



StealthVentures Ltd

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED

DECEMBER 31, 2008

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TABLE OF CONTENTS

	Page
ABBREVIATIONS	ii
CONVERSIONS	ii
DEFINITIONS	iii
FORWARD-LOOKING STATEMENTS	vii
CORPORATE STRUCTURE.....	1
GENERAL DEVELOPMENT OF THE BUSINESS	1
DESCRIPTION OF THE BUSINESS	4
STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION.....	7
SHARE CAPITAL	26
DIVIDENDS.....	26
MARKET FOR SECURITIES	26
DIRECTORS AND OFFICERS	27
AUDIT COMMITTEE	30
RISK FACTORS	33
INDUSTRY CONDITIONS.....	42
LEGAL PROCEEDINGS AND REGULATORY ACTIONS	47
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS.....	47
AUDITORS, TRANSFER AGENT AND REGISTRAR	47
MATERIAL CONTRACTS.....	47
INTERESTS OF EXPERTS.....	48
ADDITIONAL INFORMATION.....	48
APPENDIX A – FORM 51-101F2 - REPORT ON RESERVES DATA BY INDEPENDENT QUALIFIED RESERVES EVALUATOR	50
APPENDIX B – FORM 51-101F3 - REPORT OF MANAGEMENT AND DIRECTORS ON RESERVES DATA AND OTHER INFORMATION.....	53
APPENDIX C – AUDIT COMMITTEE CHARTER	55

ABBREVIATIONS

Oil and Natural Gas Liquids

Bbl	barrel
Bbls	barrels
Mbbls	thousand barrels
MMbbls	million barrels
Mstb	1,000 stock tank barrels
Bbls/d	barrels per day
BOPD	barrels of oil per day
NGLs	natural gas liquids
STB	standard tank barrels

Natural Gas

Mcf	thousand cubic feet
MMcf	million cubic feet
Mcf/d	thousand cubic feet per day
MMcf/d	million cubic feet per day
MMbtu	million British Thermal Units
Bcf	billion cubic feet
GJ	gigajoule
MM	Million

Other

AECO	A natural gas storage facility located at Suffield, Alberta.
API	American Petroleum Institute
°API	an indication of the specific gravity of crude oil measured on the API gravity scale.
ARTC	Alberta Royalty Tax Credit
BOE	barrel of oil equivalent of natural gas and crude oil on the basis of 1 BOE for 6 Mcf of natural gas (this conversion factor is an industry accepted norm and is not based on either energy content or current prices)
BOE/d	barrel of oil equivalent per day
m ³	cubic metres
MBOE	1,000 barrels of oil equivalent
\$000s	thousands of dollars
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade

CONVERSIONS

To Convert From	To	Multiply By
Mcf	Cubic metres	28.174
Cubic metres	Cubic feet	35.494
Bbls	Cubic metres	0.159
Cubic metres	Bbls oil	6.290
Feet	Metres	0.305
Metres	Feet	3.281
Miles	Kilometres	1.609
Kilometres	Miles	0.621
Acres (Alberta)	Hectares	0.400
Hectares (Alberta)	Acres	2.500
Acres (British Columbia)	Hectares	0.405
Hectares (British Columbia)	Acres	2.471

DEFINITIONS

In this Annual Information Form, the following words and phrases have the following meanings, unless the context otherwise requires:

Stealth or the **Corporation** or the **Company**: means Stealth Ventures Ltd. a Calgary-based junior oil and gas exploration and development company incorporated under the laws of British Columbia. Stealth Ventures' shares are listed on the TSX Venture Exchange, symbol SLV;

TSX-V: means the TSX Venture Exchange;

Common Shares: means the common shares in the capital of the Company;

COGE Handbook: means the Canadian Oil and Gas Evaluation Handbook prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum;

Coalbed Methane or **CBM**: means natural gas produced from coal formations. To produce this gas, the pressure in the coal seam must be reduced so that the gas can flow through existing fractures, called cleats, to a production well.

Crude Oil or **Oil**: as described in the COGE Handbook means a mixture consisting mainly of pentanes and heavier hydrocarbons that exists in the liquid phase in reservoirs and remains liquid at atmospheric pressure and temperature. Crude oil may contain small amounts of sulphur and other non-hydrocarbons but does not include liquids obtained from the processing of natural gas.

Natural Gas: as described in the COGE Handbook means a mixture of lighter hydrocarbons that exist either in the gaseous phase or in solution in crude oil in reservoirs but are gaseous at atmospheric conditions. Natural gas may contain sulphur or other non-hydrocarbon compounds.

Natural Gas Liquids: as described in the COGE Handbook means those hydrocarbon components that can be recovered from natural gas as liquids including, but not limited to, ethane, propane, butanes, pentanes plus, condensate and small quantities of non-hydrocarbons.

Development Costs: means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas from the reserves. More specifically, development costs, including applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

(a) gain access to and prepare well locations for drilling, including surveying and acquiring well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines and power lines, to the extent necessary in developing the reserves;

(b) drill and equip development wells, development type stratigraphic test wells and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and the wellhead assembly;

(c) acquire, construct and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and

(d) provide improved recovery systems.

Development Well: means a well drilled inside the established limits of an oil or gas reservoir, or in close proximity to the edge of the reservoir, to the depth of a stratigraphic horizon known to be productive.

Exploration Costs: means costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain oil and gas reserves, including costs of drilling exploratory wells and exploratory type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as "prospecting costs") and after acquiring the property. Exploration costs, which include applicable operating costs of support equipment and facilities and other costs of exploration activities, are:

(a) costs of topographical, geochemical, geological and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies (collectively sometimes referred to as "geological and geophysical costs");

(b) costs of carrying and retaining unproved properties, such as delay rentals, taxes (other than income and capital taxes) on properties, legal costs for title defense, and the maintenance of land and lease records;

(c) dry hole contributions and bottom hole contributions;

(d) costs of drilling and equipping exploratory wells; and

(e) costs of drilling exploratory type stratigraphic test wells.

Exploratory Well: means a well that is not a development well, a service well or a stratigraphic test well.

Field: means an area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature and/or stratigraphic condition. There may be two or more reservoirs in a field that are separated vertically by intervening impervious strata or laterally by local geologic barriers, or both. Reservoirs that are associated by being in overlapping or adjacent fields may be treated as a single or common operational field. The geological terms "structural feature" and "stratigraphic condition" are intended to denote localized geological features, in contrast to broader terms such as "basin", "trend", "province", "play" or "area of interest".

Forecast Prices and Costs: means future prices and costs that are:

(a) generally accepted as being a reasonable outlook of the future;

(b) if, and only to the extent that, there are fixed or presently determinable future prices or costs to which the Corporation is legally bound by a contractual or other obligation to supply a physical product, including those for an extension period of a contract that is likely to be extended, those prices or costs rather than the prices and costs referred to in paragraph (a).

Future Net Revenue: means the estimated net amount to be received with respect to the development and production of reserves (including synthetic oil, CBM and other non-conventional reserves) estimated using forecast prices and costs.

Gross:

(a) in relation to the Corporation's interest in production or reserves, its "company gross reserves", which are its working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Corporation;

(b) in relation to wells, the total number of wells in which the Corporation has an interest; and

(c) in relation to properties, the total area of properties in which the Corporation has an interest.

Net:

(a) in relation to the Corporation's interest in production or reserves its working interest (operating or non-operating) share after deduction of royalty obligations, plus its royalty interests in production or reserves;

(b) in relation to the Corporation's interest in wells, the number of wells obtained by aggregating the Corporation's working interest in each of its gross wells; and

(c) in relation to the Corporation's interest in a property, the total area in which the Corporation has an interest multiplied by the working interest owned by the Corporation.

Non-associated Gas: means an accumulation of natural gas in a reservoir where there is no crude oil.

Operating Costs or Production Costs: means costs incurred to operate and maintain wells and related equipment and facilities, including applicable operating costs of support equipment and facilities and other costs of operating and maintaining those wells and related equipment and facilities.

Production: means recovering, gathering, treating, field or plant processing (for example, processing gas to extract natural gas liquids) and field storage of oil and gas.

Property:

(a) fee ownership or a lease, concession, agreement, permit, licence or other interest representing the right to extract oil or gas subject to such terms as may be imposed by the conveyance of that interest;

(b) royalty interests, production payments payable in oil or gas, and other non-operating interests in properties operated by others; and

(c) an agreement with a foreign government or authority under which a reporting issuer participates in the operation of properties or otherwise serves as "producer" of the underlying reserves (in contrast to being an independent purchaser, broker, dealer or importer).

A property does not include supply agreements, or contracts that represent a right to purchase, rather than extract, oil or gas.

Property Acquisition Costs: means costs incurred to acquire a property (directly by purchase or lease, or indirectly by acquiring another corporate entity with an interest in the property), including:

(a) costs of lease bonuses and options to purchase or lease a property;

(b) the portion of the costs applicable to hydrocarbons when land including rights to hydrocarbons is purchased in fee;

(c) brokers' fees, recording and registration fees, legal costs and other costs incurred in acquiring properties.

Proved Property: means a property or part of a property to which reserves have been specifically attributed.

Reservoir: means a porous and permeable subsurface rock formation that contains a separate accumulation of petroleum that is confined by impermeable rock or water barriers and is characterized by a single pressure system.

Service Well: means a well drilled or completed for the purpose of supporting production in an existing field. Wells in this class are drilled for the following specific purposes: gas injection (natural gas, propane, butane or flue gas), water injection, steam injection, air injection, salt-water disposal, water supply for injection, observation, or injection for combustion.

Solution Gas: means natural gas dissolved in crude oil.

Stratigraphic Test Well: means a drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Ordinarily, such wells are drilled without the intention of being completed for hydrocarbon production. They include wells for the purpose of core tests and all types of expendable holes related to hydrocarbon exploration. Stratigraphic test wells are classified as (a) "exploratory type" if not drilled into a proved property; or (b) "development type", if drilled into a proved property. Development type stratigraphic wells are also referred to as "evaluation wells".

Support Equipment and Facilities: means equipment and facilities used in oil and gas activities, including seismic equipment, drilling equipment, construction and grading equipment, vehicles, repair shops, warehouses, supply points, camps, and division, district or field offices.

Unproved Property: means a property or part of a property to which no reserves have been specifically attributed.

Well Abandonment Costs: means costs of abandoning a well (net of salvage value) and of disconnecting the well from the surface gathering system. They do not include costs of abandoning the gathering system or reclaiming the wellsite.

NI 51-101: means National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities;

NRF: the New Royalty Framework announced by the Alberta government on October 25, 2007 and made effective on January 01, 2009;

Sproule: Sproule Unconventional Limited;

Sproule Report: the report of Sproule dated March 19, 2009, evaluating the crude oil, natural gas liquids and natural gas reserves of the Corporation as at December 31, 2008;

BOE: barrel of oil equivalent of natural gas and crude oil on the basis of 1 BOE for 6 Mcf of natural gas (this conversion factor is an industry accepted norm and is not based on either energy content or current prices)

BOE/d: barrel of oil equivalent per day

³
m : cubic metres

FORWARD-LOOKING STATEMENTS

Certain of the statements contained herein including, without limitation, financial and business prospects and financial outlook, reserve and production estimates, drilling and re-completion plans, timing of drilling, re-completion and tie-in of wells, productive capacity of wells and productive capacity of wells and capital expenditures and the timing thereof may be forward-looking statements. Words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue" and similar expressions may be used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Forward-looking statements involve significant risk and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers, inability to retain drilling rigs and other services, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, delays resulting from or inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources. The recovery and reserve estimates of Stealth Venture Ltd's reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhausted. Additional information on these and other factors that could effect Stealth Venture Ltd's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com), at Stealth Venture Ltd's website (www.stealthventures.ca). Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, management cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and the Company assumes no obligation to update or review them to reflect new events or circumstances except as required by applicable securities laws.

Forward-looking statements and other information contained herein concerning the oil and gas industry and the Company's general expectations concerning this industry is based on estimates prepared by management using data from publicly available industry sources as well as from reserve reports, market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.

Disclosure provided herein in respect of BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf : 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Unless otherwise specified, information in this Annual Information Form is current to the Company's year-end, being December 31, 2008. All dollar amounts herein are in Canadian dollars, unless otherwise stated.

CORPORATE STRUCTURE

Stealth Ventures Ltd.

Stealth Ventures Ltd. is a Calgary based junior oil and gas exploration and development company incorporated under the *Company Act* (British Columbia) on December 19, 1996, and filed a Transition Application under the *Business Corporations Act* (British Columbia) on August 2, 2005.

Stealth's shares are listed on the TSX Venture Exchange, symbol SLV. Stealth is a reporting issuer in the provinces of British Columbia and Alberta, with its head and principal office located at Suite 2400, 101 – 6th Avenue S.W., Calgary, Alberta, and its registered office at Suite 1710 – 1177 West Hastings Street, Vancouver, British Columbia, V6E 2L3.

The Company is focused on the exploration for, and the acquisition, development and production of, unconventional natural gas reserves, derived primarily from shale gas and Coalbed Methane (CBM). Stealth Ventures has unconventional gas projects in Alberta and Nova Scotia:

- Shallow shale gas in the Western Canadian Sedimentary Basin (WCSB) in Alberta; and
- CBM in Nova Scotia

Stealth has no subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

History – Financings and Acquisitions

During 2005 Stealth accelerated the implementation of an ongoing strategy in unconventional gas and completed the transformation from a lower-interest non-operator to a high-interest operating company in CBM. It also acquired significant shale gas assets in Saskatchewan and Alberta.

The Company financed CBM asset acquisitions through a March 2005 non-brokered private placement at \$0.55 per unit. Each unit consisted of one common share and one-half (1/2) of a share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of \$0.75. These placements closed in two tranches to May 31, 2005, totaling \$2.4 million.

Stealth hired a complete operations staff. In April of 2005, Mr. Derek Krivak of Calgary, Alberta, joined the company as Vice President, Operations. Mr. Krivak's experience as Project Manager for the Unconventional Gas Research Group with Alberta Research Council Inc. (ARC) and past experience with the Gas Technology Institute (formerly the Gas Research Institute) included evaluation and program planning for CBM projects throughout North America. Concurrently Mr. Robert MacDonald of New Glasgow, Nova Scotia was appointed to the Board of Directors. Mr. MacDonald worked for Algas as a geologist on unconventional energy projects throughout Nova Scotia in the early 1980's, including CBM test projects at both Stellarton and Cumberland. In June of 2005, Mr. Mark Roth of Calgary, Alberta, joined the company as CFO. Mr. Roth joined the Company with many years experience in management, finance and energy transactions, most recently with RBC Bank in Calgary.

Mr. Gary Addison joined Stealth in October 2005 as Vice President Exploration. Mr. Addison's 20 years of experience in the oil and gas industry focused primarily on shale gas exploration and research. Mr. Glenn R. Yeadon, the Company's securities Counsel, agreed to assume additional responsibilities as Corporate Secretary. Mr. Raymond Fong resigned the position of Corporate Secretary, but remained a Director of Stealth. D.M. (Debbie) DeCoste, Landman, joined the Company as a consultant. In May of 2006 Mr. Chris Morrison joined Stealth as Vice President Operations. Concurrent to

this Mr. Krivak assumed the position of Chief Operating Officer. Mr. Morrison joined Stealth with a range of engineering experience in oil and gas, including operations, facilities, and reservoir analysis.

During October 2005, the Company announced that it acquired rights in three Saskatchewan Government Exploration Permits with PanTerra Resource Corporation covering 419,160 gross hectares, or approximately 1,035,325 gross acres of shale gas prospective lands.

During October 2005, Stealth closed a non-brokered private placement to fund upcoming operations. Originally announced as an \$8 million issue on September 15, the placement was oversubscribed resulting in a final placement of \$13 million. The private placement consisted of the sale of 11,304,348 units at a price of \$1.15 per unit. Each unit consisted of one common share and one-half (1/2) of a share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of \$1.50. The Company also issued 673,761 finders' warrants in connection with this private placement, each of which entitled the holder to purchase one common share of the Company at a price of \$1.27.

On December 5, 2005, Stealth executed an agreement by which it acquired the right, through farmin, to earn an interest in a possible 72 sections of prospective shale gas land in Alberta. Over the following 1.5 years, Stealth earned a 45% interest in 54 of these sections through the drilling of 8 earning wells.

In February of 2006 a resource report produced by Sproule Associates Limited (Sproule) on the Nova Scotia CBM was released by the Company. This report specified a new category of "Discovered CBM Resource" for Stealth of approximately 1.6 TCF gross.

On August 31, 2006 the Company announced a \$13 million brokered and non-brokered private placement financing to support ongoing development of Stealth's business plan in unconventional gas. It consisted of an \$8 million best efforts brokered component by D&D Securities Company of Toronto and a \$5 million non-brokered component. The brokered component included \$5 million (or 38% of the financing) of flow-through shares priced at \$1.70 each. All other treasury shares were priced at \$1.60 each. At the end of September 2006 Stealth announced that the financing was over-sold and was closing in the amount of \$15.5 million. This equaled a \$7.14 million brokered component (including \$5 million of flow-through shares) and an \$8.36 million non-brokered component.

September 2007 Stealth announced it converted its working interest in all PanTerra-operated, joint venture shale gas properties in Saskatchewan into a share position. PanTerra issued 13 million shares from treasury (representing just under 20% of that company) in consideration for the acquisition of this working interest.

In March of 2007 Stealth announced a brokered private placement of \$10 Million in Units at a subscription price of \$1.25 per Unit. Each Unit consisted of one common share and one-half of one common share purchase warrant with one whole warrant entitling the holder to purchase an additional common share at an exercise price of \$1.50. On April 30, 2007, Stealth announced that the private placement was increased and closed \$16.6 million on similar pricing and terms.

At December 31, 2007 all of the wells in Alberta licensed as shale gas were operated by Stealth. Thus, in March, Stealth announced the first Colorado shale gas reserves booked in Alberta when it publicly released its NI 51-101 reserves table. The Company reported a starting position of proved plus probable reserves equal to 12.4 Bcf (booked at a 45% working interest by Sproule).

In April 2008 Stealth announced that it retained a syndicate of agents led by D&D Securities Company (D&D) and SMH Capital Inc. (SMH) and including Union Securities Ltd. (Union) to offer a brokered private placement of up to \$20 Million in Units. D&D led the financing in Canada and SMH was co-agent responsible for US placement. On May 30, 2008 \$22.3 million was closed at a subscription price of \$0.75 per Unit. Each Unit consisted of one common share and one-half of one common share purchase warrant with one whole warrant entitling the holder to purchase an additional common share at an exercise price of \$0.85. Each whole warrant entitled the holder to purchase an additional common share at an

exercise price of \$0.85 until May 30, 2010, subject to an extension in the term of the warrant until May 30, 2011, upon Stealth receiving Tier One status on the TSX Venture Exchange or upon listing its shares on the TSX.

During the third quarter of 2008 Stealth continued its corporate evolution by appointing Derek Krivak President and CEO of the Company. W. Robert Bell stepped aside to assume the role of Chairman of the Board. Mr. Murray Smith of Calgary joined the Board of Directors in the previous quarter and Mr. Harold Kettleon resigned from it. Mr. Smith was appointed in January 2005 as the Official Representative of the Province of Alberta to the United States of America. He led the Alberta Office in Washington, DC, until returning to Canada in the fall of 2007. Prior to his diplomatic posting, Mr. Smith served for twelve years as a Member of the Legislative Assembly in the Province of Alberta (winning three consecutive elections in Calgary), serving in four different Cabinet portfolios including Energy, Gaming, Labour, and Economic Development.

DESCRIPTION OF THE BUSINESS

General

Stealth is a Canadian junior oil and gas exploration and production company focusing on developing "unconventional" gas reserves such as shale gas, coalbed methane (CBM), and tight gas sand reservoirs. The Company operates in two geographic areas and two types of strategic plays: CBM at Cumberland, Nova Scotia, and biogenic shale gas from the Cretaceous Colorado Group of Shales (Colorado) in Alberta. However, the focus for Stealth is clearly its shale gas development in Alberta where the Company is producing gas and cash flow – and has spent approximately 90% of its capital budget in 2008. Stealth acquired these properties through two farm-in agreements with two companies, and through the acquisition of land through crown land sales. It generated all production through the drill bit, and has expanded and complimented its asset position through drilling, workovers, complimentary asset acquisitions and new land purchases.

Corporate Strategy

Stealth's corporate strategy is to employ its significant unconventional gas expertise to exploit the untapped biogenic gas resource available in the Colorado shales located across the breadth of the Western Canadian Sedimentary Basin (WCSB). More specifically, the Company shall exploit development drilling at its current land base and seek more land for further production and reserves expansion through the drill bit. This base is located at Wildmere, Alberta. It will also continue to hold interests in its Nova Scotia CBM and operate the property in a joint venture scenario. Stealth will evaluate attractive corporate acquisitions as it has done from inception.

Shale Gas

Shale gas is natural gas stored in organic-rich, very fine-grained rocks such as shale, mudstone or laminated siltstones. The natural gas molecules are held in the reservoir rock by the process of adsorption onto the organic matter. The shale can be the source as well as the reservoir. The natural gas can be derived from either thermal or biogenic processes.

Shale gas is considered to be an unconventional gas source as the gas is contained in difficult-to-produce reservoirs but *is produced in much the same way as conventional reservoirs*. In shale reservoirs, the permeability (the ability to flow hydrocarbons) of the rock is very low, and stimulation techniques must be employed to intersect and create fracture pathways that will allow the gas to flow to the well. Recent success of commercial shale gas development in a number of basins throughout North America can be attributed to the application of advanced technologies that are used to drill and stimulate the shale-bearing formations.

Coalbed Methane (CBM)

CBM is natural gas, predominately methane gas, which occurs in coal seams. The gas can be produced economically by drilling conventional style vertical and horizontal gas wells and employing special completion techniques which are specific to this type of reservoir. CBM is virtually identical to the sweet gas produced from conventional sandstone reservoirs. In Alberta, CBM is subject to the same drilling, production and operational rules as other forms of sweet natural gas. CBM reservoir characteristics differ fundamentally from those of conventional petroleum reservoirs. In CBM reservoirs, gas molecules are attached, or adsorbed, to the coal matrix. As the pressure in the coal seam is depleted, the gas molecules detach, or desorb, from the coal surface and diffuse through the matrix until they reach a natural fracture called a cleat. The gas molecules then flow through the natural fracture system to the wellbore. The composition and geological history of a coal seam will determine whether it is saturated with gas or whether it exists in some state of undersaturation. In an undersaturated coal seam only water is produced initially, with gas production being delayed until reservoir pressure has declined to the point of saturation (critical gas desorption pressure).

Ultimate gas recovery from a CBM well is a function of a complex relationship between permeability, thickness, coalbed gas content and well spacing, but the production rates for the first portion of the well's economic life are almost solely dependent on the coal seam permeability and gas content. De-methanization, the removal of methane gas from coalbeds undergoing mining, has been carried out since World War II utilizing underground collection systems and boreholes drilled from the surface.

During the 1980s in the United States, oil field completion and stimulation techniques were applied to wells drilled from the surface resulting in profitable gas wells. This exploration and development technology is now being actively applied in, among others, Canada, Australia, India, China and the United Kingdom. Until the early 1980s, the natural gas industry considered CBM to be a coal mining industry problem. It was a nuisance and hazard to coal mining as opposed to a potential source of natural gas. Even though coal is a source rock for conventional reservoirs, coal seams were not considered as completion targets because they often had little or no gas shows and it was not considered probable that a thin, shallow horizon could hold economic quantities of gas. It took an understanding of the storage and production mechanisms, and modification of conventional oil and gas technology, before CBM became recognized as an important source of economic gas supplies.

Coal is unusual as a reservoir because it is both the source rock and the reservoir for the gas. Gas is stored in an adsorbed state on coal, and thus for a given reservoir pressure much more gas can be stored in a coal seam than in a comparable sandstone reservoir. The methane recovered from coal seams is virtually the same as sweet natural gas which is produced from conventional sandstone reservoirs, and therefore should have the same marketability and demand the same price.

Production of gas from coal seams is controlled by a three step process. First, the gas is desorbed from the coal. It then diffuses through the coal matrix to the cleat system. Coals contain small (typically, several per centimeter), regularly spaced, naturally occurring fractures called face and butt cleats. Finally, the gas flows through the fracture and cleat system to the well bore.

Many coal reservoirs are water saturated, and water maintains the reservoir pressure that holds the gas in the adsorbed state in the coals. Typically, water must be produced from coal seams to reduce the reservoir pressure and release the gas. The reservoir properties which most affect CBM recovery are net coal thickness, gas content, permeability and the desorption and diffusion characteristics of the coal. Well log, core data and laboratory studies are necessary to determine these parameters. Although some of this data is in the public domain, it is very disparate on a regional basis, and as such usually needs to be gathered from new samples.

As the reservoir pressure drops from the critical desorption pressure to the abandonment pressure, the amount of gas that the coal can store also decreases. This difference in storage capacities represents the amount of gas that can desorb and become available for production. For a successful CBM project, producers must accurately characterize the reservoir properties and apply the available technology to optimize production. In-situ CBM resources are estimated by applying industry standard reserve calculations. It must be noted that resource estimates have inherent errors due to the method of measurement, and the effect of moisture change, non organic content, lost gas on core extraction and other error sources.

To achieve an economical recovery, a coal must contain sufficient gas. The required combination of permeability and methane generation and storage occur in coals ranked between medium volatile and low volatile bituminous. Coal seams that have been targeted for CBM development usually have a rank between high volatile bituminous and medium volatile bituminous. Coal rank and gas content generally increase with depth, but increased depth can have a detrimental effect on permeability. Therefore, there is a trade off between increased gas content and diminishing permeability.

A satisfactory reservoir is one requirement to economic recovery of CBM resources. An entity must also develop successful drilling and completion techniques in order to depressure the coals and ultimately produce the associated gas.

These techniques are and may be varied and their application will vary among different types of coal. Coal gas capacity is also reduced by the effect of ash (typically 5% to 30%) and increasing temperatures.

Ash is an all encompassing term for mineral impurities; more impurities in the coal means fewer adsorption sites for methane molecules. Increasing coal seam temperature also reduces gas capacity in that the energy in the methane molecules causes the gas not to adsorb. The actual gas content of many coal seams can be less than the potential gas capacity. This can result from post depositional uplifting, faulting and erosion. Uplifting can reduce the coal's temperature and increase its gas capacity, hence producing an undersaturated coal. Faulting and erosion can allow gas to escape throughout geologic history and again lead to an undersaturated coal. As noted previously, in an undersaturated coal seam, pressure must be depleted past critical desorption pressure. The gas production is delayed until the reservoir pressure has declined to the level of saturation.

Competition

The oil and natural gas industry is competitive in all its phases. Stealth competes with numerous other participants in the search for, and the acquisition of, natural gas properties and in the marketing of natural gas. Stealth's competitors include resource companies which have greater financial resources, staff and facilities than those of Stealth. Competitive factors in the distribution and marketing of oil and natural gas include price and methods and reliability of delivery. Stealth views its competitive position as being equivalent to that of other oil and gas issuers of similar size and at a similar stage of development.

Seasonal Factors

The exploration for and development of oil and natural gas reserves is dependent on access to areas where production is to be conducted. Stealth carries on operations where all properties have year-round access, however, seasonal weather variations, including freeze-up and break-up, affect access in certain circumstances. The shale gas properties at Wildmere are affected by Alberta "spring break-up" road bans on heavy equipment.

Environmental Regulation

The oil and natural gas industry is currently subject to environmental regulations pursuant to a variety of provincial and federal legislation. Compliance with such legislation can require significant expenditures or result in operational restrictions. Breach of such requirements may result in suspension or revocation of necessary licenses and authorizations, civil liability for pollution damage and the imposition of material fines and penalties, all of which might have a significant negative impact on earnings and overall competitiveness. Stealth believes that it is in material compliance with applicable environmental laws and regulations. Stealth anticipates making increased expenditures of both a capital and expense nature as a result of the increasingly stringent laws relating to the protection of the environment. Stealth also believes that it is reasonably likely that the trend towards stricter standards in environmental legislation and regulation will continue.

Personnel

As at December 31, 2008, Stealth had in its head office in Calgary 11 employees and 4 consultants. As of April 29, 2009, being the date of this Annual Information Form, Stealth had 8 employees and 3 consultants.

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

The determination of oil and gas reserves involves the preparation of estimates that have an inherent degree of associated uncertainty. Categories of proved, probable and possible reserves have been established to reflect the level of these uncertainties and to provide an indication of the probability of recovery.

The estimation and classification of reserves requires the application of professional judgment combined with geological and engineering knowledge to assess whether or not specific reserves classification criteria have been satisfied. Knowledge of concepts including uncertainty and risk, probability and statistics, and deterministic and probabilistic estimation methods is required to properly use and apply reserves definitions.

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on:

- analysis of drilling, geological, geophysical and engineering data;
- the use of established technology; and
- specified economic conditions.

Reserves are classified according to the degree of certainty associated with the estimates.

- (a) **Proved reserves** are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
- (b) **Probable reserves** are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Other criteria that must also be met for the categorization of reserves are provided in the Canadian Oil and Gas Evaluation Handbook (COGE) which is prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum. Each of the reserve categories (proved and probable) may be divided into developed and undeveloped categories:

- (c) **Developed reserves** are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.
- (i) **Developed producing reserves** are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
- (ii) **Developed non-producing reserves** are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

- (d) **Undeveloped reserves** are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable) to which they are assigned.

In multi-well pools it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

Levels of Certainty for Reported Reserves

The qualitative certainty levels referred to in the definitions above are applicable to individual reserve entities (which refers to the lowest level at which reserves calculations are performed) and to reported reserves (which refers to the highest level sum of individual entity estimates for which reserve estimates are prepared). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- (a) at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves; and
- (b) at least a 50 percent probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves.

A qualitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates will be prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods. Additional clarification of certainty levels associated with reserves estimates and the effect of aggregation is provided in the COGE Handbook.

Disclosure of Reserves Data

The reserves data set forth below (the "Reserves Data") is based upon evaluation by Sproule with an effective date of December 31, 2008 contained in the Sproule Report. The Reserves Data summarizes the crude oil and natural gas reserves of the Corporation and the net present values of future net revenue for these reserves using forecast prices and costs. The Sproule Report has been prepared in accordance with the standards contained in the COGE Handbook and the reserve definitions contained in NI 51-101. Additional information not required by NI 51-101 has been presented to provide continuity and additional information which we believe is important to the readers of this information. Stealth Ventures Ltd. engaged Sproule to provide an evaluation of proved and proved plus probable reserves and no attempt was made to evaluate possible reserves.

All of the Company's reserves are in Canada and, specifically, in the province of Alberta. The Report on Reserves Data by Independent Qualified Reserves Evaluators in Form 51-101F2 and the Report of Management and Directors on Oil and Gas Disclosure in Form 51-101F3 are attached as Schedules "A" and "B" respectively, to this Annual Information Form.

It should not be assumed that the estimates of future net revenues presented in the tables below represent the fair market value of the reserves. There is no assurance that the forecast prices and costs assumptions will be attained and variances could be material. The recovery and reserve estimates of the Corporation's crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquid reserves may be greater than or less than the estimates provided herein.

Principal Properties

A summary description of Stealth's major producing and exploration properties is set out below. References to gross volumes refer to total production. References to net volumes refer to Stealth's working interest share before the deduction of royalties payable to others.

Colorado Shale Gas – Alberta Wildmere

The shale gas play at Wildmere has grown and matured to encompass a critical mass of land, technology, and production so that it has now turned the corner from being described as an exploration discovery in the Cretaceous Colorado to a development play in unconventional shale gas. In 2007 Stealth completed a round of test and production drilling designed to delineate appropriate technologies and further confirm geological characteristics.

Stealth continued to acquire land through 2008. Stealth acquired deeper natural gas rights underlying 41 sections of land in which Stealth already owned the shallow gas rights. The total cost to acquire these deep rights was \$433,000. These deeper rights offer additional prospective formations which can be commingled, providing greater economic returns for each well drilled on the related sections. In addition to the foregoing, Stealth acquired 6 additional sections of land at crown sale at a cost of \$49,000. Stealth's core area of interest in Wildmere continues to offer opportunity to acquire land by way of available crown, the most economical method by which to acquire land for this play type.

Stealth set out to aggressively develop its Wildmere property in 2008 by drilling 77 gross wells at an average working interest of 99.97%. Stealth also participated in the recompletion of four wells in which Stealth acquired a 75% working interest. Overall, Stealth increased its well count to 120 gross, 113 net wells for an overall average working interest of 94.3% in its wells.

Stealth's resulting acreage position in Wildmere at the end of 2008 was 80,654 gross acres, 56,026 net acres for a total average working interest in land of 69.5%. This provides Stealth with an overall gross acreage position of 126 gross sections.

Minor assets in Saskatchewan

At Elcott, Saskatchewan, the Company owned a 40% WI in six producing oil wells and approximately 640 gross acres of land. In early 2008 Stealth with its WI partner drilled a horizontal oil well which went into production in February. In addition to this an application to convert one of the older non-productive well bores into an up-hole water disposal well was undertaken and completed in June. The wells produce mainly from the Midale formation, and in the past have provided a significant portion of production revenue enjoyed by the Company. Throughout 2008 as more of the gas wells in Alberta came on-stream the significance decreased and the Company examined the possibility of disposing the asset. In December of 2008 DivestPro Energy Partners (Divestpro) was hired on to assist the Company in divesting of the Elcott assets. An announcement was made on February 11, 2009 that the non-operated assets were sold to a private consortium in exchange for a cash payment of \$600,000 Canadian dollars. This transaction closed on March 09, 2009 and was effective December 31, 2008. Included in this divestiture package were a 5% WI in oil assets in Weyburn, Saskatchewan and a 2% WI in gas producing assets at Ferrier, Alberta.

Date of Statement

Reserves information provided in this report was prepared by independent resource and reserve evaluators Sproule. The effective date of this report is December 31, 2008, and it consists of an evaluation of the P&NG reserves of Stealth Ventures Ltd. interests in Alberta, Canada. This report was prepared between January and March 2009 for the purpose of evaluating the Company's P&NG reserves according to Canadian Oil and Gas Evaluation Handbook (COGE) reserve

definitions that are consistent with the National Instrument 51-101. There has been no material change in the resource report for the “unconventional” CBM assets and the Company’s progress will be updated in “Other Oil And Gas Information”. The report was prepared and certified on March 19, 2009.

Disclosure of Reserves Data

Summary of Oil and Gas Reserves as of December 31, 2008 Forecast Prices and Costs

Reserve Category	Reserves							
	Light and Medium Oil		Heavy Oil		Natural Gas (non-associated & associated)		Natural Gas Liquids	
	Gross (Mbbbl)	Net (Mbbbl)	Gross (Mbbbl)	Net (Mbbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbbl)	Net (Mbbbl)
Proved								
Developed Producing	0.0	0.0	0.0	0.0	6,212	5,603	0.0	0.0
Developed Non-Producing	0.0	0.0	0.0	0.0	918	871	0.0	0.0
Undeveloped	0.0	0.0	0.0	0.0	7,729	7,027	0.0	0.0
Total Proved	0.0	0.0	0.0	0.0	14,860	13,501	0.0	0.0
Probable	0.0	0.0	0.0	0.0	4,479	4,067	0.0	0.0
Total Proved Plus Probable	0.0	0.0	0.0	0.0	19,339	17,568	0.0	0.0

Net Present Value of Future Net Revenue (Forecast Case)

**Summary of Net Present Values of
 Future Net Revenue
 as of December 31, 2008
 Forecast Prices and Costs**

Net Present Values of Future Net Revenue

Reserves Category	Before Income Taxes Discounted at (%/Year)					After Income Taxes Discounted at (%/Year)					Future Net Val 10%/yr (\$/boe)	
	0 (M\$)	5 (M\$)	10 (M\$)	15 (M\$)	20 (M\$)	0 (M\$)	5 (M\$)	10 (M\$)	15 (M\$)	20 (M\$)		
<i>Proved</i>												
Developed Producing	18,976	16,203	14,058	12,395	11,086	18,976	16,203	14,058	12,395	11,086	15.05	
Developed Non-Producing	2,375	1,971	1,631	1,358	1,141	2,375	1,971	1,631	1,358	1,141	11.24	
Undeveloped	9,653	4,433	788	-1,723	-3,465	9,653	4,433	788	-1,723	-3,465	0.67	
Total Proved	31,003	22,607	16,477	12,029	8,762	31,003	22,607	16,477	12,029	8,762	7.32	
Probable	22,000	16,194	12,621	10,302	8,715	22,000	16,194	12,621	10,302	8,715	18.62	
Total Proved Plus Probable	53,004	38,801	29,098	22,331	17,476	53,004	38,801	29,098	22,331	17,476	9.94	

Notes:

NPV of FNR include all resource income:

Sale of oil, gas, by-product reserves

Process third party reserves

Other income

Income Taxes:

Includes all resource income

Apply appropriate income tax calculations

Include prior tax pools

Future Net Revenue (Forecast Case)
**Total Future Net Revenue
Undiscounted
as of December 31, 2008
Forecast Prices and Costs**

<i>Reserves Category</i>	Revenue (M\$)	Royalties (M\$)	Operating Costs (M\$)	Development Costs (M\$)	Well Abandonment / Other Costs (M\$)	Future Net Revenue Before Income Taxes (M\$)	Income Taxes (M\$)	Future Net Revenue After Income Taxes (M\$)
Proved	129,622	11,037	60,987	20,850	5,744	31,003	0	31,003
Proved Plus Probable	172,861	14,818	77,902	20,948	6,188	53,004	0	53,004



Net Present Value of Future Net Revenue by Production Group as of December 31, 2008 Forecast Prices and Costs			
<i>Reserves Category</i>	Production Group	Future Net Revenue Before Income Taxes (Discounted at 10%/Year) (M\$)	Unit Value Before Income Taxes (Discounted at 10%/Year) (\$/boe)
Proved	Light and Medium Crude Oil (including solution gas and associated by-products)	0	0
	Heavy Oil (including solution gas and associated by-products)	0	0
	Natural Gas (including associated by-products)*	16,477	7.32
Proved Plus	Light and Medium Crude Oil (including solution gas and associated by-products)	0	0
	Heavy Oil (including solution gas and associated by-products)	0	0
	Natural Gas (including associated by-products)*	29,098	9.94

Reference Item 2.1(3)(c) of Form 51-101F1

* Includes corporate Capital GCA, if applicable

Unit Values are based on net reserve volumes

Forecast Prices Used in Estimates

Summary of Pricing and Inflation Rate Assumptions as of December 31, 2008 Forecast Prices and Costs

Year	Natural Gas AECO Gas Prices (\$Cdn/MMBtu)	Inflation Rate ¹ (%/Yr)
Historical		
2004	6.87	1.4
2005	8.58	1.3
2006	7.16	1.5
2007	6.65	2.0
2008 Est	8.15	1.0
Forecast		
2009	7.20	2.0
2010	7.89	2.0
2011	8.21	2.0
2012	8.72	2.0
2013	9.24	2.0
Thereafter	Various Escalation Rates	

(1) This summary table identifies benchmark reference pricing schedules that might apply to a reporting issuer.

(2) Inflation rates for forecasting prices and costs.

(3) Exchange rates used to generate the benchmark reference prices in this table.

Notes:

Product sale prices will reflect these reference prices with further adjustments for quality and transportation to point of sale.

Reconciliation of Changes in Reserves

Reconciliation of Company Gross⁽¹⁾ Reserves (Before Royalty) by Principal Product Type As of December 31, 2008 Forecast Prices and Costs

Factors	Light and Medium Oil			Heavy Oil			Coalbed Methane			Associated and Non-Associated Gas			Natural Gas Solution			Natural Gas Liquids		
	Gross Proved (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved Plus Probable (Mbbbl)	Gross Proved (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved Plus Probable (Mbbbl)	Gross Proved (MMcf)	Gross Probable (MMcf)	Gross Proved Plus Probable (MMcf)	Gross Proved (MMcf)	Gross Probable (MMcf)	Gross Proved Plus Probable (MMcf)	Gross Proved (MMcf)	Gross Probable (MMcf)	Gross Proved Plus Probable (MMcf)	Gross Proved (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved Plus Probable (Mbbbl)
December 31, 2007	28.1	15.6	43.7	0.0	0.0	0.0	0.0	0.0	0.0	9,080	3,342	12,422	0	0	0	0.1	0.0	0.1
Extensions	-	-	-	-	-	-	-	4,568	426	4,994	-	-	-	-	-	-	-	-
Improved Recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical Revisions	-	-	-	-	-	-	-	(4,165)	(1,396)	(5,561)	-	-	-	-	-	-	-	-
Discoveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Correction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dispositions	(28.1)	(15.6)	(43.7)	-	-	-	-	(3)	(1)	(4)	-	-	-	-	-	(0.1)	0.0	(0.1)
Economic Factors	-	-	-	-	-	-	-	245	37	282	-	-	-	-	-	-	-	-
Production	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(596)	0	(596)	-	-	-	-	-	-	-	-
December 31, 2008	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14,859	4,479	19,338	0	0	0	0	0	0.0	0.0	0.0

Notes: (1) Gross Reserves means the Company's working interest reserves before calculation of royalties, and before consideration of the Company's royalty interests.

Reserves Reconciliation

The reserves assigned to Stealth Ventures Ltd. were located in one core area, Wildmere. The Company's gas production focused in the Wildmere property of Alberta. Of note in the 2008 year-end reconciliation is the Company's gas discovery in the Wildmere area of Alberta with its subsequent stepout development locations. The Company's increase in gas reserves is attributed to the 2008 Wildmere drilling program. The planned follow-up locations at Wildmere (Probable Undeveloped) are categorized as Extensions. The Company did have a technical revision which was the result of activities pertaining to an area of Stealth's land position where the production results were less than the Company had expected. On the go forward the Company's land has been high graded for "sweet spots" and does not expect any future technical revisions. The Company did see a decrease in the operational costs during the period as well as a reduction in capital cost from \$373,000 per well (2007) to \$300,000 per well (2008).

Undeveloped Reserves

Summary of Proved and Probable Undeveloped Locations As of December 31, 2008 Forecast Prices and Costs				
	Light and Medium Oil		Natural Gas (non-associated & associated)	
Year	1 st Attributed Gross (Mbbbl)	Cumulative Gross (Mbbbl)	1 st Attributed Gross (Mbbbl)	Cumulative Gross (Mbbbl)
Proved Undeveloped				
2006				
2007			4887	4887
2008	Property was Divested		1179	1179
Probable Undeveloped				
2006				
2007			2308	2308
2008	Property was Divested		1366	1366

Note: all PUD booked have been moved to PDP/PNP. No PUD's carried over

Significant Factors or Uncertainties Affecting Reserves Data

In general, once proved and/or probable undeveloped reserves are identified they are integrated into Stealth's development plans. The Company's business plan generally envisions the development of proved and probable undeveloped reserves within two years of the date of such integration. The various factors that could result in delayed or cancelled development include (but are not limited to):

- Changing economic conditions;
- Changing technical conditions or production anomalies (i.e. water breakthrough, accelerated depletion);
- Multi-zone developments (i.e. prospective formation completion may be delayed until the initial completion is no longer economic);

- A larger development program may need to be spread out over several years to optimize capital allocation and facility utilization; and
- Surface access issues (landowners, weather conditions and regulatory approvals to name a few).

Provincial Royalties and Incentives

General

In addition to federal regulation, each province has legislation and regulations that govern land tenure, royalties, production rates, environmental protection and other matters. The royalty regime is a significant factor in the profitability of crude oil, natural gas, natural gas liquids and sulphur production. Royalties payable on production from lands other than Crown lands are determined by negotiations between the mineral owner and the lessee, although production from such lands is also subject to certain provincial taxes and royalties.

Operations not on Crown lands and subject to the provisions of specific agreements are also usually subject to royalties negotiated between the mineral owner and the lessee. These royalties are not eligible for incentive programs sponsored by various governments as discussed below. Crown royalties are determined by governmental regulation and are generally calculated as a percentage of the value of the gross production. The rate of royalties payable generally depends in part on prescribed reference prices, well productivity, geographical location, field discovery date, method of recovery and the type or quality of the petroleum product produced. Other royalties and royalty-like interests are from time to time carved out of the working interest owner's interest through non-public transactions. These are often referred to as overriding royalties, gross overriding royalties, net profits interests or net carried interests. From time to time the governments of the western Canadian provinces have established incentive programs for exploration and development. Such programs often provide for royalty rate reductions, royalty holidays and tax credits for the purpose of encouraging oil and natural gas exploration or enhanced recovery projects. The programs are designed to encourage exploration and development activity by improving earnings and cash flow within the industry. Royalty holidays and reductions would reduce the amount of Crown royalties paid by oil and gas producers to the provincial governments and would increase the net income and funds from operations of such producers. However, the trend in recent years has been for provincial governments to allow such incentive programs to expire without renewal, and consequently few such incentive programs are currently operative.

For taxation years that begin after 2006, a deduction will be allowed for federal income tax purposes with respect to the actual provincial and other crown royalties and mining taxes paid and the 25% resource allowance will be eliminated.

Alberta

In Alberta, the Crown royalty rates on conventional oil and natural gas fluctuate, depending on when a well was drilled, well depth, well production volume and the price of oil and natural gas. On October 25, 2007 the Alberta Government introduced a new royalty regime which became effective on January 1, 2009 and is applicable to all existing conventional oil and natural gas wells in Alberta. The new royalty regime assesses the applicable royalty rate on a well by well basis using a sliding scale which takes into account the price of oil and/or natural gas and the well's production volumes.

Exhibit 2: New Gas Royalty Rates vs Status Quo

C\$/GJ	\$ 5.00	\$ 6.00	\$ 7.00	\$ 8.00	\$ 9.00	\$ 10.00	\$ 11.00	\$ 12.00
C\$/mcf	\$ 5.27	\$ 6.33	\$ 7.38	\$ 8.44	\$ 9.49	\$ 10.55	\$ 11.60	\$ 12.66
mcf/d								
50	-4%	-4%	-4%	-4%	-4%	-2%	1%	2%
100	-8%	-8%	-7%	-4%	-1%	2%	5%	6%
150	-11%	-8%	-4%	-1%	2%	5%	8%	9%
200	-9%	-4%	0%	3%	6%	9%	12%	13%
250	-6%	-2%	3%	6%	9%	12%	15%	16%
300	-4%	0%	5%	8%	11%	14%	17%	18%
350	-2%	3%	7%	10%	13%	16%	19%	20%
400	0%	5%	9%	12%	15%	18%	21%	22%
450	0%	5%	9%	12%	15%	18%	21%	22%
500	1%	5%	10%	13%	16%	19%	21%	21%
550	2%	6%	11%	14%	17%	20%	20%	20%
600	2%	7%	11%	14%	17%	20%	20%	20%
650	2%	7%	11%	14%	17%	20%	20%	20%
700	2%	7%	11%	14%	17%	20%	20%	20%
750	2%	7%	11%	14%	17%	20%	20%	20%
800	2%	7%	11%	14%	17%	20%	20%	20%
850	2%	7%	11%	14%	17%	20%	20%	20%
900	2%	7%	11%	14%	17%	20%	20%	20%
950	2%	7%	11%	14%	17%	20%	20%	20%
1000	2%	7%	11%	14%	17%	20%	20%	20%

Source: Tristone Capital, ADOE

Under the new Alberta royalty regime, the royalty reserved to the Alberta Crown on conventional oil production ranges from zero percent (0%) to fifty percent (50%) and is capped at fifty percent once the price of conventional oil reaches Cdn \$120 per barrel. The royalty applicable to natural gas production under the new royalty regime ranges from five percent (5%) to fifty percent (50%) and is capped at 50% once the price of natural gas reaches Cdn \$16.59 per gigajoule. The new royalty regime has retained the Natural Gas Deep Drilling Program and the Deep Oil Exploration Program. The new royalty regime also sets royalties for natural gas liquids at forty percent (40%) for pentanes and thirty percent (30%) for butanes and propane. On November 19, 2008 and November 24, 2008, the Alberta Government announced details of an optional five-year transitional royalty program ("Transitional Program"). The Transitional Program applies to conventional oil and natural gas wells drilled to measured depths between 1,000 to 3,500 meters between November 19, 2008 and January 1, 2014. For each well, the producer can make a one time election to produce the well under the Transitional Program or the new royalty regime. As of January 1, 2014 all production subject to the Transitional Program will revert to the new royalty regime. The Natural Gas Deep Drilling and Deep Oil Exploration programs are not available to wells producing under the Transitional Program. For conventional oil produced under the Transitional Program, the royalty reserved to the Alberta Crown is variable, depending on the pool's vintage (when the pool was discovered), oil density, well production volume, and the price of oil. The royalty is capped at thirty-five percent (35%), which maximum is reached at an oil price of approximately Cdn \$30 per barrel, depending on other factors such as production rates.

For natural gas produced under the Transitional Program, the royalty reserved to the Alberta Crown varies depending on the vintage, production volume and the inflation adjusted price of gas less adjustments for the cost of processing the Crown's share of the gas. The royalty will vary between fifteen percent (15%) to thirty-five percent (35%), which maximum is reached at a natural gas price of approximately Cdn \$3.70 per gigajoule, depending on other factors such as production rates. Stealth will review estimated production volumes and commodity price forecasts, on a well by well basis, to determine which royalty regime is more likely to result in the lowest possible royalty rates for any qualified wells to be drilled in Alberta after November 19, 2008 and will elect to have either the new Alberta royalty regime or the old royalty regime apply based on the results of its review.

On March 3, 2009 the Government of Alberta announced an additional incentive program in respect of oil and gas wells drilled on Alberta Crown lands. This program provides that, in respect of any wells drilled between April 1st, 2009 and April 1, 2010, the operator will receive (a) a drilling credit equal \$200 of royalty per meter drilled on conventional oil and natural gas wells and (b) a maximum royalty rate of 5% on such wells until the first to occur of twelve calendar months, 50,000 barrels of oil production or 500 million cubic feet (MMcf) of gas production.

The new Alberta royalty regime will impact Stealth's future drilling decisions to the extent it affects acceptable rates of return on Stealth's capital deployed and for the Company's shale play this is going to mean a decrease in royalties paid from an average of 15% to below 10% (minimum 5%) starting January 1, 2009.

	Three months ended December 31		Twelve months ended December 31	
	2008	2007	2008	2007
Royalties	216,301	71,890	724,466	161,591
% of sales	14.9	15.7	14.4	10.5
\$/boe	5.86	5.46	7.04	5.21

Also included in this royalty rate is the Gross Overriding Royalties paid to third parties.

During the fourth quarter of 2008 royalties averaged 14.9 percent compared to 15.7 percent over the same quarter last year.

For the twelve months ended December 31, 2008, royalties as a percentage of sales averaged 14.4 percent, an increase from the 10.5 percent for the same period last year. When royalty review rates are implemented in 2009, it is estimated the effective rate will be well below 10%. This increase in royalty is attributed to the over riding royalties paid to third parties on the production.

Trends

Soft gas prices in late 2008, early 2009 have caused a contraction of capital programs on an industry wide basis in Canada and the United States of America (US). In the US drilling has been at record levels for unconventional resources and historic decreases in US yearly production have been reversed over the last 5 years. Gas storage is currently above the 5 year average. As a summary, factors which will have an immediate impact on gas prices are: the supply demand balance in North America, imports of LNG, demand destruction from weather patterns, drilling trends in both Canada and the US and overall economic activity, particularly the current pronounced recession.

Other than the above mentioned the Company is not aware of any material economic factors or significant uncertainties that affect any particular component of the reserve data. All assets are located in Canada and are not unusually subject to high operating costs, capital costs, contractual obligations, or unusual political risks.

Future Development Costs

Development costs of \$20.85 million (proved) and \$20.95 million (P+P) in the Sproule report of December 31, 2008, are deducted in the estimation of future net revenue attributable to the proved reserves and the proved plus probable reserves using forecast prices and costs. The Company continuously manages the pace of its capital spending program by monitoring forecasted production, commodity prices and resulting cash flows. Current volatility in commodity prices creates uncertainty as to the funds from operations and thus the capital budget. Monthly financial and cash variance analysis are conducted. Should circumstances affect cash flow in a detrimental way, the Company is capable of altering its capital spending activity.

Other Oil and Gas Information

Properties With No Attributed Reserves

Stealth's focus is on the Wildmere shale program in Alberta; therefore little capital has been spent on the CBM in Nova Scotia. All Company CBM wells have not yet produced gas in commercial quantities.

In the Spring of 2008 Stealth informed the Department of Energy that it was actively seeking capital partners to help accelerate the development of the Stellarton Basin (Stellarton) property and reduce its capital commitments. To facilitate the marketing of the Stellarton Stealth contracted Divestpro in the spring of 2008 and strong push was made to their proprietary data base of prospective farmin candidates which was both global and accredited. In September of 08 preliminary discussions started with a private Ontario based oil and gas company (Newco) with regards to the Stellarton asset and by early October an agreement in principal was struck. Later that month a letter of intent was signed with the Newco outlining the spending obligations required for earning. Latter that quarter both parties involved agreed terms on a cash sale of the Stellarton property and effective December 19, 2008 the purchase and sale agreement was executed for consideration of one million shares of Newco and the refunding of the security deposit held by the Nova Scotia Department of Energy.

Current to September 13, 2007 the Company had interest in four major properties in the province of Saskatchewan. Three properties, Shell Lake, Foam Lake and Moose Jaw, consist of 'Saskatchewan Crown Exploratory Permits' which have had their work obligations fulfilled and are held for a period of five years, until 2010 at which time the permits can be transferred to 'lease'. The fourth being the WhiteHill Lakes property which is a crown license that has a two year drilling commitment which has been met, with the drilling of five wells. On September 13, 2007 Stealth Ventures Ltd. signed an agreement with PanTerra Resource Corp. (PanTerra) to sell Stealth's 50% interest in the four blocks to PanTerra for 13,000,000 common shares at a deemed value of \$0.25 / share. As of the date of this Annual Information Form the Company has disposed of all of its shares of PanTerra.

These events have allowed Stealth to continue to focus on Wildmere while still exploring the significant potential of the Cumberland Basin CBM in Nova Scotia.

Contingent Resources

The Cumberland Basin (Nova Scotia) - 100% Working Interest

Stealth initially acquired a 75% working interest in the 177,000 acre Exploration Agreement by way of farmin and purchase in 2005 and 2006 which was finalized later that year with the buyout of Stealth's 25% WI partner. Early in 2006 the first operated well penetrated 430 meters of coal (in the number 6 seam) horizontally, while two additional horizontal wells were completed prior to the end of 2006. The second well penetrated 738 lateral meters of coal in the Number 2 seam, and the third achieved a lateral of 1,041 meters in the "Marker O" coal seam. These wells comprise the major producing assets on the property.

On October 25th, 2007 Stealth signed a 10 year coal-gas production agreement with the Government of Nova Scotia. The Cumberland basin represents a gas resource play in Nova Scotia estimated by Sproule Associates Limited to contain 1.18 TCF of discovered CBM resource which is in close proximity to the

Maritimes & Northeast pipeline, and is expected to have access to low-pressure gas infrastructure built by Heritage Gas of Dartmouth, Nova Scotia, in addition to other sales options. The current expenditure commitments for 2009 is \$1,500,000 for the Cumberland Basin.

Canadian Property	Unproven Acreage		Requirements & Expiries
	(Gross)	(Net)	
Cumberland CBM, NS	177,000	177,000	CBM Production Lease obligations Expires October 2017

Exploration and Development Activities

2008 Wells Drilled

Property Area	Exploratory Wells	Development Wells	Total Gross Wells	Total Net Wells	Type of Well
Wildmere, Alberta	1	76	77	76.6	Gas
Cumberland, Nova Scotia					CBM

**For the reporting period the Company drilled no 'dry-holes'.*

Area Producing Well Breakdown

Property Area	Number of wells (Gross)	Number of Wells Producing			
		(Gross)		(Net)	
		Oil	Gas	Oil	Gas
Cumberland*	5	0	5	0	5
Wildmere	120	0	92	0	84.8

**For the reporting period the Company drilled no new wells.*

The majority of capital expenditures will occur in the Wildmere shale gas. A future program of "earning" and development wells will be drilled through out the year and the Company expects to drill eighty PUD locations over the next two years.

Forward Contracts

Effective December 31, 2008 the Company was not bound by any agreement (including a transportation agreement), directly or through an aggregator, under which it was precluded from fully realizing, or was protected from the full effect of, future market prices for oil or gas. Subsequent to December 31, 2008 the company entered into the following fixed price contract:

Natural Gas Period Hedged	Type	Daily Volume	Price (CAD)
February 1, 2009-October 31, 2009	Fixed price	800 GJ	\$5.48

The Company enters into this contract with a well established counterparty, to protect a portion of its future earnings and cash flows from operations from the volatility of petroleum and natural gas prices.

Additional Information Concerning Abandonment and Reclamation Costs

The Company has estimated the cost of abandonment and reclamation, by including the cost of cementing and plugging back each well to be abandoned as per Alberta and Nova Scotia Government requirements, as well as and including lease clean up and other considerations required to, restore each particular lease to its original state. Lease clean up should be minimal as the Company went “Minimal Disturbance” (on its Alberta Shale Gas Properties) in its lease design and a lot of the wells were located on cultivated land which needs little to restore the leases themselves.

The Company's asset retirement obligations result from net ownership in petroleum and natural gas assets including well sites, gathering systems and processing facilities. The Company estimates the total undiscounted amount of cash flows required to settle its retirement obligations is approximately \$3,025,000 as at December 31, 2008 (2007 - \$1,306,850), which will be incurred between 2008 and 2023. A credit-adjusted risk-free rate of 8% and an inflation rate of 2% were used to calculate the fair value of the asset retirement obligations which sits at \$1,924,456 for the year ended December 31, 2008.

Stealth will be liable for its share of ongoing environmental obligations and for the ultimate reclamation of the properties held by it upon abandonment. Ongoing environmental obligations are expected to be funded out of cash flow.

Tax Horizon

Given the emerging nature of developing a “resource based” project, and Stealth's prior exploration activities and aggressive development drilling, existing tax pools will increase for 2008 and the Company does not foresee paying income tax for the next twenty-four to thirty-six months. As a result of the aggressive 2008 drilling program, Stealth Ventures Ltd. tax pools are approximately as follows:

CEE – Canadian Exploration Expense (\$19,461,157MM)
 CDE – Canadian Development Expense (\$29,153,532MM)
 COGPE – Canadian Oil & Gas Property Expense (\$3,430,107MM)
 UCC 41 – just a regular capital cost category – for items not captured under the previous (\$14,833,162MM)

Capital Expenditures

The following table summarizes in Canadian dollars certain expenditures of the Company during the financial year ended December 31, 2008.

Net capital expenditures for the fourth quarter of 2008 totaled \$10.3 million. Exploration and development activities represented \$5.4 million or 55% of the total spent, and expenditures on equipment and facilities totaled 4.4 million or 44% of total expenditures.

For the twelve months ended December 31, 2008, exploration and development activities were \$19.1 million or 66% of the total expenditures, and spending on equipment and facilities totaled \$8.9 million. The following table is a summary of capital expenditures for the quarter and twelve months ended December 31, 2008.

(\$000)	Three months ended December 31		Twelve months ended December 31	
	2008	2007	2008	2007
Land	393	1,079	779	1,920
Geological and geophysical	-	4	8	519
Drilling	1,834	1,347	10,146	5,826
Equipment and facilities	4,380	2,432	8,949	3,067
Completions	3,780	3,357	8,878	6,814
Office and computer equipment	14	41	100	141
Total capital expenditures	10,329	8,260	28,860	18,287

	Acquisition	Exploration	Development	Total
Proved Properties	-	-	\$29,153	\$29,153
Unproven Properties	\$3,430	\$19,461	-	22,891
Total	\$ 3,430	\$19,461	\$29,153	\$52,044

**The definitions of the various categories of properties and expenses are those set out in NI 51-101.*

Production History
Summary of 2008 Quarterly Results

	Q3	Q2	Q1	Q4
Operations				
Production				
Natural gas (mcf/d)	1,240	1,265	1,261	2409
Oil (bbl/d)	22	27	35	16
Barrels of oil equivalent (boe/d @ 6:1)	229	238	245	418
<i>Average product prices</i>				
Natural gas (\$/mcf)	7.20	9.52	7.26	6.16
Oil (\$/bbl)	117.2	118.5	92.48	55.66
\$/BOE				
Average sale price (\$/boe)	50.28	64.02	50.65	37.65
Average royalties paid (\$/boe)	6.65	9.30	6.28	5.86
Average operating expenses	12.07	9.98	9.65	8.22
Field netback (\$/boe)	31.56	44.78	33.46	23.57
General & administrative expense (\$/boe)	50.23	29.91	34.17	21.68
Interest income (\$/boe)	5.70	2.22	1.72	0.99
Cash netback (\$/boe)	(12.97)	17.09	1.01	2.88
Financial (\$000)				
Oil and gas sales	1,058	1,387	1,129	1,484
Interest and other income	120	48	38	36
Royalties	140	201	167	216
Funds from operations	(285)	370	25	131
Funds from operations per unit	(13.97)	16.90	1.13	0.86
Earnings / (Loss)	(7,939)	6,799	(1,242)	(4,807)
Earnings / (Loss) per share	(0.09)	0.11	(0.02)	(0.05)
Capital expenditures	12,323	2,507	3,808	9,842
Weighted average shares	91,682	71,101	61,955	90,649

SHARE CAPITAL

Common Shares

Stealth is authorized to issue an unlimited number of Common Shares. Holders of Common Shares are entitled to one vote per share at meetings of shareholders of Stealth, to receive dividends if, as and when declared by the board of directors and to receive pro rata the remaining property and assets of Stealth upon its dissolution or winding-up, subject to the rights of shares having priority over the Common shares.

DIVIDENDS

Dividend Policy

Stealth has not paid any dividends on the outstanding Common Shares. The board of directors of Stealth will determine the actual timing, payment and amount of dividends, if any, that may be paid by Stealth from time to time based upon, among other things, the cash flow, results of operations and financial conditions of Stealth, the needs for funds to finance ongoing operations and other business considerations as the board of directors of Stealth considers relevant. Payment of dividends is subject to the consent of Stealth's lenders.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares of Stealth are listed and posted for trading on the TSX-V under the symbol "SLV". The following table sets forth the reported market price ranges and the trading volumes for the Common Shares for the periods indicated, as reported by the TSX-V.

Period	Price Range (\$)		Trading Volume
	High	Low	
2009:			
March	\$0.09	\$0.17	2,234,664
February	\$0.08	\$0.14	1,915,783
January	\$0.14	\$0.21	2,124,487
2008:			
December	\$0.20	\$0.14	8,311,934
November	\$0.30	\$0.13	6,123,483
October	\$0.30	\$0.12	6,031,556
September	\$0.50	\$0.23	6,512,457
August	\$0.69	\$0.45	1,201,459
July	\$0.85	\$0.49	1,261,133
June	\$1.28	\$0.80	3,587,578
May	\$0.84	\$0.68	679,529

April	\$1.01	\$0.71	2,930,083
March	\$1.31	\$0.75	395,500
February	\$1.11	\$0.65	908,801
January	\$0.78	\$0.465	425,359
2007:			
December	\$0.96	\$0.50	781,254
November	\$0.80	\$0.61	1,524,082
October	\$0.99	\$0.72	1,505,705

Prior Sales

Stealth has no class of securities outstanding that are not listed or quoted on a marketplace.

DIRECTORS AND OFFICERS

Name and Residence	Position with Stealth	Principal Occupation During Previous Five Years
DEREK KRIVAK ⁽¹⁾⁽³⁾ Calgary, Alberta Canada	President, Chief Executive Officer and Director	Project Manager and co-creator of the Unconventional Gas Research Group for the Alberta Research Council, (sold to Schlumberger spring 2008) April 2003 until April 2005. Vice-President, Operations of Stealth Ventures Ltd. from April 2005 until May 2006, Chief Operating Officer from May 2006 to June 2008, a Director since November 2007, and President and Chief Executive Officer since June 2008
W. ROBERT BELL ⁽²⁾⁽³⁾⁽⁴⁾ Calgary, Alberta Canada	Chairman of the Board and Director	Director of Stealth Ventures Ltd. since November 1999, President and Chief Executive Officer from November 1999 to June 2008, and Chairman of the Board since June 2008
IAN MCMURTRIE ⁽¹⁾⁽³⁾⁽⁴⁾ Calgary, Alberta Canada	Director	Vice-President Exploration (or consulting thereto) of Rally Energy Corp. from November 2003 until January 2008, Vice-President Exploration of Bankers Petroleum Ltd. since February 2008
RUDY CECH ⁽¹⁾⁽²⁾⁽⁴⁾ Calgary, Alberta Canada	Director	Vice-President of Sproule Associates from 1970 until June 2006, Independent Businessman from June 2006

MURRAY SMITH ⁽²⁾⁽⁴⁾ Calgary, Alberta Canada	Director	Minister of Energy, Alberta Government from 2001 to 2004, January 2005 appointed Official Representative of the Province of Alberta to the United States of America. Current member of the Energy Advisory Board of TD Securities Inc. and a Director of Shear Wind, a Canadian wind power electrical generation company
MARK J. ROTH Calgary, Alberta Canada	Chief Financial Officer	RBC Bank (Energy) from 1997 to 2005, Chief Financial Officer of Stealth Ventures Ltd. since June 2005. Director of a GE Capital company in Canada and of an independent national brokerage company.
GARY ADDISON Calgary, Alberta Canada	Vice-President, Exploration	President, Cerro Alto Consultants, Research Associate, GTI E&P Services Canada Inc. to January 2003, Vice-President, Exploration Stealth Ventures Ltd. since October 2005
CHRIS MORRISON Calgary, Alberta Canada	Vice-President, Operations	Development Engineer, Enerplus Resources Fund to August 2005, Exploitation Engineer, Vault Energy Trust August 2005 to May 2006, Vice-President, Operations, Stealth Ventures Ltd. since May 2006
LORI BOBYE-MAGNUSSON Calgary, Alberta Canada	Controller	Controller at Stealth Ventures Ltd. since August 2008. Controller with Peyto Energy Trust from 2006
GLENN R. YEADON Vancouver, B.C. Canada	Secretary	Barrister and Solicitor; associated in the practice of law (through a personal law corporation) with Tupper Jonsson & Yeadon, Barristers & Solicitors

Notes:

- (1) **Member of the Reserves Committee.**
- (2) **Member of the Audit Committee.**
- (3) **Member of the Compensation Committee.**
- (4) **Member of the Corporate Governance Committee.**

W. Robert Bell has been a director of Stealth since November 1999. Ian McMurtrie has been a director of Stealth since October 2002. Messrs. Krivak and Cech have been directors of Stealth since November 2007. Murray Smith has been a director of Stealth since June 2008.

As of December 31, 2008, the directors and senior officers of Stealth as a group beneficially owned, directly or indirectly, or exercised control or direction over, 1,221,653 Common Shares of Stealth, representing 1.3% of the 90,606,043 Common Shares then outstanding.

Corporate Cease Trade Orders or Bankruptcies

In the 10 years preceding the date of this Annual Information Form, none of the directors, officers or insiders of Stealth are or have been a director or officer of any other issuer that, while acting in such capacity, was subject to any corporate cease trade order or bankruptcies, save and except as follows:

- Glenn R. Yeadon, the Secretary of Stealth, was the Secretary of International TME Resources Inc. ("International TME") from March 1984 to September 2000. International TME has been the subject of a cease trade order for a period of more than 30 consecutive days within the past 10 years as a result of its failure to maintain continuous financial disclosure requirements, with the cease trade order issued by the British Columbia Securities Commission in respect of International TME on February 18, 1999 remaining in effect.
- Ian McMurtrie, a director of Stealth, was a director of Nickel Petroleum Resources Ltd. ("Nickel"), which, on December 8, 2005 became subject to a cease trade order issued by the British Columbia Securities Commission, and an interim cease trade order issued by the Alberta Securities Commission, for failure to maintain continuous financial disclosure requirements, with the cease trade order issued by the Alberta Securities Commission having been made final on December 16, 2005. These cease trade orders in respect of Nickel remain in effect as of the date of this Annual Information Form.

The above information was provided by management of Stealth.

Penalties or Sanctions

None of the directors, officers or insiders of Stealth have been subject to any penalties or sanctions under securities legislation.

Personal Bankruptcies

To the knowledge of management of Stealth, there has been no director or officer, or any shareholder holding a sufficient number of securities of Stealth to affect materially the control of Stealth that is, or within the 10 years before the date of this Annual Information Form has been, a director or officer of any other issuer that, while that person was acting 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.

To the knowledge of management of Stealth, there has been no director or officer, or any shareholder holding sufficient number of securities of Stealth to affect materially the control of Stealth, or a personal holding company of any such person that has, within the 10 years before the date of this Annual Information Form, 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 director or officer.

To the knowledge of management of Stealth, no director or officer, or any shareholder holding a sufficient number of securities of Stealth to affect materially the control of Stealth, has:

- (a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with the Canadian securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Circumstances may arise where members of the board of directors of Stealth are directors or officers of corporations which are in competition to the interests of Stealth. No assurances can be given that opportunities identified by such board members will be provided to Stealth. Pursuant to the *Business Corporations Act* (British Columbia), directors who have an interest in a proposed transaction upon which the board of directors is voting are required to disclose their interests and refrain from voting on the transaction.

AUDIT COMMITTEE

Composition of the Audit Committee and Charter

The Audit Committee of the Board of Directors of the Corporation operates under a written charter that sets out its responsibilities and composition requirements. A copy of the charter is attached to this AIF as Appendix "C". The Audit Committee consists of W. Robert Bell (Chairman), Rudy Cech and Murray Smith. As defined in MI 52-110, W. Robert Bell is not "independent" and Rudy Cech and Murray Smith are "independent". Also as defined in MI 52-110, all of the audit committee members are "financially literate". In considering criteria for the determination of financial literacy, the Board of Directors of the Corporation looks at the ability to read and understand financial statements of a publicly traded corporation. The following sets out the education and experience of each director relevant to the performance of his duties as a member of the Audit Committee.

Mr. Bell is a 40 year veteran in oil and gas. He started his career as a landman working in the US and Canada, has owned and operated oil and gas properties in private and public companies, most notably and recently as President of the public company United Rayore Gas Ltd. He remains active in family holding companies and has acted on the Boards of 6 public companies over the last decade, including service on audit committees.

Mr. Cech is a graduate of the University of Ostrava, Czech Republic – holding a masters degree in engineering. He is a member of APEGGA, and has evaluated the economic viability of oil and gas properties in his capacity as a consulting engineer and executive for Sproule Associates for over 3 decades. Mr. Cech is a member of the Board of Canadian Spirit Resources Ltd.

Mr. Smith is a graduate of the London Business School's Senior Executive Program. He holds a B.A. (Economics & Political Science) from the University of Calgary. He is also a graduate of Notre Dame

College in Wilcox, Saskatchewan and a past President of the College's alumni association. Before running for elected office in 1993, Mr. Smith was an independent businessman with a number of Alberta-based energy service companies including drilling fluids, service rigs, oilfield contracting and consulting. As Minister of Energy (2001 to 2004), he was responsible for gaining international recognition of Alberta's 176 billion barrels of established oil reserves -- including 174 billion barrels of oil sands. During his tenure, Alberta annual oil and gas royalty revenue rose to over \$9 billion, a record number of wells were drilled (over 20,000), and over \$60 billion in investment was committed to Alberta oil sands projects. Mr. Smith was also responsible for Alberta's electricity sector, guiding the \$5 billion market move to a competitive wholesale generation market. Increased investment added over 5000 megawatts in new generation, and Alberta became the top wind generation province in Canada. In his first Cabinet-level post, Minister of Economic Development (1994 to 1996), Mr. Smith initiated the largest industrial tax reduction in the province's history. As well, he was a member of the Cabinet Committee Treasury Board and a main contributor to the province's debt retirement plan, which led the province to become the first debt-free jurisdiction in Canada.

Auditors' Fees

KPMG LLP has served as Stealth's auditors since January 16, 2006. Fees paid to KPMG LLP for the years ended December 31, 2008 and December 31, 2007 are detailed below:

	For the year ended December 31, 2008	For the year ended December 31, 2007
Audit	\$53,416	\$53,416
Audit related	Nil	\$7,700
Tax	Nil	Nil
Other	Nil	Nil
Total:	\$53,416	\$61,116

Audit fees were paid for professional services rendered by the auditors for the audit of Stealth's annual financial statements. Audit related fees pertain to services rendered in connection with Company consultants working with KPMG. All permissible categories of non-audit services to be provided by the external auditors must be pre-approved by the Audit Committee, subject to certain statutory exceptions.

Stealth is relying on the exemption provided by section 6.1 of MI 52-110 which provides that Stealth, as a venture issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of MI 52-110.

RISK FACTORS

An investment in Stealth should be considered speculative due to the nature of Stealth's activities and the present stage of its development. Investors should carefully consider the following risk factors:

Operational

Oil and natural gas exploration operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering and oil spills, each of which could result in substantial damage to oil and natural gas wells, producing facilities, other property and the environment or in personal injury. In accordance with industry practice, Stealth is not fully insured against all of these risks, nor are all such risks insurable. Although Stealth maintains liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities could exceed policy limits, in which event Stealth could incur significant costs that could have a materially adverse effect upon its financial condition. Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including premature decline of reservoirs and the invasion of water into producing formations.

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to Stealth and may delay exploration and development activities.

To the extent Stealth will not be the operator of its oil and gas properties, the company will be dependent on such operators for the timing of activities related to such properties and will be largely unable to direct or control the activities of the operators.

Payments from production generally flow through the operator and there is a risk of delay and additional expense in receiving such revenues if the operator becomes insolvent. Although Stealth intends to operate the majority of its properties, there is no guarantee that it will remain operator of such properties or that Stealth will operate other properties it may acquire in the future. In addition, the success of Stealth will be largely dependent upon the performance of its management and key employees. Stealth does not have any key man insurance policies and, therefore, there is a risk that the death or departure of any member of management or any key employee could have a material adverse affect on the company.

Stealth's ability to market oil and natural gas from its wells also depends upon numerous other factors beyond its control, including, among other things, the availability of natural gas processing and storage capacity, the availability of pipeline capacity, the price of oilfield services and the effects of inclement weather. Because of these factors, Stealth may be unable to market some or all of the oil and natural gas it produces or to obtain favourable prices for the oil and natural gas it produces.

Shale Gas Operations

Shale gas is natural gas stored in organic-rich, very fine-grained rocks such as shale, mudstone or laminated siltstones. The natural gas molecules are held in the reservoir rock by the process of adsorption onto the organic matter. The shale can be the source as well as the reservoir. The natural gas can be derived from either thermal or biogenic processes.

Shale gas is considered to be an unconventional gas source as the gas is contained in difficult-to-produce reservoirs but is produced in much the same way as conventional reservoirs. In shale reservoirs, the permeability (the ability to flow hydrocarbons) of the rock is very low, and stimulation techniques must be employed to intersect and create fracture pathways that will allow the gas to flow to the well. Recent success of commercial shale gas development in a number of basins throughout North America can be attributed to the application of advanced technologies that are used to drill and stimulate the shale-bearing formations.

Stealth's business is subject to all of the operating risks associated with drilling for and producing natural gas, including fires, explosions, blow-outs and surface cratering, uncontrollable flows of underground natural gas, formation water, natural disasters, pipe or cement failures, casing collapses, embedded oilfield drilling and service tools, abnormally pressured formations and environmental hazards, such as natural gas leaks, pipeline ruptures and discharges of toxic gases. As Stealth has in excess of 85 producing wells, the effect of a catastrophic event at a single well facility would be minimal when considering Stealth's total asset base. In addition, the exploration for, and production of shale gas, differs from conventional oil and gas and can pose additional operating risks.

As shale gas is relatively new in Canada, there is additional regulatory complexity. This includes testing requirement imposed by regulators for offset water wells, collection of core and pressure data from drilling and production operations. Any problems experienced by other operators might adversely impact Stealth, through additional regulations or greater difficulty in acquiring leases, permits or regulatory approvals. In addition, Stealth could incur substantial losses as a result of loss of life, severe damage to and destruction of property, natural resources and equipment, pollution and other environmental damage, clean-up responsibilities, regulatory investigation and penalties, suspension of the Corporation's operations and repairs to resume operations.

Coalbed Methane Operations

CBM operations in Canada are in the early stages of development. As a result, many factors affecting the economics and success of CBM operations are unknown or not fully known at this time. Stealth has a number of exploration wells that have been designed to provide the Corporation with information regarding well productivity, reserve recovery factors and reservoir characteristics. This information is required to advance the project areas to commercial development.

Stealth's business is subject to all of the operating risks associated with drilling for and producing natural gas, including fires, explosions, blow-outs and surface cratering, uncontrollable flows of underground natural gas, formation water, natural disasters, pipe or cement failures, casing collapses, embedded oilfield drilling and service tools, abnormally pressured formations and environmental hazards, such as natural gas leaks, pipeline ruptures and discharges of toxic gases. In addition, the exploration for, and production of CBM, differs from conventional oil and gas and can pose additional operating risks.

CBM can require higher capital commitments than similar depth conventional gas developments due to such factors as the type of drilling and completion techniques required, which can entail the complexity of development of multiple coal seams. In some instances, more wells per section are required to effectively develop the resource in place. Lower wellhead pressures are typical with CBM production which can require additional compression or larger flow lines.

CBM also requires a longer timeframe for testing and development. Coalbed methane often comes with water. In a sandstone or limestone reservoir, the gas molecules are between the rock particles. With CBM, the gas molecules are stuck to the coal or adsorbed, and the spaces between the coal, referred to as the "cleats", must be drained of water before gas will come out of the coal. The length of this dewatering process is different in each instance, and in some instances can be lengthy before CBM production begins. Stealth's operations may require long lead times before peak production is reached, and the sustainability of production is subject to greater uncertainty than with conventional gas.

Water production from CBM firstly requires adequate disposal into government approved formations. The large volumes produced potentially create such operational concerns as freezing, scale formation, or backpressure caused by inefficient pumping.

As CBM is relatively new in Canada, there is additional regulatory complexity. With the recent introduction of CBM development in Canada, operators drilling or producing CBM wells are subject to public scrutiny. Any problems experienced by other operators might adversely impact Stealth, through additional regulations or greater difficulty in acquiring leases, permits or regulatory approvals. In addition, Stealth could incur substantial losses as a result of loss of life, severe damage to and destruction of property, natural resources and equipment, pollution and other environmental damage, clean-up responsibilities, regulatory investigation and penalties, suspension of the Corporation's operations and repairs to resume operations.

Reserve Estimates

There are numerous uncertainties inherent in estimating quantities of reserves and cash flows to be derived therefrom, including many factors beyond the control of Stealth. The reserve and cash flow information set forth herein represent estimates only. These evaluations include a number of assumptions relating to factors such as initial production rates, production decline rates, ultimate recovery of reserves, timing and amount of capital expenditures, marketability of production, future prices of oil and natural gas, operating costs and royalties and other government levies that may be imposed over the producing life of the reserves. These assumptions were based on price forecasts in use at the date the relevant evaluations were prepared and many of these assumptions and subject to change and are beyond the control of Stealth. Actual production and cash flows derived therefrom will vary from these evaluations, and such variations could be material. These evaluations are based in part on the assumed success of exploitation activities intended to be undertaken in future years. The reserves and estimated cash flows to be derived therefrom contained in such evaluations will be reduced to the extent that such exploitation activities do not achieve the level of success assumed in the evaluations.

Industry Regulation and Competition

There is strong competition relating to all aspects of the oil and natural gas industry. Stealth will actively compete for capital, skilled personnel, undeveloped land, reserve acquisitions, access to drilling rigs, service rigs and other equipment, access to processing facilities and pipeline and refining capacity, and in all other aspects of its operations with a substantial number of other organizations, many of which may have greater technical and financial resources than Stealth. Some of those organizations not only explore for, develop and produce oil and natural gas but also carry on refining operations and market petroleum and other products on a world-wide basis and as such have greater and more diverse resources on which to draw. Stealth's ability to increase reserves in the future will depend not only on its ability to develop its

present properties, but also on its ability to select and acquire suitable producing properties or prospects for exploratory drilling. The marketability of oil and natural gas acquired or discovered will be affected by numerous factors beyond the control of Stealth. These factors include reservoir characteristics, market fluctuations, the proximity and capacity of oil and natural gas pipelines and processing equipment and government regulation. Oil and natural gas operations (exploration, production, pricing, marketing, transportation and royalty rates) are subject to extensive controls and regulations imposed by various levels of government, including those described above under the heading "Industry Conditions", which may be amended from time to time. Stealth's oil and natural gas operations may also be subject to compliance with federal, provincial and local laws and regulations controlling the discharge of materials into the environment or otherwise relating to the protection of the environment. Changes to the regulation of the oil and gas industry in jurisdictions in which Stealth operates may adversely impact Stealth's ability to economically develop existing reserves and add new reserves.

Alberta Royalty Regime

The Alberta provincial government has implemented changes to its royalty structure, as discussed above under the heading "Industry Conditions – Provincial Royalties and Incentives – Alberta". These changes to the Alberta royalty regime, as well as the potential for additional future changes and corresponding changes in the royalty regimes applicable in other provinces, have created uncertainty surrounding the ability to accurately estimate future royalties, resulting in additional volatility and uncertainty in the oil and gas market. Increases to royalty rates in jurisdictions in which Stealth operates may negatively impact Stealth's results from operations and its ability to economically develop existing reserves or add new reserves.

Global Financial Crisis

Recent market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, have caused significant volatility to commodity prices. These conditions worsened in 2008 and are continuing in 2009, causing a loss of confidence in the broader U.S. and global credit and financial markets and resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. These factors have negatively impacted company valuations and will impact the performance of the global economy going forward. Petroleum prices are expected to remain volatile for the near future as a result of market uncertainties over the supply and demand of these commodities due to the current state of the world economies, OPEC actions and the ongoing global credit and liquidity concerns.

Delay in Cash Receipts

In addition to the usual delays in payment by purchasers of oil and natural gas to the operators of Stealth's properties, and by the operator to Stealth, payments between any of such parties may also be delayed by restrictions imposed by lenders, delays in the sale or delivery of products, delays in the connection of wells to a gathering system, blowouts or other accidents, recovery by the operator of

expenses incurred in the operation of Stealth's properties or the establishment by the operator of reserves for such expenses.

Dilution

Stealth Shares, including rights, warrants, special warrants, subscription receipts and other securities to purchase, to convert into or to exchange into Stealth Shares, may be created, issued, sold and delivered on such terms and conditions and at such times as the Stealth Board may determine. In addition, Stealth may issue additional Stealth Shares from time to time pursuant to the Stealth Option Plan and the Stealth Incentive Plan. The issuance of these Stealth Shares could result in dilution to holders of Stealth Shares.

Net Asset Value

Stealth's net asset value will vary dependent upon a number of factors beyond the control of Stealth management, including oil and natural gas prices. The trading prices of the Stealth Shares is also determined by a number of factors which are beyond the control of management and such trading prices may be greater than or less than the net asset value of Stealth.

Reliance on Stealth Management

Stealth Shareholders will be dependent on the management of Stealth in respect of the administration and management of all matters relating to Stealth and its properties and operations. Investors who are not willing to rely on the management of Stealth should not invest in Stealth Shares.

Impact of Future Capital Expenditures

The reserve value of Stealth's properties, as estimated by independent engineering consultants, are based in part on cash flows to be generated in future years as a result of future capital expenditures. The reserve value of Stealth's properties, as estimated by independent engineering consultants, will be reduced to the extent that such capital expenditures on such properties do not achieve the level of success assumed in such engineering reports.

Permits and Licenses

The operations of Stealth may require licenses and permits from various governmental authorities. There can be no assurance that Stealth will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development at its projects.

Title to Properties

Although title reviews will be done according to industry standards prior to the purchase of most natural gas producing properties or the commencement of drilling wells as determined appropriate by management, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat a claim of Stealth which could result in a reduction of the revenue received by Stealth.

Aboriginal Claims

Aboriginal peoples have claimed aboriginal title and rights to resources and various properties in western Canada. Such claims, in relation to any of Stealth's lands, if successful, could have an adverse effect on its operations. Stealth is not currently producing from any aboriginal or Métis land.

Corporate Matters

To date, Stealth has not paid any dividends on its outstanding Common Shares. Certain of the directors and officers of Stealth are also directors and officers of other oil and gas companies involved in natural resource exploration and development, and conflicts of interest may arise between their duties as officers and directors of Stealth, as the case may be, and as officers and directors of such other companies.

Failure to Maintain Listing of the Stealth Shares

The Stealth Shares are currently listed and posted for trading on the facilities of the TSX-V. The failure of Stealth to meet the applicable listing or other requirements of the TSX-V in the future may result in the Stealth Shares ceasing to be listed and posted for trading on the TSX-V, which would have a material adverse affect on the value of Stealth Shares. There can be no assurance that Stealth Shares will continue to be listed and posted for trading on the TSX-V for the life of the Stealth Shares.

Structure of Stealth

From time to time, Stealth may take steps to organize its affairs in a manner that minimizes taxes and other expenses payable with respect to the operation of Stealth and its Subsidiaries. If the manner in which Stealth structures its affairs is successfully challenged by a taxation or other authority, Stealth and Stealth Shareholders may be adversely affected.

Changes in Legislation

It is possible that the Canadian federal and provincial government or regulatory authorities could choose to change the Canadian federal income tax laws, royalty regimes, environmental laws or other laws applicable to oil and gas companies and that any such changes could materially adversely affect Stealth and the Stealth Shareholders and the market value of the Stealth Shares.

Legal Proceedings

There are no legal proceedings to which Stealth is or was a party or in respect of which any of its properties are or were subject during the year ended December 31, 2008, nor are there any such proceedings known to Stealth to be contemplated, other than proceedings involving claims for damages for which the potential exposure is less than 10% of Stealth's current assets. During the year ended December 31, 2008 there were (i) no penalties or sanctions imposed against Stealth by a court relating to securities legislation or by a securities regulatory authority; (ii) no other penalties or sanctions imposed by a court or regulatory body against Stealth that Stealth believes would likely be considered important to a reasonable investor in making an investment decision; and (iii) no settlement agreements entered into by Stealth with a court relating to securities legislation or with a securities regulatory authority.

Volatility of Oil and Gas Prices and Markets

Stealth's financial performance and condition are substantially dependent on the prevailing prices of oil and natural gas which are unstable and subject to fluctuation. Fluctuations in oil or natural gas prices could have an adverse effect on Stealth's operations and financial condition and the value and amount of its reserves. Prices for crude oil fluctuate in response to global supply of and demand for oil, market performance and uncertainty and a variety of other factors which are outside the control of Stealth including, but not limited, to the world economy and OPEC's ability to adjust supply to world demand, government regulation, political stability and the availability of alternative fuel sources. Natural gas prices are influenced primarily by factors within North America, including North American supply and demand, economic performance, weather conditions and availability and pricing of alternative fuel sources.

Prices varied considerably throughout 2008 and since August 2008 the price of oil has decreased significantly, concurrent with the downturn in the global economy. Decreases in oil and natural gas prices typically result in a reduction of Stealth's net production revenue and may change the economics of producing from some wells, which could result in a reduction in the volume of Stealth's reserves. Any further substantial declines in the prices of crude oil or natural gas could also result in delay or cancellation of existing or future drilling, development or construction programs or the curtailment of production. All of these factors could result in a material decrease in Stealth's net production revenue, cash flows and profitability causing a reduction in its oil and gas acquisition and development activities. In addition, bank borrowings available to Stealth will in part be determined by the company's borrowing base. A sustained material decline in prices from historical average prices could further reduce such borrowing base, therefore reducing the bank credit available and could require that a portion of its bank debt be repaid.

From time to time Stealth has and may in the future enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline; however, if commodity prices increase beyond the levels set in such agreements, Stealth will not benefit from such increases.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in Canada and the United States have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It is likely that the market price for the Common Shares will be subject to market trends generally, notwithstanding the financial and operational performance of the respective companies.

Technology Risk

Stealth will rely on information technology to manage its day to day operations and perform reporting obligations including the preparation of financial statements, reporting to joint partners, and various governments in relation to payment of royalties and taxes.

Variations in Foreign Exchange Rates and Interest Rates

Stealth's expenses will be denominated in Canadian dollars, while the price of oil and natural gas will generally be denominated in U.S. dollars or impacted by the Canadian dollar to U.S. dollar exchange rate. As the exchange rate for the Canadian dollar versus the U.S. dollar increases, Stealth will generally receive fewer Canadian dollars for its production. If the value of the Canadian dollar against the U.S. dollar increases, the financial results of Stealth may be negatively affected. Stealth management may initiate certain hedges to mitigate these risks. Future fluctuations in the Canadian/United States foreign exchange rate may impact the future value of Stealth's reserves as determined by independent evaluators. In addition, variations in interest rates could result in a significant change in the amount Stealth will pay to service debt, potentially adversely affecting the value of the Stealth Shares.

Reserve Replacement

Stealth's future oil and natural gas reserves, production, and cash flows to be derived therefrom are highly dependent on successfully acquiring or discovering new reserves. Without the continual addition of new reserves, any existing reserves Stealth may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in reserves will depend not only on Stealth's ability to develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. There can be no assurance that Stealth's future exploration and development efforts will result in the discovery and development of additional commercial accumulations of oil and natural gas. Stealth Shares will have no value when reserves from Stealth's properties can no longer be economically produced.

Substantial Capital Requirements

Stealth may have to make substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. If revenues or reserves decline, Stealth may have limited ability to expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Corporation. Moreover, future activities may require Stealth to alter its capitalization significantly. The inability of the Corporation to access sufficient capital for its operations could have a material adverse effect on its financial condition, results of operations or prospects.

Issuance of Debt

From time to time Stealth may enter into transactions to acquire assets or shares of other corporations or to expand production. These transactions may be financed partially or wholly through debt, which may increase debt levels above industry standards. Stealth may also incur debt for general corporate purposes. Stealth's articles and by-laws do not limit the amount of indebtedness it may incur. The level of Stealth's indebtedness from time to time could impair its ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Environmental Concerns

The oil and natural gas industry is subject to environmental regulation pursuant to local, provincial and federal legislation. Such legislation may be changed to impose higher standards and potentially more costly obligations on Stealth. Compliance with environmental legislation can require significant expenditures, including expenditures for clean up costs and damages arising out of contaminated properties and failure to comply with environmental legislation may result in the imposition of fines and penalties. Although it is not expected that the costs of complying with environmental legislation will have a material adverse effect on Stealth's financial condition or results of operations, no assurance can be made that the costs of complying with environmental legislation in the future will not have such an effect. In 1994, the United Nations' Framework Convention on Climate Change came into force and three years later led to the Kyoto Protocol which requires participating countries, upon ratification, to reduce their emissions of carbon dioxide and other greenhouse gases. Canada ratified the Kyoto Protocol in late 2002, and the Canadian federal government and various Canadian provincial governments are currently evaluating other proposals and legislative measures that would achieve similar objectives. However, until a detailed implementation plan is developed, it is difficult to determine what, if any, impact future environmental laws and regulations may have on Stealth's environmental liabilities, on prices for oil and natural gas or on other general economic factors which may affect Stealth's financial position and results. It is possible that Stealth could face increased operating costs in order to comply with emissions legislation. See "Industry Conditions – Environmental Regulation".

Abandonment and Reclamation Costs

Stealth will be responsible for compliance with terms and conditions of environmental and regulatory approvals and all laws and regulations regarding abandonment and reclamation in respect of its properties, which abandonment and reclamation costs may be substantial. A breach of such legislation or regulations may result in the imposition of fines and penalties, including an order for cessation of operations at the site until satisfactory remedies are made.

Possible Failure to Realize Anticipated Benefits of Future Acquisitions

Stealth may complete acquisitions to strengthen its position in the oil and natural gas industry and to create the opportunity to realize certain benefits including, among other things, potential cost savings. Achieving the benefits of any future acquisitions depends, in part, on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as Stealth's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with its own. The integration of acquired businesses requires the dedication of substantial management effort, time and resources which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the loss of key employees and the disruption of ongoing business, customer and employee relationships that may adversely affect Stealth's ability to achieve the anticipated benefits of these and future acquisitions.

INDUSTRY CONDITIONS

The oil and natural gas industry is subject to extensive controls and regulations governing its operations (including land tenure, exploration, development, production, refining, transportation and marketing) imposed by legislation enacted by various levels of government and with respect to pricing and taxation of oil and natural gas by agreements among the governments of Canada, Alberta, Saskatchewan and Manitoba, all of which should be carefully considered by investors in the oil and gas industry. It is not expected that any of these controls or regulations will affect the operations of Stealth in a manner materially different than they would affect other oil and gas issuers of similar size. All current legislation is a matter of public record and Stealth is unable to predict what additional legislation or amendments may be enacted. Outlined below are some of the principal aspects of legislation, regulations and agreements governing the oil and gas industry.

Pricing and Marketing - Natural Gas

In Canada, natural gas is sold throughout the country at various market hubs that are connected to several pipelines within Canada and the United States. The transaction price is determined by negotiation between buyers and sellers and includes the utilization of electronic trading platforms and various publications and reference indexes. Prices depend on many variables including but not limited to supply and demand fundamentals, the price of NYMEX natural gas contracts, distance to alternate markets, pipeline costs, natural gas storage, competing fuels, contract term, weather conditions and foreign exchange rates. Natural gas exported from Canada is subject to regulation by the National Energy Board (the "NEB") and the Government of Canada. The price received for natural gas that is exported depends largely on the same variables noted above including the market hub prices at the delivery end of the export pipelines. Exporters are free to negotiate prices and other terms with purchasers, provided that the export contracts must continue to meet certain other criteria prescribed by the NEB and the Government of Canada. As in the case with oil, natural gas exports for a term of less than 2 years or for a term of 2 to 20 years (in quantities of not more than 30,000 cubic metres per day), must be made pursuant to an NEB order. Any natural gas export to be made pursuant to a contract of longer duration (to a maximum of 25 years) or a larger quantity requires an exporter to obtain an export license from the NEB and the issuance of such license requires the approval of the Governor in Council. The governments of Alberta and Saskatchewan also regulate the removal of natural gas from those provinces for consumption elsewhere based on such factors as reserve availability, transportation arrangements and market considerations.

The North American Free Trade Agreement

On January 1, 1994, the North American Free Trade Agreement ("NAFTA") among the governments of Canada, the U.S. and Mexico became effective. The NAFTA carries forward most of the material energy terms contained in the Canada U.S. Free Trade Agreement. In the context of energy resources, Canada continues to remain free to determine whether exports of energy resources to the U.S. or Mexico will be allowed, provided that any export restrictions are justified under certain provisions of the General Agreement on Tariffs and Trade, and further provided that any export restrictions do not: (i) reduce the proportion of energy resources exported relative to the total supply of the energy resource (based upon the proportion prevailing in the most recent 36 month period or in such other representative period as the parties may agree), (ii) impose an export price higher than the domestic price subject to an exception with respect to certain measures which only restrict the volume of exports, and (iii) disrupt normal channels of supply. All three countries are prohibited from imposing minimum or maximum export or import price requirements, provided, in the case of export price requirements, prohibition in any circumstances in

which any other form of quantitative restriction is prohibited, and in the case of import price requirements, such requirements do not apply with respect to enforcement of countervailing and anti dumping orders and undertakings.

The NAFTA contemplates the reduction of Mexican restrictive trade practices in the energy sector and prohibits discriminatory border restrictions and export taxes. The NAFTA also contemplates clearer disciplines on regulators to ensure fair implementation of any regulatory changes and to minimize disruption of contractual arrangements and avoid undue interference with pricing, marketing and distribution arrangements, which is important for Canadian natural gas exports.

Provincial Royalties and Incentives

General

In addition to federal regulation, each province has legislation and regulations that govern land tenure, royalties, production rates, environmental protection and other matters. The royalty regime is a significant factor in the profitability of crude oil, natural gas, natural gas liquids and sulphur production. Royalties payable on production from lands other than Crown lands are determined by negotiations between the mineral owner and the lessee, although production from such lands is also subject to certain provincial taxes and royalties.

Operations not on Crown lands and subject to the provisions of specific agreements are also usually subject to royalties negotiated between the mineral owner and the lessee. These royalties are not eligible for incentive programs sponsored by various governments as discussed below. Crown royalties are determined by governmental regulation and are generally calculated as a percentage of the value of the gross production. The rate of royalties payable generally depends in part on prescribed reference prices, well productivity, geographical location, field discovery date, method of recovery and the type or quality of the petroleum product produced. Other royalties and royalty-like interests are from time to time carved out of the working interest owner's interest through non-public transactions. These are often referred to as overriding royalties, gross overriding royalties, net profits interests or net carried interests. From time to time the governments of the western Canadian provinces have established incentive programs for exploration and development. Such programs often provide for royalty rate reductions, royalty holidays and tax credits for the purpose of encouraging oil and natural gas exploration or enhanced recovery projects. The programs are designed to encourage exploration and development activity by improving earnings and cash flow within the industry. Royalty holidays and reductions would reduce the amount of Crown royalties paid by oil and gas producers to the provincial governments and would increase the net income and funds from operations of such producers. However, the trend in recent years has been for provincial governments to allow such incentive programs to expire without renewal, and consequently few such incentive programs are currently operative.

For taxation years that begin after 2006, a deduction will be allowed for federal income tax purposes with respect to the actual provincial and other crown royalties and mining taxes paid and the 25% resource allowance will be eliminated.

Alberta

In Alberta, the Crown royalty rates on conventional oil and natural gas fluctuate, depending on when a well was drilled, well depth, well production volume and the price of oil and natural gas. On October 25,

2007 the Alberta Government introduced a new royalty regime which became effective on January 1, 2009 and is applicable to all existing conventional oil and natural gas wells in Alberta. The new royalty regime assesses the applicable royalty rate on a well by well basis using a sliding scale which takes into account the price of oil and/or natural gas and the well's production volumes.

Under the new Alberta royalty regime, the royalty reserved to the Alberta Crown on conventional oil production ranges from zero percent (0%) to fifty percent (50%) and is capped at fifty percent once the price of conventional oil reaches Cdn \$120 per barrel. The royalty applicable to natural gas production under the new royalty regime ranges from five percent (5%) to fifty percent (50%) and is capped at 50% once the price of natural gas reaches Cdn \$16.59 per gigajoule. The new royalty regime has retained the Natural Gas Deep Drilling Program and the Deep Oil Exploration Program. The new royalty regime also sets royalties for natural gas liquids at forty percent (40%) for pentanes and thirty percent (30%) for butanes and propane. On November 19, 2008 and November 24, 2008, the Alberta Government announced details of an optional five-year transitional royalty program ("Transitional Program"). The Transitional Program applies to conventional oil and natural gas wells drilled to measured depths between 1,000 to 3,500 meters between November 19, 2008 and January 1, 2014. For each well, the producer can make a one time election to produce the well under the Transitional Program or the new royalty regime. As of January 1, 2014 all production subject to the Transitional Program will revert to the new royalty regime. The Natural Gas Deep Drilling and Deep Oil Exploration programs are not available to wells producing under the Transitional Program. For conventional oil produced under the Transitional Program, the royalty reserved to the Alberta Crown is variable, depending on the pool's vintage (when the pool was discovered), oil density, well production volume, and the price of oil. The royalty is capped at thirty-five percent (35%), which maximum is reached at an oil price of approximately Cdn \$30 per barrel, depending on other factors such as production rates.

For natural gas produced under the Transitional Program, the royalty reserved to the Alberta Crown varies depending on the vintage, production volume and the inflation adjusted price of gas less adjustments for the cost of processing the Crown's share of the gas. The royalty will vary between fifteen percent (15%) to thirty-five percent (35%), which maximum is reached at a natural gas price of approximately Cdn \$3.70 per gigajoule, depending on other factors such as production rates. Stealth will review estimated production volumes and commodity price forecasts, on a well by well basis, to determine which royalty regime is more likely to result in the lowest possible royalty rates for any qualified wells to be drilled in Alberta after November 19, 2008 and will elect to have either the new Alberta royalty regime or the old royalty regime apply based on the results of its review.

On March 3, 2009 the Government of Alberta announced an additional incentive program in respect of oil and gas wells drilled on Alberta Crown lands. This program provides that, in respect of any wells drilled between April 1st, 2009 and April 1, 2010, the operator will receive (a) a drilling credit equal \$200 of royalty per metre drilled on conventional oil and natural gas wells and (b) a maximum royalty rate of 5% on such wells until the first to occur of twelve calendar months, 50,000 barrels of oil production or 500 million cubic feet (MMcf) of gas production.

The new Alberta royalty regime will impact Stealth's future drilling decisions to the extent it affects acceptable rates of return on Stealth's capital deployed and for the Company's shale play this is going to mean a decrease in royalties paid from an average of 13% to as little as 5% starting January 1, 2009.

Land Tenure

Crude oil and natural gas located in the western Canadian provinces is owned predominantly by the respective provincial governments. Provincial governments grant rights to explore for and produce oil and natural gas pursuant to leases, licenses and permits for varying periods and on conditions set forth in provincial legislation including requirements to perform specific work or make payments. Oil and natural gas located in such provinces can also be privately owned and rights to explore for and produce such oil and natural gas are granted by lease on such terms and conditions as may be negotiated.

Environmental Regulation

Canada is a signatory to the United Nations Framework Convention on Climate Change and has ratified the Kyoto Protocol established thereunder to set legally binding targets to reduce nation-wide emissions of carbon dioxide, methane, nitrous oxide and other greenhouse gases, or GHGs. On October 19, 2006, the Canadian Federal Government introduced into Parliament the *Clean Air Act* (Bill C-30) and released its accompanying Notice of Intent to Develop and Implement Regulations and Other Measures to Reduce Air Emissions, or the "Notice". The Bill and the Notice were intended to reflect the Government's "made in Canada" approach to Canada's Kyoto Protocol obligations and reduce criteria air pollutants and GHG emissions in Canada. Bill C-30 had not received Royal Assent as of the proroguing of Parliament on September 14, 2007 and therefore died as of that date. However, the Government has continued to develop a framework for the regulation of GHGs. On April 26, 2007, the Government announced a Regulatory Framework for Air Emissions and Other Measures to Reduce Air Emissions, or the "Framework". The Framework proposed new requirements governing the emission of GHG's and other industrial air pollutants. On March 10, 2008, the Government further elaborated on the regulatory framework in *Turning the Corner: Taking Action to Fight Climate Change*. *Turning the Corner* sets a target of a 20 percent reduction in GHG emissions from 2006 levels by 2020 and a 60 to 70 percent reduction from 2006 levels by 2050. The reductions will be achieved by regulating specified industrial sectors including the oil and gas sector. The upstream oil and gas sector will be required to reduce GHG emissions intensity by 18 percent from 2006 levels by 2010 and by an additional 2 percent annually after 2010. The regulatory reduction obligations may be met through actual reductions in GHG emissions, contributions to a technology fund, domestic offsets, credits under the Kyoto Clean Development Mechanism and voluntary GHG reductions achieved between 1992 and 2006. The Government intends to publish draft regulations in the fall of 2008 and to publish final regulations by the fall of 2009 for implementation on January 1, 2010.

On April 20, 2007, the Government of Alberta passed the *Climate Change and Emissions Management Amendment Act* establishing a framework for GHG emission reductions. The *Specified Gas Emitters Regulation* created under the *Act* came into effect on July 1, 2007. The *Regulation* requires facilities that emit more than 100,000 tonnes of carbon dioxide equivalent annually to reduce their emission intensity for the July 1, 2007 to December 31, 2007 period by 12 percent from 2003-2005 levels. These obligations may be met through actual reductions in GHG emissions, the purchase of emission reduction or offset credits, or contributions to a provincial technology fund. On January 24, 2008, the Government of Alberta released its 2008 Climate Change Strategy. The goal of the strategy is to reduce GHG emissions in Alberta by 50 percent or 200 megatonnes below business as usual levels by 2050. Reductions in GHG emissions from energy production will account for 37 megatonnes or 18 percent of the proposed reductions. The Government proposes to use funds from the provincial technology fund to support the testing, demonstration and implementation of new technologies to reduce GHG emissions from energy production.

Future legislated GHG and industrial air pollutant emission reduction targets and emission intensity targets, or emission reduction requirements in future regulatory approvals, may require the reduction of emissions or emissions intensity from Stealth's operations and facilities. The reductions may not be technically or economically feasible for Stealth and the failure to meet such emission reduction requirements may materially adversely affect the Stealth's business and result in fines, penalties and the suspension of operations. As well, equipment from suppliers which can meet future emission standards may not be available on an economic basis and other methods of reducing emissions or emission intensity to required levels in the future may significantly increase operating costs or reduce output. There is a risk that the federal and/or provincial governments could pass legislation which would tax such emissions or require, directly or indirectly, reductions in such emissions or emission intensity produced by energy industry participants for which Stealth may be unable to mitigate. Mitigation of the risk of future legislative or regulatory limits on the emission of GHGs may include the acquisition of emission reduction or off-set credits from third parties. However, emission reduction or off set-credits may not be available for acquisition by Stealth or may not be available on an economic basis and may not be recognized or qualify under future legislative or regulatory regimes as mitigation for the emission of GHGs by Stealth.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are currently no outstanding legal proceedings in which Stealth is involved that are outside the ordinary course of business or that Stealth would anticipate would result in a material adverse impact to Stealth, its financial condition or its results of operations.

There have been no penalties or sanctions imposed against Stealth relating to securities legislation or by a securities regulatory authority, nor has Stealth entered into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority, since incorporation.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

An officer of the Company is also a Director of an entity, with whom Stealth has executed a management services agreement. No compensation was paid to the officer by the entity during 2008, and except for visits to the CBM project in China, the officer has not spent material management time providing services to the entity.

Other than that no director, officer or principal shareholder of Stealth, nor any affiliate or associate of such a person, has had any material interest in any transaction or any proposed transaction which materially affects Stealth.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of Stealth are KPMG LLP, Chartered Accountants, of Suite 2700 – 205 5 Avenue S.W., Calgary, Alberta T2P 4B9.

The transfer agent and registrar for the Common Shares of Stealth is Computershare Investor Services Inc., of 3rd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9.

MATERIAL CONTRACTS

Forward Contracts and Marketing

Effective December 31, 2008 the Company was not bound by any agreement (including a transportation agreement), directly or through an aggregator, under which it was precluded from fully realizing, or was protected from the full effect of, future market prices for oil or gas. Subsequent to December 31, 2008 the company entered into the following fixed price contract:

Natural Gas Period Hedged	Type	Daily Volume	Price (CAD)
February 1, 2009–October 31, 2009	Fixed price	800 GJ	\$5.48

The Company enters into this contract with a well established counterparty, to protect a portion of its future earnings and cash flows from operations from the volatility of petroleum and natural gas prices.

IR Contract

Stealth Ventures Ltd. currently has an IR contract with Clark Avenue of Toronto Ontario Canada which pays the firm a monthly retainer of \$7,500/month with 350,000 options exercisable at a price of \$.25cents/share.

Office Lease

A long term lease was signed the 01st of September, 2007 for the Company's current office space at suite 2400, 101 – 6th avenue. The lease comes due on the 31st of August 2010.

Debt Facility with Canadian Chartered Bank

Subsequent to December 31, 2008, the Company increased its demand operating credit facility from \$3.1 million to \$5 million. Stealth may borrow via Prime-based loans bearing interest at the prime bank rate plus 225 basis points per annum, subject to a minimum interest rate of 5%. The facilities do not contain any financial covenants. The credit facility is subject to periodic review, with the next required prior to April 30, 2010. The facility is collateralized by a \$10 million demand fixed and floating debenture over all of Stealth's assets. It revolves (interest only) until review. As at December 31, 2008, \$Nil had been drawn against these facilities.

Dividend Policy

Stealth has not paid any dividends on the outstanding Common Shares. The board of directors of Stealth will determine the actual timing, payment and amount of dividends, if any, that may be paid by Stealth from time to time based upon, among other things, the cash flow, results of operations and financial conditions of Stealth, the needs for funds to finance ongoing operations and other business considerations as the board of directors of Stealth considers relevant. Payment of dividends is subject to the consent of Stealth's lenders.

INTERESTS OF EXPERTS

Reserve estimates contained in this Annual Information Form were prepared by Sproule Unconventional Limited (Sproule). As at December 31, 2008, the effective date of those estimates, and as at the date of this Annual Information Form, the principals, directors, officers and associates of Sproule, as a group, owned, directly or indirectly, less than 1% of the outstanding Common Shares of Stealth.

The auditors of Stealth, KPMG LLP, are independent with respect to Stealth, in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information, including information as to directors' and officers' remuneration and indebtedness, principal holders of the Stealth's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Proxy Statement and Information Circular of Stealth prepared in connection with the most recent annual meeting of shareholders of Stealth that involved the election of directors. Additional financial information is provided in Stealth's annual financial statements

and related management discussion and analysis for the year ended December 31, 2008, which are available on SEDAR at www.sedar.com.

Copies of this Annual Information Form, Stealth's annual financial statements and related management discussion and analysis, interim financial statements and related management discussion and analysis, Stealth's Proxy Statement and Information Circular and other additional information relating to Stealth are available on SEDAR at www.sedar.com.

**APPENDIX A
FORM 51-101F2
REPORT ON RESERVES DATA BY
INDEPENDENT QUALIFIED RESERVES EVALUATOR**

To the Board of Directors of Stealth Ventures Ltd. (the “Company”):

1. We have evaluated the Company’s Reserves Data as at December 31, 2008. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2008, estimated using forecast prices and costs.

2. The Reserves Data are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Reserves Data based on our evaluation.

We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the “COGE Handbook”), prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

4. The following table sets forth the estimated future net revenue attributed to proved plus probable reserves, estimated using forecast prices and costs on a before tax basis and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us as of December 31, 2008, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company’s management and Board of Directors:

Independent Qualified Reserves Evaluator or Auditor	Description and Preparation Date of Evaluation Report	Location of Reserves (Country)	Net Present Value of Future Net Revenue Before Income Taxes (10% Discount Rate)			
			Audited (M\$)	Evaluated (M\$)	Reviewed (M\$)	Total (M\$)
Sproule	Evaluation of the P&NG Reserves of Stealth Ventures Ltd., As of December 31, 2008, prepared January to March 2009	Canada				
Total			Nil	29,098	Nil	29,098

5. In our opinion, the reserves data evaluated by us have, in all material respects, been determined and are presented in accordance with the COGE Handbook.

6. We have no responsibility to update the report referred to in paragraph 4 for events and circumstances occurring after its preparation date.

7. Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

Executed as to our report referred to above:

Sproule Unconventional Limited
Calgary, Alberta
March 19, 2009

Original signed by Scott Pennell
Scott W. Pennell, P.Eng.
Supervisor, Unconventional Gas

Original signed by Ian Ooi
Ian E. Ooi, P.Eng.
Intermediate Engineer

Original signed by Alec Kovaltchouk
Alec Kovaltchouk, P.Geol.
Supervisor, Unconventional Geology

Original Signed by Harry Helwerda
Harry J. Helwerda, P.Eng.
Executive Vice-President

**APPENDIX B
FORM 51-101F3
REPORT OF
MANAGEMENT AND DIRECTORS
ON RESERVES DATA AND OTHER INFORMATION**

Management of Stealth Ventures Ltd. (the "Company") are responsible for the preparation and disclosure of information with respect to the Company's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which consist of the following:

- (a) (i) proved and proved plus probable oil and gas reserves estimated as at December 31, 2008 (with respect to the reserves data from Sproule Unconventional Limited) using forecast prices and costs;
- (ii) the related estimated future net revenue.

Independent qualified reserves evaluators have evaluated the Company's reserves data. The reports of the independent qualified reserves evaluators will be filed with securities regulatory authorities concurrently with this report.

The Reserves Committee of the board of directors of the Company has:

- (a) reviewed the Company's procedures for providing information to the independent qualified reserves evaluators;
- (b) met with the independent qualified reserves evaluators to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation and;
- (c) reviewed the reserves data with management and the independent qualified reserves evaluators.

The Reserves Committee of the board of directors has reviewed the Company's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has, on the recommendation of the Reserves Committee approved:

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing the reserves data and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluators on the reserves data; and
- (c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material. However, any variations should be consistent with the fact that reserves are categorized according to the probability of their recovery.

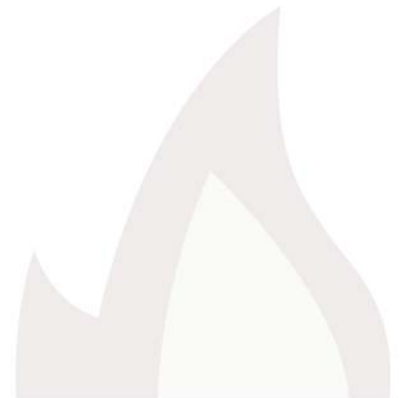
Original signed by "Derek Krivak"
Derek Krivak
Director, President and Chief Executive Officer

Original signed by "Rudolf Cech"
Rudolf Cech
Director

April 27, 2009

Original signed by "Chris Morrison"
Chris Morrison
Vice President of Operations

Original signed by "Ian McMurtrie"
Ian McMurtrie
Director



APPENDIX C AUDIT COMMITTEE CHARTER

PURPOSE OF THE COMMITTEE

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of the Company is to provide an open avenue of communication between management, the Company’s independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company’s financial reporting and disclosure practices;
- the Company’s compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company’s independent auditor.

The Committee shall also perform any other activities consistent with this Charter, the Company’s articles and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Committee shall elect a Chairman from among their number. A majority of the members of the Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee’s role is one of oversight. Management is responsible for preparing the Company’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with generally accepted accounting principles (“GAAP”). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor’s responsibility is to audit the Company’s financial statements and provide its opinion, based on its audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with GAAP.

The Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company’s financial statements, preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Committee.

AUTHORITY AND RESPONSIBILITIES

In addition to the foregoing, in performing its oversight responsibilities the Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of the Company’s Chief Financial Officer and any other key financial executives involved in the financial reporting process.

3. Review with management and the independent auditor the adequacy and effectiveness of the Company's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Company by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.
11. Establish and review the Company's procedures for the:
 - receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
 - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of Multilateral Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the articles of the Company.