 of $0.33 per Common Share and takes into account the notional reinvestment of dividends since the date of grant up to December 31, 2014. The actual value of the DRSUs will be determined based on the market value of the Common Shares on the payment dates.

(2) Mr. Armoyan resigned from the Board effective September 22, 2014 and his DSRUs will be paid in accordance with the terms of the DRSU Plan. The actual value of the DRSUs paid to Mr. Armoyan will be determined based on the market value of the Common Shares on the payment date.

(3) Mr. Rapps resigned from the Board effective November 25, 2014 and his DSRUs will be paid in accordance with the terms of the DRSU Plan. The actual value of the DRSUs paid to Mr. Rapps will be determined based on the market value of the Common Shares on the payment date.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The GHRC Committee exercises general responsibility on the overall compensation program of the employees and executive officers. It is responsible for the annual review and recommendation to the Board of: (i) executive compensation policies, practices and overall compensation philosophy, (ii) compensation packages for employees, (iii) bonuses and grants of cliff restricted share units, restricted share units, performance share units and director restricted share units, and (iv) major changes in benefit plans. In addition, the program is structured to ensure that executives are compensated fairly and in a manner that does not encourage them to take inappropriate risks. Final approval of these compensation items rests with the Board.

In 2014, the Corporation had the following seven (7) executive officers (the "**Named Executive Officers**" or "**NEOs**") and no other executive officers or individuals acting in a similar capacity:

NEO	Position
Daniel J. O'Byrne(3)	President & Chief Executive Officer
Mark N. Walker	Senior Vice President Finance & Chief Financial Officer
Kelly D. Cowan	Senior Vice President Corporate Development & Land
Floyd E. Siegle	Vice President, Engineering
Brad Likuski	Vice President, Production and Operations
Thomas W. Buchanan(1)	Former Chief Executive Officer
Robert B.A. Guy(2)	Former Vice President Production and Operations

Notes:

(1) Mr. Buchanan resigned from the position of Chief Executive Officer effective July 1, 2014.
(2) Mr. Guy left the employ of the Corporation effective July 31, 2014.
(3) Mr. O'Byrne was appointed President and Chief Executive Officer of the Corporation effective July 1, 2014. Prior thereto he held the position of President.

Compensation Philosophy and Objectives of the Compensation Program

Spyglass' compensation philosophy provides a framework to attract and retain a staffing complement consistent with the primary elements of its business strategy while balancing the short and long term requirements of the Corporation, employees and Shareholders in a mutually beneficial fashion.

The GHRC Committee seeks to encourage growth in such metrics as reserves, production, cash flow and earnings while focusing on achieving attractive returns on capital to enhance Shareholder value. To achieve these objectives, the Corporation wishes to create and maintain a compensation program that attracts and retains committed, highly qualified personnel by providing appropriate rewards and incentives within the framework of governance and environmental, health and safety best practice.

The Corporation's compensation program is designed to reward performance that contributes to the achievement of its business strategy on both a short-term and long-term basis. In addition, the Corporation strives to reward qualities that it believes help achieve its strategy such as teamwork; individual performance in light of general economic and industry conditions; integrity and resourcefulness; the ability to manage the Corporation's existing assets; the ability to identify and pursue new business opportunities; and responsibility and accountability. The GHRC Committee is of the view that the Corporation's executive compensation policies and practices does not encourage its executive officers to take inappropriate or excessive risks but rather focusses on Shareholder return.

On an annual basis, the GHRC Committee evaluates the performance of the President & Chief Executive Officer against predetermined financial and operational goals and objectives to assist in determining his overall compensation package.

Compensation Elements

The Corporation compensates its NEOs through base salary, cash bonuses and grants of cliff restricted share units, restricted share units and performance share units, at levels which the GHRC Committee believes, in consultation with the President & Chief Executive Officer, are reasonable in light of the performance of the Corporation under the leadership of the executive team.

Total compensation is designed to incorporate both short and long term objectives with an emphasis toward long term performance. Long term incentives in the form of grants of cliff restricted share units, restricted share units and performance share units plays a significant role in the compensation of the NEOs, although the compensation mix may vary from year to year. The following table provides an overview of the key elements of the Corporation's compensation program.

Compensation Element	Component	Objective	Form	Performance Period
Fixed Compensation	Base Salary	Compensation for performing day-to-day responsibilities	• Cash	One year
Variable Compensation	Short-term Incentive	Motivates executives to meet annual corporate, business unit and individual goals.	• Annual cash bonus	One year
	Long-term Incentive	Align compensation with long-term performance and the interests of shareholders	• RSUs • PSUs • CRSUs	Three years
Other Compensation	Benefits	Provide market competitive benefits	• Group life, accidental death and dismemberment, disability and extended health and dental insurance • Savings plan (Spyglass matches employee contributions up to a maximum of 9% of annual salary) • Non-taxable health spending account or taxable wellness spending account	Ongoing
	Perquisites	Provide market competitive benefits	• Select perquisites to offset the expenses, the cost of meetings and relationship management, including parking and professional memberships	

Currently, the Corporation does not have a policy governing NEO or director purchases of financial instruments to hedge the market value of equity securities granted as compensation or held by the NEO or director.

See "*Short Term Incentives*" and "*Long Term Incentives*" below for additional information on the Corporation's incentive plans.

Compensation and Market Position

When determining executive compensation, Spyglass uses a variety of information sources to assess the competitiveness of its program. The primary source is industry reports and general compensation surveys conducted by independent third parties. Upon the completion of the Arrangement in 2013, the GHRC Committee engaged the consulting services of Mercer to assist in defining its compensation structure to ensure competitiveness as an intermediate oil and gas company. Mercer’s mandate included compensation benchmarking as well as the review of short-term incentives, long term incentive plan design and executive share ownership guidelines. Confirmation of an appropriate peer group for comparative purposes was also determined.

Due to the comprehensive review of executive compensation undertaken by Mercer in 2013, the Corporation did not engage a compensation consultant to assist in determining compensation for executive officers in 2014.

In 2014, Management reviewed the compensation practices of companies in its selected peer group, through proxy circular data for salary levels, bonuses and long-term and short-term incentives, and reported its findings to the GHRC Committee. The companies in the selected peer group compete with

Spyglass for executive talent, operate in a similar business environment and are of similar size, scope and complexity. The Corporation's peer group for these purposes consists of the following companies:

Peer Group[1]	
Advantage Oil & Gas Ltd.	Paramount Resources Ltd.
Bellatrix Exploration Ltd.	Perpetual Energy Inc.
Birchcliff Energy Ltd.	Peyto Exploration & Development Corp.
Cequence Energy Ltd.	PTTEP Canada Ltd.
Chinook Energy Inc.	Quicksilver Resources Canada Inc.
Crocotta Energy Inc.	Rife Resources Ltd.
EOG Resources Canada Inc.	Sheritt International Corporation
Lightstream Resources Ltd.	Sinopec – Daylight Energy Ltd.
Northern Blizzard Resources Inc.	Trident Exploration Corp.
NuVista Energy Ltd.	Trilogy Energy Corp.
Omers Energy Services LP	Tundra Oil & Gas Limited.

Note:
(1) Used by Mercer in 2013

ELEMENTS OF COMPENSATION

Base Salary and Benefits

The Corporation pays base salary in order to provide a fixed level of income to its employees with the objective of attracting and retaining qualified individuals. In determining base salaries generally, Spyglass reviews proxy peer group and competitive data obtained from industry surveys in order to compare the Corporation's compensation programs with other companies whose operations, general business activities and size are similar. Job responsibilities and level of skill and experience within an employee's role are also taken into consideration. The base pay for each employee is generally targeted at the 50th percentile of the market place and is compared to other employees to ensure internal equity. For employees, the average notional base salary increase for 2014 was 3.4%.

Benefit plans provided by Spyglass are in the form of group life, health and medical, savings plans and other benefits. The NEOs participate in the same benefit plans available to all employees of the Corporation.

CEO/NEO Base Salary

Base salaries are intended to compensate each NEO for their core competencies, skills, experience and contribution to the Corporation. Base salaries for the NEO's are reviewed annually and take into account the market value of the role and the executive's demonstration of capability. In reviewing base salaries, the GHRC Committee considers several factors, including: the relationship among base salaries paid within the Corporation, individual experience and contribution, general market conditions, current rate of inflation and competition for qualified personnel. In addition, the GHRC Committee will periodically review commercially available salary survey data and publicly disclosed information of the Corporation's peers. The GHRC Committee believes that base salaries should be competitive but total compensation should be weighted toward variable, long term performance based components. For NEOs, the average notional base salary increase for 2014 was nil.

Short-Term Incentive Plan ("STIP")

All regular full time employees, including the NEOs, are eligible for an annual cash bonus. Cash bonuses are generally paid at the discretion of the Board on the recommendation of the GHRC Committee, in consultation with the President & Chief Executive Officer, based upon the achievement of corporate, business unit and individual performance criteria.

The GHRC Committee reviews and discusses recent business performance, execution of the long-term business strategy and advancement of the Corporation's competitive position to determine bonus amounts. Corporate performance is weighted based on achievement of key performance indicators that include among others, such metrics as production, cash flow per share, controllable costs, capital efficiency, debt leverage and environmental, health and safety objectives. Consideration is also given to factors such as individual goals and objectives, leadership qualities, level of responsibility, experience and expertise and performance against the strategic plan.

In addition to the performance criteria, the GHRC Committee also considers market and economic trends, extraordinary internal and market-driven events, unanticipated developments and other extenuating circumstances. In sum, the GHRC Committee analyzes the total mix of available information on a qualitative and quantitative basis in making bonus determinations with a view to providing a competitive compensation structure to attract and retain capable individuals.

Subsequent to the completion of the Arrangement, the Board, in consultation with management, selected six (6) corporate objectives as key indicators of the Corporation's performance. These STIP objectives provide a broad measure of the Corporation's performance over a range of performance criteria typical for issuers in the energy industry as outlined in the following table:

Performance Driver	**Key Performance Indicator**
Cash Flow	Cash Flow per Share
Production(1)	Average Production
Leverage(2)	Debt to Cash Flow
Controllable Costs	Operating Costs Cash G&A
Capital Efficiency(3)	Finding and Development Costs Per Producing Barrel
HSE Objectives(4)	Reportable Spills High Potential Severity Incidents Near Miss Report Submissions Satisfactory Regulatory Inspections Lease Liability Ratio Decrease Reclamation Certificate Applications Pipeline Failures

Notes:
(1) Average production adjusted for dispositions, shut-ins and cold weather downtime.
(2) 2013 target based on year-end net debt to annualized Q3 and Q4 2013 cash flow.
(3) Production capital efficiency measured using average quarterly production and total development capital in Q3 and Q4 2013. F&D uses development capital only.
(4) HSE objectives measured on a full-year basis.

In determining the STIP payable in 2014, the Board reviewed these six (6) key performance metrics in conjunction with considering the impact of the Dixonville pipeline incident and numerous asset dispositions completed during the year. The Board exercised its discretion, where appropriate, to assess corporate performance. As a result, the corporate component of the STIP was awarded at 56 percent of target across the organization.

Long-Term Incentive Plan

In 2013, the Board approved the adoption of a unit award incentive plan (the "**Long-Term Incentive Plan**" or "**LTIP**") of the Corporation which authorizes Spyglass to grant awards ("**Awards**") of cliff restricted share units ("**CRSUs**"), restricted share units ("**RSUs**") and performance share units ("**PSUs**") to officers, employees and consultants of Spyglass. CRSUs, RSUs and PSUs are collectively referred to as "**Unit Awards**".

Officers, employees and certain consultants may receive an Award of CRSUs, RSUs or PSUs or a combination thereof depending on the position held in the Corporation. The LTIP does not provide for the issuance of Common Shares or any rights to acquire Common Shares and provides only for the settlement of Unit Awards in cash.

The purpose of the LTIP is to attract and provide proper incentive to retain key employees, as well as to focus management on the operating and financial performance of Spyglass and long-term shareholder return. Unit Awards are notional share-based awards that are designed to retain and recognize key officers, employees and consultants who create shareholder value by providing payouts to such officers, employees and consultants that are directly tied to Common Share value.

The number of Unit Awards to be granted to each such grantee is evaluated using a combination of measures including the desire and ability to be promoted within Spyglass, previous grants, the exhibition of leadership qualities, a demonstrated competence in the skills required to excel in his or her role, at his or her level, the market demand for the particular skills and qualifications possessed.

The LTIP provides for cumulative increases to the amount of cash to be paid pursuant to the Awards on each date that dividends are paid in respect of Common Shares to reflect dividends on the Common Shares between the date of the grant of the Award and the payment date in respect of the Unit Awards. This adjustment ratio is used to adjust the number of Unit Awards upon which the amount to be paid on the applicable payment date(s) pertaining to such Award is determined in accordance with the terms of the LTIP and is increased each time the Corporation pays a dividend to the Shareholders.

Cliff Restricted Share Units

Each CRSU will entitle the holder to receive an amount in cash equal to the market value of the Common Shares multiplied by the number of CRSUs designated in the Award. Each CRSU that vests is worth the market value of one Common Share at the time of vesting, calculated using the weighted average trading price of the Common Shares on the TSX for the 10 trading days before the vesting date. CRSUs vest on the third anniversary of the grant date

No CRSUs have been granted to any officer, employee or consultant of Spyglass as of the date of this Circular.

Restricted Share Units

Each RSU will entitle the holder to receive an amount in cash equal to the market value of the Common Shares multiplied by the number of vested RSUs on the settlement date. Each RSU that vests is worth the market value of one Common Share at the time of vesting, calculated using the weighted average trading price of the Common Shares on the TSX for the 10 trading days before the vesting date. The RSUs vest in three equal instalments on the first, second and third anniversaries of the grant date.

Performance Share Units

Each PSU will entitle the holder to receive an amount in cash equal to the market value of the Common Shares multiplied by the number of vested PSUs on the settlement date. Each PSU that vests is worth the market value of one Common Share at the time of vesting, calculated using the weighted average trading price of the Common Shares on the TSX for the 10 trading days before the vesting date.

The number of PSUs that vest is determined on the third anniversary of the grant date, subject to a performance multiplier of between zero and two based on the satisfaction of the performance criteria described herein. The performance multiplier used to determine the number of vested PSUs is determined by ranking the total shareholder return of the Corporation over a period of three years against a peer group consisting of 15 selected dividend paying exploration and production companies using an absolute ranking with a linear multiplier function. For example, if Spyglass ranks 16th overall in respect of total shareholder return in comparison to the other companies in the peer group, the performance multiplier will be zero. If Spyglass ranks 1st overall in respect of total shareholder return in comparison to the other companies in the peer group, the performance multiplier will be two. A ranking of between 1st and 16th in respect of total shareholder return will result in a performance multiplier of between two and zero. Total shareholder return as set forth in the LTIP means the total return to Shareholders calculated having regard to the cumulative dividends paid by the Corporation on a reinvested basis and the change in the trading price of the Common Shares on the TSX over the three year period.

Effect of Certain Transactions

A "**Change of Control**", as defined in the LTIP, will result in the accelerated vesting or payout of Unit Awards under the terms of the LTIP, unless otherwise determined by the GHRC Committee. However, the GHRC Committee may elect not to accelerate the vesting of Unit Awards on a Change of Control and ensure that the Unit Award continues in force, or be replaced with new agreements in a manner that substantially preserves and does not impair the rights of holders under the LTIP in any material respect.

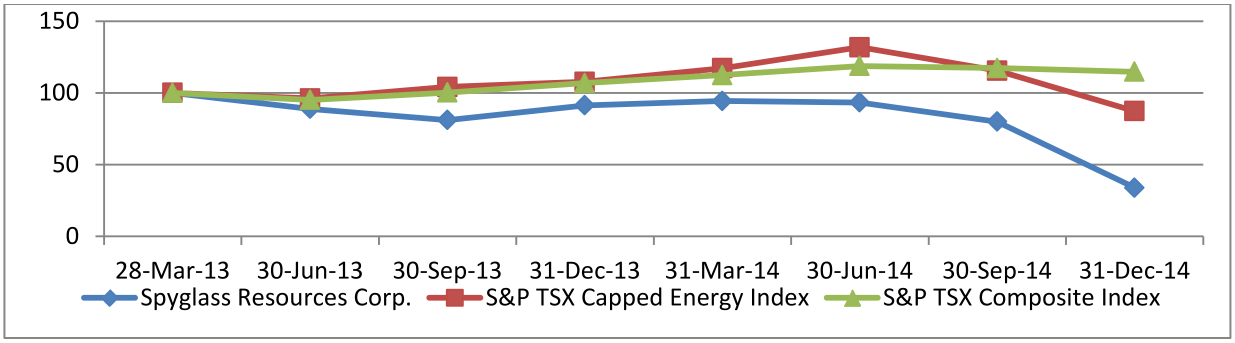
Effect of Termination of Employment

Under the LTIP, if the holder's employment with the Corporation is terminated as a result of retirement or death, all Unit Awards previously granted to the holder will continue to vest and be paid out in accordance with their original terms, except that in the case of retirement Unit Awards granted in the year of retirement will be reduced on a *pro rata* basis for the proportion worked by the holder of the year in which the retirement occurs. If a holder of Unit Awards dies, the vesting and payout of all Unit Awards will fully accelerate, with the performance multiplier for any PSU Awards set at one, unless otherwise determined by the GHRC Committee. If the employment of a holder of Unit Awards is terminated as a result of the disability of the holder, all Unit Awards shall continue without adjustment and shall remain eligible for settlement in the normal course. If the employment of a holder of Unit Awards is terminated by the Corporation other than for cause, any PSU Awards shall be adjusted and pro-rated based on the length of time the holder was employed during the three year period commencing on the grant date. Any CRSU Awards and RSU Awards held by such holder shall be pro-rated based on the length of time the holder was employed during the year commencing on the prior anniversary of the grant date (or the date of grant, if there has been no anniversary in respect of such grant). The vesting and payout date of such pro-rated CRSU Awards and RSU Awards shall be as soon as possible following the date of termination of employment. If the employment of a holder of Unit Awards by the Corporation is terminated for any reason other than for cause retirement, disability or death, all outstanding Unit Awards granted to that holder will be forfeited and terminated on the effective date of the termination. The foregoing is subject to the termination provisions contained in the executive employment agreements entered into between the Corporation and certain of its executive officers, the terms of which are described below under "*Executive Compensation - Termination and Change of Control Benefits*".

PERFORMANCE GRAPHS

The Common Shares currently trade on the TSX under the symbol "SGL". Prior to the completion of the Arrangement, the common shares of Pace traded on the TSX under the symbol "PCE" since July 5, 2010. Prior thereto, the common shares of Midnight Oil Exploration Ltd. ("**Midnight**"), the predecessor of Pace, traded on the TSX since December 2, 2004.

The following graph compares the cumulative total shareholder return of the Common Shares (see Notes (1) and (2) below) with the cumulative shareholder return of the S&P/TSX Composite Index and the S&P/TSX Capped Energy Index for the period commencing March 28, 2013 and ending December 31, 2014.



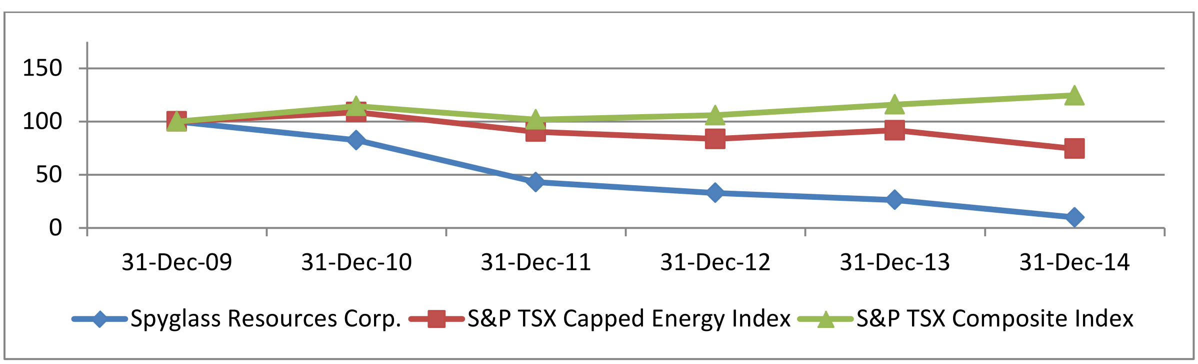
Notes:

(1) Assumes that the initial value of the investment in Common Shares, the S&P/TSX Composite Index and the S&P/TSX Capped Energy Index was $100 on March 28, 2013.

(2) The closing trading price of the Pace common shares on the TSX on March 28, 2013 was $2.88. To adjust for the exchange ratio pursuant to the Arrangement, this amount was divided by 1.3 (which reflects in an effective closing price of $2.22). The closing trading price of Common Shares was $1.90 on June 30, 2013, $1.66 on September 30, 2013, $1.82 on December 31, 2013, $1.82 on March 31, 2014, $1.73 on June 30, 2014, $1.38 on September 30, 2014 and $0.33 on December 31, 2014.

	March 28, 2013	June 30, 2013	September 30, 2013	December 31, 2013	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014
Common Shares	$100	$89	$81	$91	$94	$93	$80	$34
S&P TSX Energy Index	$100	$96	$104	$108	$117	$132	$115	$87
S&P TSX Composite Index	$100	$95	$100	$107	$112	$119	$117	$115

The following graph compares the cumulative total shareholder return of the Common Shares (see Notes (1) and (2) below) with the cumulative shareholder return of the S&P/TSX Composite Index and the S&P/TSX Capped Energy Index for the period commencing December 31, 2009 and ending December 31, 2014.



Notes:

(1) Assumes that the initial value of the investment in common shares of Midnight, in the S&P/TSX Composite Index and the S&P/TSX Capped Energy Index was $100 on December 31, 2009.

(2) The closing trading price of Midnight's common shares on the TSX on December 31, 2009 was $1.00. To adjust for the exchange ratios pursuant to the business combination involving Midnight and Pace and the subsequent business combination involving Pace and Spyglass, these amounts were first multiplied by 10, then divided by 1.3. The closing trading price of the Pace common shares on December 31, 2010 was $8.24, on December 31, 2011 was $4.30, and on December 31, 2012 was $3.29. To adjust for the exchange ratio pursuant to the business combination to form Spyglass, these amounts were divided by 1.3. The closing trading price of the Spyglass common shares on December 31, 2013 was $1.82 and on December 31, 2014 was $0.33.

	December 31					
	2009	2010	2011	2012	2013	2014
Common Shares	$100	$82	$43	$33	$26	$10
S&P TSX Energy Index	$100	$109	$90	$84	$92	$74
S&P TSX Composite Index	$100	$114	$102	$106	$116	$125

The Board will consider a number of factors in connection with its determination of appropriate levels of executive compensation including, but not limited to, the demand for and supply of skilled professionals with experience in the oil and gas industry and the achievement of certain pre-determined performance measures that are viewed as correlating to long term shareholder value. The achievement of these performance measures are assessed against corporate and individual targets and will not necessarily track the market value of the Common Shares, which may be impacted by commodity prices, economic conditions and other market factors that are outside the control of the Corporation. The total compensation received by the NEOs from the completion of the Arrangement to December 31, 2014 has generally trended with the Corporation's cumulative total return over the period. Due to the inherent link with the market price of the Common Shares, the underlying value of the Awards granted under the LTIP naturally follows fluctuations in Spyglass' total return.

Summary Compensation Table

The following table sets forth information concerning compensation awarded to Spyglass NEOs for the year ended December 31, 2014:

					Non-Equity Incentive Plan Compensation				
Name and Principal Position	Year	Salary ($)[1]	Share Awards ($)[2]	Option Awards ($)	Annual Incentive ($)	Long-Term Incentive ($)[7]	Pension Value ($)	All Other Compensation ($)[3]	Total ($)
Daniel J. O'Byrne[6], President & CEO	2014 2013	317,500 246,923	502,500 450,000	-	129,377 -	36,920 -	-	77,018 37,906	1,063,315 734,829
Mark N. Walker, Senior Finance & CFO	2014 2013	275,000 207,308	412,498 412,498	-	101,208 -	33,844 -	-	37,651 37,360	860,201 657,166
Kelly D. Cowan, Senior VP Corporate Development & Land	2014 2013	260,000 195,000	312,000 312,000	-	87,520 -	25,598 -	-	58,374 32,656	743,492 539,656
Floyd E. Siegle VP Engineering	2014 2013	225,000 168,750	225,000 225,000	-	68,476	36,920 -	-	45,024 18,872	600,420 412,622
Brad I. Likuski VP Production & Operations	2014 2013	211,468 147,396	217,000 97,507	-	150,000	19,200 -	-	53,907 21,797	651,575 266,700
Thomas W. Buchanan[4], Former CEO, Director	2014 2013	162,500 252,500	60,000 568,750	-	171,630 -	46,664 -	-	80,694 47,514	521,488 868,764
Robert B.A. Guy[5] Former VP Production & Operations	2014 2013	140,000 180,000	- 240,000	-	68,483 -	39,382 -	-	43,260 22,300	291,125 422,300

Notes:

(1) The amount represented in this table for 2013 for each of the NEOS, is their pro-rated annual salary from the completion of the Arrangement on March 28, 2013 until December 31, 2013.

(2) For 2014, the value of the award is based on the sum of the number of RSUs and PSUs granted to the NEO on July 1, 2014, multiplied by $1.77 which was the ten day average closing market price of the Common Shares on the TSX ending on June 30, 2014. For 2013, the value of the award is based on the sum of the number of RSUs and PSUs granted to the NEO on June 1, 2013,

multiplied by $2.13 which was the ten day average closing market price of the Common Shares on the TSX ending on May 31, 2013.

(3) Reflects benefits and perquisites which may include but are not limited to health, dental, life insurance, an employee matching savings plan, parking, training and development, club memberships and professional fees and dues. For Messrs. O'Byrne, Buchanan, Guy and Likuski, the amount also includes a lump sum payment for vacation earned but not taken during 2014. For Mr. Buchanan, the amount includes director compensation paid from July 1, 2014 to December 31, 2014 of $97,500. The value of the perquisites and benefits for each NEO is less than $50,000 with the exception of Messrs. Buchanan, O'Byrne and Cowan, and greater than 10% of each NEO's total salary for the financial year.

(4) On July 1, 2014 Mr. Buchanan retired as Chief Executive Officer and was appointed Chairman of the Board. From July 1, 2014 to December 31, 2014 director compensation paid to Mr. Buchanan was $30,000 (Annual Retainer); $7,500 (Meeting Fees) and $60,000 (Share Awards). All other compensation disclosed in this table reflects compensation paid to Mr. Buchanan as Chief Executive Officer from January 1 to June 30, 2014.

(5) Mr. Guy left the employ of Spyglass effective July 1, 2014 and received a payment in accordance with the terms of his Employment Agreement.

(6) Mr. O'Byrne was appointed President & Chief Executive Officer effective July 1, 2014. Prior thereto he held the position of President. On August 13, 2014 the Board approved an increase to Mr. O'Byrne's annual salary from $300,000 to $335,000.

(7) Represents the cash payout made to each NEO in respect of the first 1/3 of the 2013 RSU grant payable July 1, 2014 (in accordance with the terms of the LTIP). The value of the payment is based on the number of RSUs that vested, multiplied by $1.77 which was the ten day average closing market price of the Common Shares on the TSX ending on June 30, 2014.

Long Term Incentives

The number of RSUs and PSUs disclosed below takes into account the notional reinvestment of dividends since the date of grant on July 1, 2014 up to December 31, 2014 in accordance with the terms of the LTIP.

Name and Principal Position	Long Term Incentive Awards: Restricted Share Units (#)	Long Term Incentive Awards: Performance Share Units (#)
Daniel J. O'Byrne, President & CEO	79,975	212,924
Mark N. Walker, Senior VP Finance & CFO	58,263	174,788
Kelly D. Cowan, Senior VP Corporate Development & Land	44,068	132,203
Floyd E. Siegle, VP Engineering	63,559	63,559
Brad I. Likuski, VP Production & Operations	61,299	61,299

Outstanding Share-Based Awards - Restricted Share Units and Performance Share Units

The following table sets forth information with respect to the outstanding Awards granted under the LTIP to the NEOs as of December 31, 2014, which includes grants prior to December 31, 2013:

Name and Principal Position	Number of units that have not vested (#)		Market or payout value of share-based awards that have not vested ($)[1]		Market or payout value of vested share-based awards not paid out or distributed ($)	
	RSUs	PSUs	RSUs	PSUs	RSUs	PSUs
Daniel J. O'Byrne, President & CEO	122,960	437,149	40,577	144,259	Nil	Nil
Mark N. Walker, Senior VP Finance & CFO	105,297	378,472	34,748	124,896	Nil	Nil
Kelly D. Cowan, Senior VP Corporate Development & Land	79,643	286,262	26,282	94,466	Nil	Nil
Floyd E. Siegle, VP Engineering	109,092	116,376	36,000	38,404	Nil	Nil
Brad I. Likuski, VP Production & Operations	90,545	90,545	29,879	29,879	Nil	Nil
Thomas W. Buchanan, Former CEO	-	90,831	-	29,974	Nil	Nil
Robert B.A. Guy, Former VP Production & Operations	-	72,841	-	24,037	Nil	Nil

Note:

(1) Based on the closing market price of the Common Shares on the TSX on December 31, 2014 of $0.33 per Common Share and a performance multiplier of one in the case of the PSUs. The actual value of the RSUs and PSUs will be determined based on the market value of the Common Shares on the vesting dates and, in the case of the PSUs, on the determination of the performance multiplier as described herein. The number of RSUs and PSUs disclosed above takes into account the notional reinvestment of dividends since the date of grant up to December 31, 2014.

Share-Based Awards – Value Vested or Earned in 2014

Name and Principal Position	Share-based awards – Value vested during 2014(1)	
	RSU ($)	PSUs ($)
Daniel J. O'Byrne, President & CEO	36,920	Nil
Mark N. Walker, Senior VP Finance & CFO	33,844	Nil
Kelly D. Cowan, Senior VP Corporate Development & Land	25,598	Nil
Floyd E. Siegle, VP Engineering	36,920	Nil
Brad I. Likuski, VP Production and Operations	19,200	Nil
Thomas W. Buchanan, Former CEO	46,664	Nil
Robert B.A. Guy, Former VP Production and Operations	39,382	Nil

Note:

(1) The value of the award is based on the sum of the number of RSUs that vested for each NEO, multiplied by $1.77 which was the ten day average closing market price of the Common Shares on the TSX ending on June 30, 2014.

Termination and Change of Control Benefits

Spyglass has entered into executive employment agreements with each of Messrs. O'Byrne, Walker and Cowan. If there is a change of control of Spyglass and such officer's employment is terminated by the Corporation or by the officer (provided that the officer has Good Reason (as defined in the employment agreements), the officer will receive from the Corporation:

- in the case of the President and Chief Executive Officer, a severance payment equal to 24 months annual salary; in the case of the Senior Vice President Finance and Chief Financial Officer and the Senior Vice President Corporate Development & Land, a severance payment equal to 18 months annual salary.
- In addition, each of the NEOs will receive an additional 20 percent of annual salary in lieu of benefits and perquisites plus an additional amount equal to the greater of: (i) two times the average of the STIP award paid in the 2 years preceding the termination date; and (ii) two times the average of the STIP paid to the officer in the year immediately preceding the termination date and the target STIP award the officer would have received in the full year in which the termination date occurs.

The LTIP generally provides that in the event of a change of control transaction, all existing awards of PSUs or RSUs for all employees and NEOs accelerate and vest immediately prior to the completion of such transaction, unless otherwise determined by the Corporation.

Non-Compete/ Non Solicit

Messrs. O'Byrne, Walker and Cowan may not, during their employment or for six (6) thereafter, either directly or indirectly, become party to or be involved in a capacity relating the Corporation's Business whether as an employer, employee, consultant, officer, owner, advisor, broker, finder, partner, shareholder, joint venturer, owner or otherwise, with any Person who is utilizing or pursuing an opportunity in, or is involved in, engaged in, or has interest in, the Business provided.

And, without the prior written consent of the Board of Directors, for any reason, either directly or indirectly, Messrs. O'Byrne, Walker or Cowan may not, through any Person, agent, executive, affiliate or representative during the term of their employment or for twelve (12) months thereafter, for any reason initiate contact with any employee or full-time consultant of the Corporation for the purpose of offering employment or business opportunities other than with the Corporation.

The following table sets forth information with respect to the estimated aggregate dollar amount that each NEO would have been entitled to pursuant to the foregoing agreements if the event resulting in termination of employment occurred on December 31, 2014.

Name and Principal Position	Termination without "Just Cause"(1) ($)	Termination upon "Change of Control"(1) ($)	Termination for "Just Cause" ($)
Daniel J. O'Byrne, President & CEO	931,025	931,025	Nil
Mark N. Walker, Senior VP Finance & CFO	833,675	833,675	Nil
Kelly D. Cowan, Senior VP Corporate Development & Land	741,937	741,937	Nil
Floyd E. Siegle, VP Engineering	Nil	38,404	Nil
Brad I. Likuski, VP Production and Operations	Nil	29,879	Nil

Note:

(1) The LTIP calculation is based on the closing market price of the Common Shares on the TSX on December 31, 2014 of $0.33 per Common Share and a performance multiplier of one in the case of the PSUs. The actual value of the RSUs and PSUs will be determined based on the market value of the Common Shares on the vesting dates and, in the case of the PSUs, on the determination of the performance multiplier as described herein.

Executive Ownership Guidelines

Spyglass maintains ownership guidelines for its senior executives to further align Executive and shareholder interests. Executives have five years to accumulate the minimum number of shares and/or share equivalents that are required as outlined below:

Name	Required Share and Share Equivalent Ownership	Shares and Share Equivalents as of December 31, 2014 (#)	Meets Minimum Share Ownership Guidelines(1)
Daniel J. O'Byrne	3 times base salary	922,193	Yes
Mark N. Walker	2 times base salary	851,193	Yes
Kelly D. Cowan	2 times base salary	581,993	Yes
Floyd E. Siegle	1 times base salary	291,621	Yes
Brad I. Likuski	1 times base salary	207,603	Yes

Note:

(1) The determination of whether an executive meets the applicable guideline will be made on December 31 of each year by using the greater of: (a) the average closing price of the shares on the TSX for the prior 60 day period and; (b) the acquisition cost of the applicable form of equity.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer or employee of Spyglass was indebted to Spyglass as at the date of this Circular. At no time during the financial year ended December 31, 2014 did any director or executive officer, or any associate of any such director or executive officer, owe any indebtedness to the Corporation or owe any indebtedness to any other entity which is, or at any time has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

Since the beginning of the financial year ended December 31, 2014, no informed person of the Corporation, nominee for director of Spyglass, nor any affiliate or associate of any informed person or nominee for director, had any material interest, direct or indirect, in any transaction or proposed transaction which has materially affected or would material affect the Corporation, other than the Arrangement. For additional information concerning payments made to certain directors and executive officers of Pace upon completion of the Arrangement, see Appendix C. Additional details concerning the Arrangement are included in the Joint Circular available under the Spyglass issuer profile on SEDAR at www.sedar.com.

REGULATORY MATTERS AND BANKRUPTCIES AND INSOLVENCIES

Corporate Cease Trade Orders

To the knowledge of management of Spyglass, except as otherwise disclosed in this Circular, no proposed director is, or within the 10 years before the date of this Circular has been, a director, chief executive officer or chief financial officer of any other issuer that:

(a) was the subject of a cease trade or similar order or an order that denied the other issuer access to any exemptions under securities legislation that lasted for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to a cease trade or similar order or an order that denied the relevant issuer access to any exemption under securities legislation that lasted for a period of more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

Other than as disclosed in this Circular, to the knowledge of management of Spyglass, no proposed director

(a) is, at the date of this Circular or has been within the 10 years before the date of this Circular, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties or Sanctions

Other than as disclosed in this Circular, to the knowledge of management of Spyglass, no proposed director or officer has:

(a) been subject to 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) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

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

Management of Spyglass is not aware of any material interest, direct or indirect, of any director or nominee for director or executive officer 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 except as otherwise described in this Circular.

ADDITIONAL INFORMATION

Additional information relating to Spyglass is available on SEDAR at www.sedar.com. Financial information in respect of the Corporation is provided in the annual audited consolidated financial statements of Spyglass for the year ended December 31, 2014 and the accompanying management's discussion and analysis, which can be accessed under Spyglass' profile on SEDAR at www.sedar.com.

Spyglass will mail its annual and interim financial statements and accompanying management's discussion and analysis to any Shareholder who requests them by: (i) sending the enclosed return card to Spyglass' agent, Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 as directed, or (ii) contacting the Corporation at "Spyglass Resources Corp." 1700, 250 – 2nd Street S.W., Calgary, Alberta, T2P 0C1 Attention: Lynn Rannelli, the Corporate Secretary of Spyglass, by telephone at (403) 303-8500, or by email at ir@spyglassresources.com.

OTHER MATTERS

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

APPENDIX A

SPYGLASS RESOURCES CORP.

BOARD OF DIRECTORS – TERMS OF REFERENCE

The Board of Directors (the "**Board**") of Spyglass Resources Corp. (the "**Corporation**") is responsible for the stewardship of the Corporation, the subsidiaries and partnerships of the Corporation to the extent delegated to the Corporation. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of the Corporation. This mandate sets out in general terms, the Board's responsibilities and duties.

Duties and Responsibilities

- In consultation with the chief executive officer of the Corporation (the "**CEO**"), define the principal objectives of the Corporation;
- In consultation with management, review and approve annually the Corporation's strategic business plan;
- Discharge the duties imposed on the Board by applicable law and regulations; and
- For the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate in the circumstances.

Strategic Direction and Capital and Financial Plans

- The Board will require the CEO to present annually to the Board a long and short term strategic and business plans for the Corporation's business, which plans must address:

    the Corporation's principal objectives;

    identify the principal strategic and operational opportunities and risks of the Corporation's business; and

    be approved by the Board as a condition to their implementation.

- Review progress towards the achievement of the goals established in the strategic, operating and capital plans;
- Identify the principal risks of the Corporation's business and take reasonable steps to ensure the implementation of the appropriate systems to manage these risks;
- Approve the annual operating and capital budgets;
- Approve material acquisitions, dispositions and other material transaction and business combinations affecting the Corporation;
- Approve the establishment of credit facilities and other material agreements creating financial obligations of the Corporation; and
- Approve issuances of additional securities or other instruments to the public.

Monitoring and Acting

- Monitor the Corporation's progress in achieving its goals, and to revise and alter its direction in consultation with management in light of changing circumstances;
- Monitor overall human resources policies and procedures, including compensation and succession planning;
- Appoint the CEO and determine the terms of the CEO's employment with the Corporation;
- Confirm systems are in place for the implementation and integrity of the Corporation's internal control and management information systems;
- In consultation with the CEO, develop a position description for the CEO;
- Evaluate the performance of the CEO at least annually;
- In consultation with the CEO, establish the limits of senior management's authority and responsibility in conducting the Corporation's business;
- In consultation with the CEO, appoint the officers of the Corporation and approve the terms of each officer's employment with the Corporation;
- Develop a system under which succession to senior management positions will occur in a timely manner;
- Approve any proposed significant change in the management organization structure of the Corporation;
- Review and approve risk management policies and procedures;
- In consultation with the CEO, establish a disclosure policy for the Corporation;
- Generally provide advice and guidance to management; and
- Approve all matters relating to a takeover bid for the securities of the Corporation or the securities of another entity by the Corporation.

Business Risks

The Board has the responsibility to understand the principal risks of the business in which the Corporation is engaged and verify that the Corporation achieves a proper balance between risks incurred and the potential return to the Corporation and its shareholders. The board must also determine that there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Corporation. The Board is assisted by the Governance, Human Resources and Compensation Committee in establishing appropriate risk oversight functions at the Board and Committee levels, and it is the responsibility of management to ensure that the Board and its Committees are kept well-informed of changing risks. The principal mechanisms through which the Board reviews risks are:

- on-going reports by the CEO;
- the strategic planning process;
- through the work of the Audit Committee of the Board;
- through the work of the Governance, Human Resources and Compensation Committee of the Board;
- through the work of the Operations, Reserves and Environmental, Health and Safety Committee of the Board; and
- the ongoing education plan.

Finances and Controls

- Review the Corporation's systems to manage the risks of the Corporation's business and, with the assistance of management, the Corporation's auditors and others (as required), evaluate the appropriateness of such systems;
- Monitor the appropriateness of the Corporation's capital structure;
- Confirm that the financial performance of the Corporation is properly reported to shareholders, other security holders, lenders and regulators on a timely and regular basis;
- In consultation with the CEO, establish the ethical standards to be observed by all officers and employees of the Corporation and use reasonable efforts to ensure that a process is in place to monitor compliance with those standards;
- Require that the CEO, General Counsel and CFO institute and monitor processes and systems designed to ensure compliance with applicable laws by the Corporation and its officers and employees;
- Require that the CEO and CFO institute, and maintain the integrity of, internal control and information systems, including maintenance of all required records and documentation;
- Approve material contracts to be entered into by the Corporation;
- Recommend to shareholders of the Corporation a firm of chartered accountants to be appointed as the Corporation's auditors;
- Confirm that the Corporation's oil and gas reserve report(s) fairly represents the quantity and value of corporate reserves in accordance with generally accepted engineering principles and applicable securities laws; and
- Take action to gain reasonable assurance that financial information made public by the Corporation (including the Corporation's annual and quarterly financial statements) is accurate and complete and represents fairly the Corporation's financial position and performance.

Governance

- Develop a position description for the Chairman, the Chief Executive Officer and the President of the Corporation;
- In consultation with the Governance, Human Resources and Compensation Committee, select nominees for election to the Board;
- Facilitate the continuity, effectiveness and independence of the Board by, including but not limited to:

    appointing a Chair of the Board;

    appointing a Lead Director of the Board if the Chair is not independent;

    appointing from amongst the directors, an audit committee, operations, reserves and environmental, health and safety committee, governance, human resource and compensation committee, and such other committees of the Board as the Board deems appropriate;

    defining the mandate of each committee of the Board;

    ensuring that processes are in place and are utilized to assess the effectiveness of the Chair of the Board, the Board as a whole, each committee of the Board and each director; and

    establishing a system to enable any director to engage an outside adviser at the expense of the Corporation;

- In consultation with the Governance, Human Resources and Compensation Committee, review annually the composition of the Board and its committees and assess Directors' performance on an ongoing basis, and propose new members to the Board; and
- In consultation with the Governance, Human Resources and Compensation Committee, review annually the adequacy and form of the compensation of directors.

Board Committees

- The Board may, subject to applicable law, delegate its duties to, and receive reports and recommendations from, any committee of the Board;

Board Composition

- The Board should be composed of at least 5 individuals elected by the shareholders at the annual meeting;
- A majority of Board members should be independent Directors as required under applicable law and regulations and be free from any business or other relationship that could impair the exercise of independent judgment;
- Board members should possess sufficient knowledge of the Corporation’s business to assist in providing advice and counsel on relevant issues;
- Board members should offer their resignation from the Board to the Chairman of the Governance, Human Resources and Compensation Committee following:

change in personal circumstances which would reasonably interfere with the ability to serve as a Director; or

change in personal circumstances which would reasonably reflect poorly on the Corporation (for example, finding by a Court of fraud, or conviction under Criminal Code or securities legislation).

Board Meeting Procedures

- The Board shall meet at least four times per year and/or as deemed appropriate by the Board Chair;
- The Board shall meet at the end of its regular quarterly meetings without members of management being present;
- Minutes of each meeting shall be prepared by the Corporate Secretary or Assistant Corporate Secretary;
- Any officer of the Corporation shall be available to attend all meetings of the Board upon invitation by the Board; and
- Other employees, consultants and professional advisors, as appropriate, may attend meetings at the invitation of the Board.

Authority

- The Board shall have the authority to review corporate reports or material and to investigate activity of the Corporation and to request officers and other employees to cooperate as requested by the Board; and
- The Board may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Corporation.