



PETROMINERALES

A PETROBANK COMPANY

**NOTICE OF
ANNUAL AND SPECIAL MEETING
OF SHAREHOLDERS OF
PETROMINERALES LTD.
AND
MANAGEMENT INFORMATION CIRCULAR**

Meeting to be held on
Thursday, May 7, 2009
at 10:00 a.m. (Bogotá time) at:
Radisson Royal Bogotá Hotel,
Millennium Meeting Room
Calle 113 No. 7-65,
Bogotá, Colombia

April 1, 2009



PETROMINERALES

A PETROBANK COMPANY

Notice of Annual and Special Meeting of Shareholders of Petrominerales Ltd. to be held on Thursday, May 7, 2009

The annual and special meeting (“Meeting”) of the shareholders of Petrominerales Ltd. (the “Corporation”) will be held on Thursday, May 7, 2009, at 10:00 a.m. in the Millennium Meeting Room at the Radisson Royal Bogotá Hotel, Calle 113 No. 7-65, Bogotá, Colombia, to:

1. receive and consider our financial statements for the year ended December 31, 2008, together with the report of the auditors thereon;
2. elect the directors of the Corporation for the ensuing year;
3. appoint the auditors and authorize the directors to fix their remuneration;
4. consider and, if thought fit, to pass a resolution of the shareholders approving unallocated options under the Corporation’s stock option plan; and
5. transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the information circular accompanying this notice.

If you are unable to attend the Meeting in person we request that you date and sign the enclosed form of proxy and mail it to or deposit it with Computershare Trust Company of Canada, Proxy Department, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. In order to be valid and acted upon at the Meeting, forms of proxy must be returned to the aforesaid address not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof.

Only shareholders of record at the close of business on April 2, 2009 (the “Record Date”) will be entitled to vote at the Meeting, unless that shareholder has transferred any shares subsequent to the Record Date and the transferee shareholder, not later than ten (10) days before the Meeting, establishes ownership of the shares and demands that the transferee’s name be included on the list of shareholders.

DATED April 1, 2009.

By order of the Board of
Directors

John D. Wright
President, Chief Executive
Officer and Director



PETROMINERALES

A PETROBANK COMPANY

Information Circular
for the Annual and Special Meeting to be held on Thursday, May 7, 2009

PROXIES

Solicitation of Proxies

This management information circular (“information circular”) is furnished in connection with the solicitation of proxies for use at our annual and special meeting (“Meeting”) of the holders (“shareholders”) of common shares (“common shares”) of the Corporation to be held on Thursday, May 7, 2009 at 10:00 am (Bogotá time) in the Millennium Meeting Room at the Radisson Royal Bogotá Hotel, Calle 113 No. 7-65, Bogotá, Colombia and at any adjournment thereof. Proxies must be addressed to and reach Computershare Trust Company of Canada, Proxy Department, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof (excluding Saturdays, Sundays, and holidays). Only shareholders of record at the close of business on April 2, 2009 (the “Record Date”) will be entitled to vote at the Meeting, unless that shareholder has transferred any common shares subsequent to that date and the transferee shareholder, not later than ten (10) days before the Meeting, establishes ownership of the common shares and demands that the transferee’s name be included on the list of shareholders. References herein to “we”, “our”, the “Corporation” or “Petrominerales” refer to Petrominerales Ltd.

The instrument appointing a proxy must be in writing and must be executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation.

The persons named in the enclosed form of proxy are officers of the Corporation. As a shareholder you have the right to appoint another person, who need not be a shareholder, to represent you at the Meeting. To exercise this right you should insert the name of the desired representative in the blank space provided on the form of proxy and strike out the other names or submit another appropriate proxy.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to you if you do not hold your common shares in your own name. Only proxies deposited by shareholders whose names appear on our records as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in your account statement provided by your broker, then in almost all cases those common shares will not be registered in your name on our records. Such common shares will likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities Limited, which acts as nominees for many Canadian brokerage firms. Common shares held by your broker or their nominee can only be voted upon your instructions. Without specific instructions, your broker or their nominee is prohibited from voting your common shares.

There are two kinds of beneficial shareholders: those who object to their names being made known to the issuers of securities they own, called objecting beneficial owners, and those who do not object to the issuer of the securities they own knowing who they are, called non-objecting beneficial owners (“NOBOs”).

The Corporation has decided to take advantage of those provisions in National Instrument 54-101 that permit it to deliver proxy-related material directly to its NOBOs. If you are a beneficial shareholder and Computershare Trust Company of Canada, the Corporation's transfer agent, has sent these materials directly to you, your name and address and information about your holdings of common shares, have been obtained in accordance with applicable securities legislation from the intermediary holding common shares on your behalf. By choosing to send these materials to you directly, the Corporation has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions. As a result, NOBOs can expect to receive a scannable voting instruction form ("VIF") from our transfer agent, Computershare Trust Company of Canada. These VIFs are to be completed and returned to Computershare Trust Company of Canada in the envelope provided. Computershare Trust Company of Canada will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the meeting with respect to the common shares represented by the VIFs they receive. If you are a NOBO and wish to vote your common shares in person at the meeting, please insert your own name in the space provided on the VIF to appoint yourself as proxyholder. Do not complete the voting instructions, as your vote will be counted at the meeting. Please register with the transfer agent, Computershare Trust Company of Canada, when you arrive at the meeting. If you are a beneficial shareholder, you should contact your nominee to discuss whether revocation is possible and what procedure to follow.

Revocability of Proxy

You may revoke your proxy at any time prior to the Meeting. If you or the person you give your proxy to attends personally at the Meeting you or such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation. To be effective the instrument in writing must be deposited either at our head office at any time up to and including the last business day before the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting, or any adjournment thereof.

Persons Making the Solicitation

This solicitation is made on behalf of our management. We will bear the costs incurred in connection with such. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by our directors, officers and employees who will not be remunerated therefor.

Exercise of Discretion by Proxy

The common shares represented by proxy in favour of management nominees will be voted on any poll at the Meeting. Where you specify a choice with respect to any matter to be acted upon the shares will be voted on any poll in accordance with the specification so made. If you do not provide instructions your shares will be voted in favour of the matters to be acted upon as set out herein. The persons appointed under the form of proxy which we have furnished are conferred with discretionary authority with respect to amendments or variations of those matters specified in the form of proxy and notice of Meeting and with respect to any other matters which may properly be brought before the Meeting or any adjournment thereof. At the time of printing this information circular, we know of no such amendment, variation or other matter.

Currency

Except as otherwise indicated, all dollar amounts in this information circular are expressed in Canadian dollars and references to \$ are to Canadian dollars.

Date of Information

Unless otherwise indicated, all information set forth in this information circular is given as at April 1, 2009.

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

The Corporation's management is not aware of any material interest, direct or indirect, of any director, any proposed nominee for election as director, executive officer or anyone who has held office as such since the beginning of our last financial year, or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting, except as is disclosed herein.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue 200,000,000 common shares. As at April 1, 2009, there were 98,628,731 common shares issued and outstanding. Holders of common shares are entitled to one vote for each common share held.

To the knowledge of our directors and executive officers, as at April 1, 2009, no person or company beneficially owns, directly or indirectly, or controls or directs, more than 10% of the common shares of the Corporation, other than Petrobank Energy and Resources Ltd. ("Petrobank") which owns 75,616,027 common shares, representing 76.7% of the outstanding common shares of Petrominerales.

MATTERS TO BE ACTED UPON AT THE MEETING

Annual Business***Election of Directors***

The Articles of Association of the Corporation require the Corporation have not less than one and not more than fifteen (15) directors, with the actual number of directors holding office from time to time to be determined by the board of directors of the Corporation (the "Board"). The Board has resolved that the number of directors be set at seven (7). Accordingly, it is proposed that seven (7) directors be elected at the Meeting to serve until the next annual meeting or until their successors are duly elected or appointed.

The persons named below are nominees of management for election as directors of the Corporation. Additional information with respect to each of the seven proposed nominees for election as director can be found under the heading "*Nominees for Election to the Board of Directors and Compensation of Directors*", which sets forth each proposed director's place of residence; position; present principal occupation; prior occupations within the last five years; and a brief biography.

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

Unless otherwise directed, the persons designated in the enclosed proxy form intend to vote FOR the election of these nominees at the Meeting.

Alastair Macdonald
Kenneth R. McKinnon
Jerald L. Oaks
Ernesto Sarpi
Enrique Umaña-Valenzuela
John D. Wright
Geir Ytreland

Appointment of Auditors

Management is soliciting proxies, in the accompanying form of proxy, in favour of the appointment of the firm of Deloitte & Touche LLP, Chartered Accountants, as our auditors, to hold office until the next annual meeting of the shareholders and to authorize the directors to fix their remuneration. Deloitte & Touche LLP was first appointed on January 12, 2007.

Unless otherwise directed, the persons designated in the enclosed form of proxy intend to vote at the Meeting FOR the reappointment of Deloitte & Touche LLP as the Corporation's auditors and authorizing the Board to fix the auditors' remuneration.

Special Business

Approval of Unallocated Stock Options

Petrominerales, as well as many other listed companies, has in place a simple 10% rolling stock option plan, unchanged since inception. The Toronto Stock Exchange ("TSX") requires listed companies to seek shareholder approval of all rolling stock option plans on a three year cycle. Therefore, in accordance with TSX requirements, every three (3) years after institution, all unallocated options, rights and other entitlements under any security based compensation arrangement which does not have a fixed maximum number of securities issuable thereunder (commonly referred to as "rolling plans"), must be approved by the majority of the issuer's directors and the issuer's security holders. As the Corporation's stock option plan ("Stock Option Plan") does not have a fixed maximum number of securities issuable pursuant thereto and was instituted on August 15, 2006, by the Board, the shareholders are required to approve all unallocated options issuable pursuant to the Stock Option Plan by no later than August 15, 2009. As the Meeting is currently scheduled to be the last shareholders meeting prior to this date, shareholders of Petrominerales are being asked at the Meeting to pass a resolution approving all unallocated options under the Stock Option Plan. The Board has approved the unallocated options under the Stock Option Plan. A detailed summary of the Corporation's Stock Option Plan can be found under the heading "*Stock Option Plan.*"

If the resolution approving all unallocated options under the Stock Option Plan is not approved by the shareholders at the Meeting, then currently outstanding options will continue in full force and be unaffected, however, no new grants of options will be made pursuant to the Stock Option Plan and currently outstanding options that are subsequently cancelled or terminated will not be available to be regranted by the Corporation. Shareholders will be therefore asked at the Meeting to pass the following resolution (the “Stock Option Plan Resolution”), with or without variation, relating to the approval as described above:

“BE IT RESOLVED that all unallocated options, rights and other entitlements under the Corporation’s Stock Option Plan are hereby approved; and

BE IT FURTHER RESOLVED THAT any one director or officer of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute or cause to be executed and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as such director or officer may deem necessary or desirable in connection with the foregoing resolutions.”

In order to be approved, the Stock Option Plan Resolution must be approved by an ordinary resolution of the shareholders, being a simple majority of the votes cast by shareholders present in person or by proxy at the Meeting who voted in respect of the Stock Option Plan Resolution. The Board recommends that shareholders vote in favour of the Stock Option Plan Resolution.

Unless otherwise directed, the management representatives named in the accompanying form of proxy intend to vote FOR the Stock Option Plan Resolution at the Meeting.

**NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS
AND COMPENSATION OF DIRECTORS**

Nominees for Election to the Board of Directors

The following table sets out the name of each of the persons proposed to be nominated for election as a director; their location of residence; the principal occupations and offices in the Corporation presently held by him and for the previous five years; the period during which he has served as a director; and the number of voting common shares of the Corporation that he has advised are beneficially owned by him, directly or indirectly, or over which control or direction is exercised by him:

Name of Nominee, Location of Residence and Position	Number of Common Shares Beneficially Owned or Controlled	Director Since	Present and Principal Occupation For Previous Five Years
Alastair Macdonald ⁽²⁾ Director Pembroke, Bermuda	nil	April 2006	Chief Executive Officer of Triathlon Limited until October 2007 when he became President, Western Isles Ltd., a financial advisory company.
Kenneth R. McKinnon ⁽¹⁾⁽²⁾ Director Calgary, Alberta, Canada	80,000	May 2006	Vice President Legal Affairs and General Counsel of Critical Mass Inc., a website design company.
Jerald L. Oaks ⁽¹⁾ Director Greenwood Village, Colorado, USA	70,000	May 2006	Professional Engineer; President of Oaks Resources Management Inc. (a private petroleum engineering and management company).
Ernesto Sarpi ⁽³⁾ Director Naples, Italy	20,000	May 2006	Self-employed Consultant from June 2004 to May 2006; Manager of New Ventures of ENI SpA. Agip Div. from November 1999 to May 2004.
Enrique Umaña-Valenzuela ⁽¹⁾ Director Bogotá, Colombia	nil	May 2006	Trade and investment consultant since May 2005; Director of Sociudades Bolivar since March 2006; President of Coinvertir - Invest in Colombia Corporation from July 1997 to April 2005.
John D. Wright ⁽³⁾ President, Chief Executive Officer and Director Calgary, Alberta, Canada	150,000	May 2006	President, Chief Executive Officer and Director of Petrobank Energy and Resources Ltd. since March 2000.
Geir Ytreland ⁽²⁾⁽³⁾ Director Droebak, Norway	20,000	May 2006	Self-employed Consultant since April 2000; General Manager Norsk Hydro from March 1993 to March 2000; Project Manager for development of the East Timor petroleum industry since January 2004.

Notes:

1. Member of the Audit Committee.
2. Member of the Compensation Committee.
3. Member of the Reserves Committee.

The information as to voting securities beneficially owned, directly or indirectly, is based upon information furnished to the Corporation by the nominees.

Cease Trade Orders

Mr. John Wright is a director of Talon International Energy Ltd. ("Talon"), a reporting issuer listed on the TSX Venture Exchange. A cease trade order (the "Order") was issued on May 7, 2008 against Talon by the Alberta Securities Commission ("ASC") for the delayed filing of Talon's audited annual financial statements and management's discussion and analysis for the year ended December 31, 2007 ("Annual Filings"). The Annual Filings were filed by Talon on SEDAR on May 8, 2008. As a result of the Order, the TSX Venture Exchange suspended trading in Talon's shares on May 7, 2008. Talon made application to the ASC for a revocation of the Order and in conjunction with Talon's application for revocation of the Order, the ASC reviewed Talon's financial statements and management's discussion and analysis for the periods ending March 31, 2008, June 30, 2008 and the year ended December 31, 2007 (collectively, the "Reviewed Financial Statements"), and provided Talon with comments in respect of such Reviewed Financial Statements. Talon is currently working to revise the Reviewed Financial Statements to address the comments of the ASC and intends to re-file the Reviewed Financial Statements on SEDAR.

Except as disclosed herein, to the knowledge of management of the Corporation, no proposed director of the Corporation is, or within the ten (10) years before the date of this information circular has been, a director, chief executive officer or chief financial officer of any other issuer that:

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

Bankruptcies and Insolvencies

To the knowledge of management of the Corporation, no proposed director of the Corporation:

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

Penalties and Sanctions

To the knowledge of management of the Corporation, no proposed director of the Corporation 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.

Compensation of Directors

Each of the non-management directors received 80,000 Stock Options on appointment, in addition to their annual retainer, that vest evenly over a four-year period upon re-election at each annual meeting. Annually, each non-management director receives 20,000 Stock Options to vest upon re-election at the annual meeting in the fourth year from the date of grant. If a director is not re-elected, all unvested Stock Options will be cancelled. The following table sets out the cash compensation that is paid to directors, such compensation paid following each year's annual meeting of the Company's shareholders, in respect of services provided and to be provided in the current calendar year.

Position	Annual Retainer
Board Retainer	\$50,000
Chairman	\$15,000
Committee Chair – Audit	\$12,500
Committee Chair – Reserve and Compensation	\$7,500
Audit Committee Member	\$10,000
Reserve Committee Member	\$5,000
Compensation Committee Member	\$5,000

Notes: Only non-management directors receive cash compensation from the Corporation. At the discretion of Petrominerales, certain of the cash compensation for our directors may be paid as deferred common shares in accordance with the DCS Plan.

The Board approved the following compensation to non-management directors in 2008.

Name	Fees Earned (\$)	Share-Based Awards⁽¹⁾ (\$)	Option-Based Awards⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)	Total (\$)
Alastair Macdonald	55,000	nil	97,466	nil	152,466
Kenneth R. McKinnon	0	111,638	97,466	nil	209,104
Jerald L. Oaks	75,000	nil	97,466	nil	172,466
Ernesto Sarpi	55,000	nil	97,466	nil	152,466
Enrique Umaña-Valenzuela	60,000	nil	97,466	nil	157,466
Geir Ytreland	67,500	nil	97,466	nil	164,966

Notes:

1. Share-based awards consist of DCS granted pursuant to the DCS Plan. The fair value of DCS are calculated based on the grant date using the Black-Scholes option-pricing model. For a description of the terms of the DCS Plan see “*DCS Plan*” herein.
2. Option-based awards consist of Stock Options granted pursuant to the Stock Option Plan. The fair value of Stock Options are calculated based on the grant date using the Black-Scholes option-pricing model. For a description of the terms of the Stock Option Plan see “*Stock Option Plan*”.

COMPENSATION DISCUSSION AND ANALYSIS

General

This discussion describes the Corporation's compensation program for the President and Chief Executive Officer, the Vice President Finance and Chief Financial Officer and the three most highly compensated executive officers (collectively, referred to herein as the "Named Executive Officers" or the "Executives" or the "NEOs"). This section will address the Corporation's philosophy and objectives and provide a review of the process the Compensation Committee follows in deciding how to compensate the Corporation's Executives. This section will also provide discussion and analysis of the Compensation Committee's specific decisions about the compensation of the NEOs for the financial year ended December 31, 2008.

Composition of the Compensation Committee

The members of the Compensation Committee of the Board are Kenneth R. McKinnon (Chairman), Geir Ytreland and Alastair Macdonald. Two (2) of the three (3) members of the Compensation Committee are independent directors of Petrominerales and none of the members of the Compensation Committee are Chief Executive Officers of any publicly traded entity. Mr. Macdonald is not considered independent within the meaning of Multilateral Instrument 52-110, as he has been employed by and received compensation from Petrominerales Colombia Ltd., a wholly-owned subsidiary of the Corporation. No member of the Compensation Committee is currently an officer or employee of the Corporation or any of its affiliates. The Compensation Committee is charged with the establishment, execution and periodic review of our compensation program and the compensation and performance standards for the Executives. The Board of Directors believes the Compensation Committee collectively has the knowledge, experience and background required to fulfill its mandate.

Compensation Philosophy and Objective

The Corporation's compensation philosophy is aimed at attracting and retaining quality and experienced Executives, which is critical to our success.

The Corporation's executive compensation philosophy and program objectives are intended to provide competitive levels of compensation in order to attract, motivate and retain talented executives. The program is intended to create an alignment of interest between the Corporation's Executives and shareholders so that a significant portion of each Executive's compensation is linked to maximizing shareholder value. In support of this philosophy, the Executive compensation program is designed to reward performance that is directly relevant to the Corporation's short-term and long-term success. The Corporation attempts to provide both short-term and long-term incentive compensation that varies based on both corporate and individual Executive performance.

The Corporation's executive compensation program is structured into three main components: base salary, annual incentives, and long term incentives including stock options ("Stock Options") granted pursuant to the Corporation's Stock Option Plan and deferred common shares ("DCS") granted pursuant to the Corporation's deferred common share plan ("DCS Plan"). The following discussion describes the Corporation's plans by component of compensation and discusses how each component relates to the Company's overall executive compensation objective. In establishing the Executive compensation program, the Corporation believes that:

- base salaries provide an immediate cash incentive for the Corporation's Executives and should be at levels competitive with peer companies that compete with the Corporation for business opportunities and executive talent;
- annual incentive bonuses encourage and reward performance over the financial year and reflect progress toward Corporation-wide performance objectives and individual Executive objectives; and
- Stock Options and DCS are long-term incentives that are intended to balance Executive focus between short and long term goals and provide capital accumulation linked directly to the Corporation's performance.

The Compensation Committee has had discussions on the relative merits of its compensation practice which embraces a relatively non-formulaic approach to the compensation of our Executives and has concluded that the current approach is successful and has resulted in an effective, focused management team. The approach provides the necessary flexibility to appropriately incentivize Petrominerales' management team in changing market and industry conditions. This methodology is continuously evaluated to ensure Executive compensation is linked with the performance of the Corporation.

The Corporation's Executive compensation program has been designed to accomplish the following long-term objectives:

- create a proper balance between building shareholder value and competitive Executive compensation while maintaining good corporate governance;
- produce long-term, positive results for the Corporation's shareholders;
- align Executive compensation with corporate and individual performance and appropriate peer group comparisons; and
- provide competitive compensation and benefits that will enable the Corporation to recruit, retain and motivate the Executive talent necessary to be successful.

Compensation Process

The Executive compensation program is administered by the Corporation's Compensation Committee. The Compensation Committee held a number of informal meetings via teleconference during 2008, and all matters relating to compensation were approved by written resolution of the Compensation Committee or the full Board as applicable. The President and Chief Executive Officer of Petrominerales typically attends meetings of the Compensation Committee, but does not have the right to vote on any matter before the Compensation Committee.

The Compensation Committee in consultation with the President and Chief Executive Officer establishes base salaries, cash bonuses and benefits for the Executives. Each component of compensation is determined on an individual Executive basis.

The Compensation Committee retains and does not delegate any of its power to determine matters of executive compensation and benefits, although the Compensation Committee does consider compensation and benefit proposals made to the Compensation Committee by the President and Chief Executive Officer of the Corporation. The Compensation Committee reports to the Board of the Corporation on the major items covered at each Compensation Committee meeting. While the Compensation Committee does not have scheduled *in camera* sessions, the Committee regularly meets *in camera* without any members of management of the Corporation present.

For Executives, the Compensation Committee uses a compensation program based on an assessment of the overall performance of Petrominerales, relative performance compared to peers, the achievements and overall contribution of each individual Executive. The evaluation of each individual Executive also includes a review of the Executive's execution of on-going projects and transactions, operational performance and progress on growth initiatives. The Compensation Committee reviewed the Corporation's performance in 2008 as exceeding expectations; this finding did not trigger any specific compensation for Executives, but rather served to provide the general context for the Compensation Committee's review of the performance of each individual Executive.

Compensation Peer Group

Given the nature of Petrominerales' operations, peer companies (the "Compensation Peer Group") are varied. The composition of the Compensation Peer Group will be reviewed annually by the Compensation Committee for its ongoing business relevance to Petrominerales. For the year ended December 31, 2008, the Compensation Peer Group surveyed were as follows: Pacific Rubiales Energy Corp., Petrolifera Petroleum Limited, Gran Tierra Energy Inc., Petro Andina Resources Inc., Addax Petroleum Corporation and Niko Resources Ltd.

The factors assessed by the Compensation Committee in determining the Compensation Peer Group included operational focus, level of international operations, total revenue, total assets, cash flow, number of employees and daily production levels. In some cases, the companies included in the Compensation Peer Group have larger or smaller operations than the Corporation, however, given their international focus, the compensation data from these companies was considered useful. The compensation data from the Compensation Peer Group provides an initial reference point for the Compensation Committee.

Base Salaries

The base salaries of the Executives are reviewed annually to ensure they reflect a balance of market conditions, commensurate with salaries of peers in the Compensation Peer Group, the levels of responsibility and accountability of each role, the skill and competencies of the individual, retention considerations as well as the level of demonstrated performance.

Variable Cash Incentive Awards – Bonuses

The Compensation Committee's philosophy with respect to Executive bonuses is to align the issuance of bonuses with the performance of the Corporation and the performance of each individual Executive. For the year ended December 31, 2008, the Compensation Committee approved the payment of an aggregate of \$153,811 in cash bonuses for the NEOs of the Corporation. For 2008, bonuses were determined by the Compensation Committee on the basis of a combination of factors. Quantitative factors included operating costs, oil and gas reserves, and production levels. Qualitative factors included growth, staff development and mentorship, environmental, health and safety and leadership. Cash bonuses ranged between 24% and 34% of base salary, depending upon the performance by the Corporation and the individual Executive when reviewed in light of the quantitative and qualitative factors set forth above. Bonus amounts are typically evaluated and paid in the first quarter of each financial year.

Long Term Incentive Plans

The Corporation uses both its Stock Option Plan and DCS Plan as a part of its compensation strategy for its Executives. In addition, the Corporation's Executives are eligible to participate in the Corporation's Employee Share Ownership Plan.

Stock Options are intended to align executive and shareholder interests by attempting to create a direct link between compensation and shareholder return as measured through the price of the Corporation's common shares. Additional grants of Stock Options may be made periodically to recognize the exemplary performance of certain Executives. An annual grant of Stock Options is typically made to Executives based on individual performance and the performance of the Corporation during the most recently completed financial year in relation to corporate goals and objectives and in comparison to performance achieved by industry peer corporations during the comparable period.

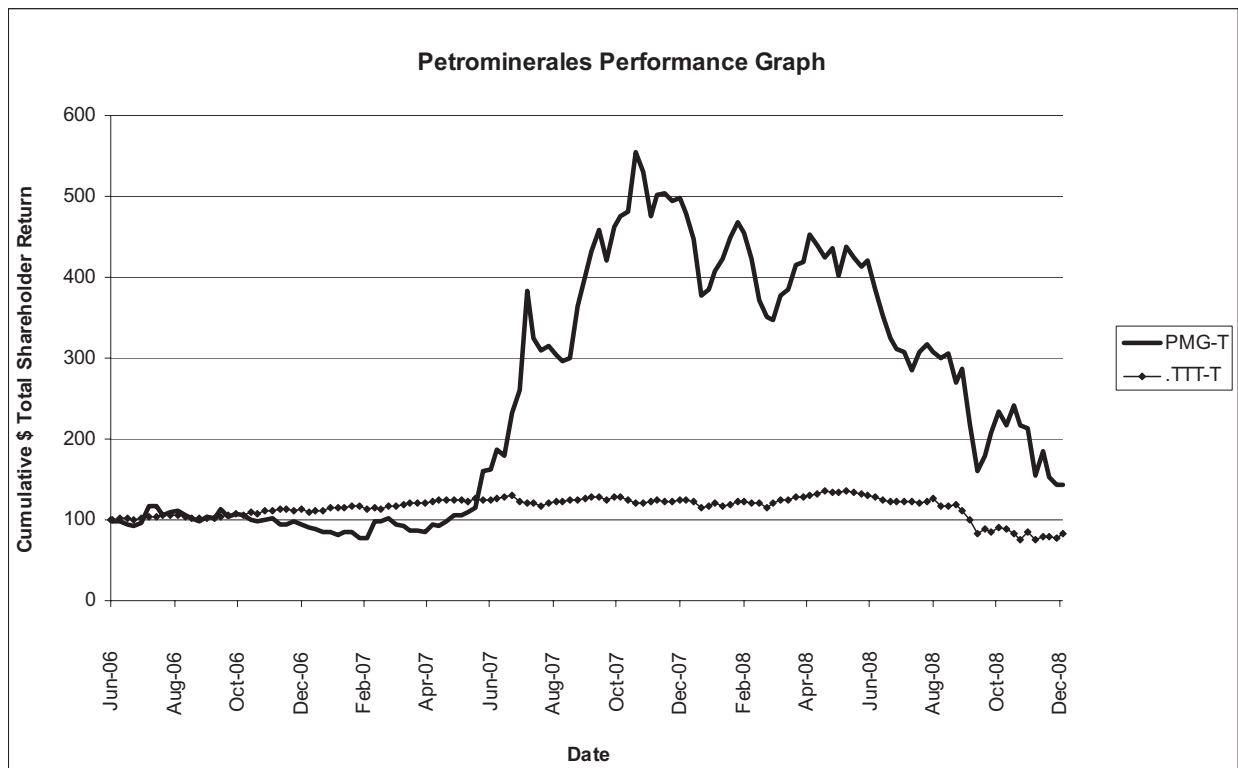
The Corporation's Stock Option Plan, DCS Plan and Employee Share Ownership Plan are described in detail in this circular under the headings "*Stock Option Plan*" and "*Deferred Common Share Plan*" and "*Employee Share Ownership Plan*".

Group Benefits/Perquisites

The Compensation Committee believes that the perquisites for Executives should be limited in scope and value and be commensurate with perquisites offered by the Compensation Peer Group. The Corporation provides its NEOs living in Colombia with additional foreign assignment benefits, the cost of which is disclosed under the heading "*Summary Compensation Table*" under the column titled "*All Other Compensation*".

Performance Graph

The following graph illustrates the Corporation's cumulative shareholder return since commencement of its listing on the TSX, as measured by the closing price of the common shares at the end of each financial year, assuming an initial investment of \$100, compared to the S&P/TSX Composite Index (.TTT-T), assuming the reinvestment of dividends where applicable.



Summary Compensation Table

The following table sets forth all annual and long-term compensation paid in respect of the individuals who, as at the three most recently completed financial years ended December 31, 2008, meet the requirements to be classified as “Named Executive Officers” of the Corporation as defined in Form 51-102F6 – *Statement of Executive Compensation to National Instrument 51-102 – Continuous Disclosure Obligations*.

Name and Principal Position	Year	Salary (\$)	Share-Based Awards ⁽⁴⁾ (\$)	Option-Based Awards ⁽⁵⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)	All other Compensation ⁽⁷⁾ (8)(9) (\$)	Total Compensation (\$)
					Annual Incentive Plans ⁽⁶⁾		
J. ERIK LYNGBERG ⁽¹⁾ Vice President Exploration	2008	179,347	48,383	405,844	60,000	nil	693,574
TANNYA E. MORALES ⁽³⁾ Corporate Controller	2008	147,110	43,544	250,551	37,311	258,209	736,725
	2007	127,943	30,955	216,257	38,692	204,044	617,891
	2006	121,764	26,706	106,132	13,609	193,650	461,861
COREY C. RUTTAN ⁽¹⁰⁾ Vice President Finance and Chief Financial Officer	2008	nil	nil	nil	nil	nil	nil
	2007	nil	nil	nil	nil	nil	nil
	2006	nil	nil	155,315	nil	nil	155,315
JOHN (JACK) F. SCOTT ^{(2) (3)} Executive Vice President and Colombian Country Manager	2008	201,210	96,765	nil	69,291	223,785	591,051
	2007	114,941	21,117	321,730	29,692	165,103	652,583
JOHN D. WRIGHT ⁽¹⁰⁾ President and Chief Executive Officer	2008	nil	nil	nil	nil	nil	nil
	2007	nil	nil	nil	nil	nil	nil
	2006	nil	nil	207,086	nil	nil	207,086

Notes:

1. Mr. Lyngberg commenced employment with the Corporation on August 25, 2008.
2. Mr. Scott commenced employment with the Corporation on May 22, 2007.
3. Mr. Scott and Ms. Morales’ annual salary, bonus and other compensation have been converted from US dollars to Canadian dollars.
4. Share-based awards consist of DCS granted pursuant to the DCS Plan. The fair value of DCS is calculated based on the grant date using the Black-Scholes option-pricing model. For a description of the terms of DCS Plan see “DCS Plan”.
5. Option-based awards consist of Stock Options granted pursuant to the Stock Option Plan. The fair value of Stock Options is calculated based on the grant date using the Black-Scholes option-pricing model. For a description of the terms of the Stock Option Plan see “Stock Option Plan”.

6. The amount shown as ‘Annual Incentive Plan’ is the cash bonus award to each of the Named Executive Officer for individual and corporate performance during the 2008 year.
7. The value in the column titled ‘All other Compensation’ includes all other compensation not reported in any other column of the table for each of the Named Executive Officers.
8. Ms. Morales’ apartment rental is paid by Petrominerales and totalled \$76,642 in 2008, or 29.7 percent of her perquisites in 2008. In 2008, Petrominerales paid \$94,687, or 36.7 percent of her perquisites, for taxes owed in Colombia.
9. Mr. Scott’s apartment rental is paid by Petrominerales and totalled \$80,419 in 2008, or 35.9 percent of his perquisites in 2008. In 2008, Petrominerales paid \$104,765, or 46.8 percent of his perquisites, for taxes owed in Colombia.
10. No salary is paid directly by Petrominerales to either Messrs. Wright or Ruttan. See “*Management Services Agreement*”.

Incentive Plan Awards

Outstanding Share and Option Based Awards for the Year Ending December 31, 2008

The following table sets forth, with respect to each of the Named Executive Officers, details regarding Stock Options and DCS outstanding at December 31, 2008.

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options ⁽¹⁾ (\$)	Number of Incentives that have not vested (#)	Market or Payout Value of Incentives that have not vested ⁽²⁾ (\$)
J. Erik Lyngberg	95,000	12.43	18-Aug-2018	nil	nil	nil
Tannya E. Morales	47,500	3.75	29-Jun-2011	94,525	8,825	50,214
	55,000	3.75	29-Jun-2016	109,450		
	20,000	19.56	31-Dec-2017	nil		
	80,000	4.41	25-May-2017	106,400		
	30,000	16.76	27-Jun-2018	nil		
	30,000	7.48	12-Dec-2018	nil		
Corey C. Ruttan	50,000	3.75	29-Jun-2011	99,500	nil	nil
	100,000	3.75	29-Jun-2016	199,000		
John (Jack) F. Scott	300,000	4.41	25-May-2017	399,000	1,245	7,084
John D. Wright	100,000	3.75	29-Jun-2011	199,000	nil	nil
	100,000	3.75	29-Jun-2016	199,000		

Notes:

1. Option-based awards consist of Stock Options granted pursuant to the Stock Option Plan. The value of unexercised in-the-money options is calculated for outstanding vested and unvested Stock Options based on the difference between the noted exercise price for the grant and the closing price of the Corporation’s common shares on the TSX on December 31, 2008, being \$5.74.
2. Share-based awards consist of DCS granted pursuant to the DCS Plan. The value of incentives that have not yet vested is calculated for unvested DCS based on the difference \$0.05 and the closing price of the Corporation’s common shares on the TSX on December 31, 2008, being \$5.74.

Incentive Plan Awards – Value Vested or Earned for the Year Ended December 31, 2008

Name	Option-Based Awards – Value Vested During the Year⁽²⁾	Share-Based Awards – Value Vested During the Year⁽²⁾	Non-Equity Incentive Plan Compensation – Value Earned During the Year⁽³⁾
J. Erik Lyngberg ⁽¹⁾	nil	nil	60,000
Tannya E. Morales	839,363	nil	32,834
Corey C. Ruttan	315,000	nil	nil
John (Jack) F. Scott	805,000	nil	60,977
John D. Wright	315,000	nil	nil

Notes:

1. Mr. Lyngberg commenced employment with the Corporation on August 25, 2008.
2. These columns shows the aggregate net benefit the Named Executive Officer would have received had the Named Executive Officer exercised their Stock Options or elected to receive the common shares underlying their DCS, as applicable, on date of vesting, for the year ending December 31, 2008.
3. The amount shown as Non-Equity Incentive Plan Compensation represents the cash bonus award to each of the Named Executive Officer for individual and corporate performance during the year. Mr. Scott and Ms. Morales' cash bonus amounts have been converted from US dollars to Canadian dollars.

Pension and Retirement Plans

The Corporation does not have any pension or retirement plan for employees or Executives.

Management Services Agreement

The Corporation and Petrobank Energy and Resources Ltd. (“Petrobank”) entered into a management services agreement (the “Management Services Agreement”) dated June 9, 2006, and effective May 1, 2006 which provides that Petrobank will provide the Corporation with the services of John D. Wright and Corey C. Ruttan, as President and Chief Executive Officer and Vice President Finance and Chief Financial Officer, respectively, and other employees of Petrobank from time to time, and that Petrobank shall manage and administer the business of the Corporation on an as needed basis from time to time. It is the intention of the parties that Messrs. Wright and Ruttan allocate their time equally between providing services in their respective roles with Petrobank and the Corporation. The Management Services Agreement expires on April 30, 2009, but is automatically renewed annually unless one (1) month’s notice is given by either party prior to the commencement of the next term. The Corporation pays Petrobank a monthly fee of \$75,000 for the services provided under the Management Services Agreement. The Management Services Agreement may be terminated by either party upon thirty (30) days’ notice and payment by the Corporation of all fees and expenses owing under the Management Services Agreement.

Termination and Change of Control Benefits***Employment Contracts***

Two of the Executives are parties to employment agreements with the Corporation, which outline the terms and conditions of their employment. The employment agreements provide for confidentiality requirements, base salary amounts, vacation entitlements, change of control provisions, and termination payments. Each employment agreement is for an indefinite term but may be terminated earlier by the Corporation for cause. The Compensation Committee annually reviews termination payment amounts for each of the NEOs as calculated under the Employment Agreements. Additional details with respect to compensation paid to the NEOs pursuant to these employment agreements is set forth under the heading “*Summary Compensation Table*”.

A change of control for the purposes of the Corporation's employment agreements generally means: the sale of all or substantially all of Petrominerales' assets, except in the case of a swap of assets; the acquisition, directly or indirectly, by any person or group of persons acting jointly or in concert, of that number of Petrominerales' voting shares which is equal to or greater than 50% of Petrominerales' issued and outstanding voting shares immediately after such acquisition, but excluding any issue or sale of voting shares in connection with a distribution to the public either by way of prospectus or private placement, or any issue or sale of voting shares to a person or group of persons for purposes of effecting an acquisition of assets, directly or indirectly, by Petrominerales; or the election at a Meeting of Petrominerales' shareholders of that number of persons which would represent a majority of the Board of Directors, as Petrominerales' directors who are not included in the slate for election as directors proposed to Petrominerales' shareholders by management of Petrominerales.

Executive Vice President and Colombian Country Manager

The terms of Mr. Scott's employment agreement with the Corporation (the "Executive VP Agreement") include that the Corporation will be required to pay Mr. Scott a cash amount equal to one year of base compensation if the Corporation terminates the Executive VP Agreement at anytime other than for cause. In the event of a change of control, if Mr. Scott is offered an equivalent position but elects to decline such position, Mr. Scott shall have the right to terminate his employment contract with Petrominerales, in which case he shall be entitled to a severance payment consisting of a payment of the cash equivalent of six (6) months of his base salary.

Corporate Controller

The terms of Ms. Morales' executive employment agreement with the Corporation provides that should she be terminated without cause, Ms. Morales will be entitled to a cash payment equivalent to one (1) month of annual salary per completed year of service, with a minimum of three (3) months base salary payable. In the event that Ms. Morales is terminated with cause, she will not be entitled to any payment from the Corporation and will not be entitled to any termination notice period. If a change of control occurs, and Ms. Morales is offered and accepts an equivalent position with the Corporation following such change of control, no payment is made from the Corporation to Ms. Morales. If a change of control occurs and Ms. Morales is offered a position that is not considered an equivalent employment position, Ms. Morales may elect to terminate her employment and will be entitled to a payment of the cash equivalent of one (1) month base salary for each completed year of service to the Corporation. Should Ms. Morales be offered an equivalent employment position following a change of control, and should she wish to terminate her employment agreement at her discretion, she will be entitled to a cash payment equivalent to one-half month of base salary per completed year of service.

Estimated Payment Made to Named Executive Officers upon Termination of Employment Agreements

The following table provides a calculation of the payments that would have to be made to the applicable Named Executive Officers pursuant to their respective employment agreements under the noted events with and without a deemed change of control. All payments are calculated assuming the date of the termination event was, and if applicable, a change of control occurred, on December 31, 2008. The disclosed values represent payments made pursuant to the terms of the employment agreements.

Name	WITHOUT A CHANGE OF CONTROL			WITH A CHANGE OF CONTROL
	Payment Made in the Event of Termination with Cause (\$)	Payment made in the Event of Termination Without Cause (\$)	Payment made in the Event of Retirement or Death (\$)	Payment made Following a Change of Control ⁽¹⁾ (\$)
John (Jack) F. Scott	nil	178,239	nil	89,120
Tannya Morales ⁽²⁾	nil	53,471	nil	53,471 ⁽³⁾

Notes:

1. The calculations in this table are based on the assumption that upon a change of control, the Named Executive Officers would elect to terminate their employment with the Corporation.
2. This calculation assumes that upon a change of control, Ms. Morales was offered an employment position that was not considered to be equivalent to her current employment position and rejected such offer. Should Ms. Morales reject an equivalent employment position, Ms. Morales would be entitled to one half of this amount.

Summary Termination and Change of Control Benefits pursuant to Employment Agreements and Incentive Plans

Upon an Executive ceasing their employment with the Corporation, on the earlier of three (3) years after the date of grant of DCS or one (1) year after the Executive ceases to be employed with the Corporation (upon termination without cause, death or upon a change of control of the Corporation provided that the Executive's employment ceases), and within ten (10) years from the date of the grant of DCS, the Executive (or their estate, if applicable) is required to elect whether they wish to be issued all or any portion of the DCS which have been granted pursuant to the DCS Plan, and to deliver payment for all of such common shares to be issued (additional details can be found under the heading "*Deferred Common Share Plan*").

Depending on the conditions of termination, a summary of the impact of such termination event on the Executive's salary, benefit and incentive programs is summarized below.

Termination Event	Description
<i>Resignation</i>	All salary, perquisites, and benefit programs cease as at the effective date of resignation. Annual cash and share bonuses are no longer paid. Unvested Stock Options outstanding as at effective date of resignation are cancelled. Vested Stock Options outstanding as at effective date of resignation must be exercised within seven (7) days from effective date of resignation.
<i>Retirement</i>	All salary, perquisites, and benefit programs cease as at effective date of retirement. Annual cash and share bonuses are no longer paid. Unvested Stock Options outstanding as at effective date of retirement are cancelled. Vested Stock Options outstanding as at effective date of retirement must be exercised within seven (7) days from effective date of retirement.
<i>Death</i>	All salary, perquisites, and benefit programs cease as at date of death except for payout of any applicable insurance benefits. Annual cash and share bonuses are not paid. All unvested Stock Options immediately vest. All Stock Options outstanding as at date of death must be exercised within six (6) months from the date of death.
<i>Termination without cause</i>	All salary, perquisites, and benefit programs cease on effective date of termination. Annual cash and share bonuses are no longer paid. Unvested Stock Options outstanding on effective date of termination are cancelled. Vested Stock Options outstanding on the effective date of termination must be exercised within three (3) months. Severance is provided on an individual basis reflecting service, experience and salary level and in accordance with the individual's employment agreement, if applicable.
<i>Termination for cause</i>	All salary, perquisites, and benefit programs cease on effective date of termination. Annual cash and share bonuses are no longer paid. Unvested Stock Options outstanding as at the effective date of termination are cancelled. Vested Stock Options outstanding as at the effective date of termination must be exercised prior to the effective date of termination.

Note:

1. Additional details with respect to the Corporation's Stock Option Plan, and the treatment of termination events under the Stock Option Plan, can be found herein under the heading "Stock Option Plan".

Incentive Plans

The following table outlines the estimated incremental payments the Named Executive Officers would have received upon a change of control (or upon death of the Executive), as defined in the respective incentive plans of the Corporation, as if such change of control occurred effective December 31, 2008.

Name	Accelerated option vesting ⁽¹⁾ (\$)	Accelerated DCS vesting ⁽²⁾ (\$)
J. Erik Lyngberg	0	nil
Tannya E. Morales	142,838	50,214
Corey C. Ruttan	99,500	nil
John (Jack) F. Scott	315,875	7,084
John D. Wright	99,500	nil

Notes:

1. This is the incremental aggregate net benefit relating to Stock Options that the Named Executive Officer would have received upon the triggering event, based on the closing price of the Corporation's common shares on the TSX on December 31, 2008, being \$5.74.
2. This is the incremental aggregate net benefit relating to DCS that the Named Executive Officer would have received upon the triggering event, based on the closing price of the Corporation's common shares on the TSX on December 31, 2008, being \$5.74.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information with respect to compensation plans under which equity securities are authorized for issuance as at December 31, 2008, aggregated for all compensation plans previously approved by the shareholders and all compensation plans not previously approved by the shareholders.

Plan Category	Number of securities to be issued upon exercise of options and deferred common shares	Weighted-average exercise price of outstanding options and deferred common shares	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by shareholders:			
- Stock Option Plan	6,192,723	\$6.11/share	3,247,220
- DCS Plan	39,263	\$0.05/share	486,375
Equity compensation plans not approved by shareholders	n/a	n/a	n/a
Total	6,231,986	\$6.07/share	3,733,595

Stock Option Plan

The Corporation adopted the Stock Option Plan pursuant to which the Corporation may grant Stock Options to employees or insiders of the Corporation or to any other person or company engaged to provide ongoing management or consulting services for the Corporation or for any entity controlled by the Corporation (collectively, "Service Providers"). The maximum number of common shares that may be reserved for issuance pursuant to Stock Options granted under the Stock Option Plan and any other share compensation arrangement is 10% of the aggregate number of common shares issued and outstanding. The purpose of the Stock Option Plan is to provide the Corporation and its shareholders the

benefits of incentives inherent in share ownership by Service Providers who, in the judgment of the Board, will be largely responsible for its future growth and success.

The Stock Option Plan contains provisions that limit issuances to *insiders* so that the maximum number of common shares that may be reserved for issuance to *insiders* pursuant to Stock Options granted under the Stock Option Plan and any other share compensation arrangement is 10% of the aggregate number of common shares issued and outstanding. The maximum number of common shares that may be issued to *insiders* under the Stock Option Plan and any other share compensation arrangement within a one (1) year period is 10% of the aggregate common shares issued and outstanding; provided that, the maximum number of common shares that may be issued to any one *insider* or such *insider's* associates under the Stock Option Plan within a one (1) year period is 5% of the aggregate number of common shares issued and outstanding. In addition, not greater than 5% of the issued and outstanding common shares may be available for issuance to any one person under the Stock Option Plan. For the purposes of the Stock Option Plan, a “*share compensation arrangement*” means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism which provides for the issuance or potential issuance of common shares, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise.

The exercise price of Stock Options granted under the Stock Option Plan will be fixed by the Board at the time of grant; provided that, such exercise price may not be less than the market price of the common shares on the date of the grant. For the purposes of the Stock Option Plan, market price means the volume weighted average trading price of the common shares on the TSX for the five (5) trading days prior to the date of the grant (or such other stock exchange in Canada if not then listed and posted for trading on the TSX) and if the common shares are not listed and posted for trading on any stock exchange in Canada, the Board will determine the market price. No common shares will be issued upon the exercise of Stock Options until the full purchase price is received.

Stock Options granted under the Stock Option Plan will vest as determined by the Board and will be exercisable for a period generally not exceeding five (5) years, as determined by the Board, but in any event the option period shall not exceed ten (10) years from the date of grant. The Stock Option Plan provides that subject to the rules and regulations of the TSX and any other applicable laws, the Board may at any time authorize the Corporation to loan money to a Service Provider on such terms and conditions as the Board in its sole discretion may determine, to assist such Service Provider to exercise an option held.

The Stock Option Plan also includes provision for a cashless option exercise right (the “Put Right”). Under the Put Right, optionholders can request that the Corporation purchase for cash all or any part of their Stock Options at a price being the difference between the current market price of the common shares, or a lower price as the Board may determine, and the exercise price of each option. Upon acceptance of the Put Right by the Corporation, the Corporation will deliver a cheque to the exercising optionholder within three (3) business days of receipt of notice exercising this Put Right.

All benefits, rights and options accruing to any participant in accordance with the terms and conditions of the Stock Option Plan shall not be transferable or assignable unless specifically provided in the Stock Option Plan. During the lifetime of a Service Provider, all benefits, rights and options may only be exercised by the Service Provider.

If the event of the death of a participant, all vested and unvested Stock Options held by such participant at the date of death shall be exercisable for six (6) months after the date of death or prior to the expiration of the period during which the option may be exercised, whichever is sooner. If a participant ceases to be employed by or to be a director or officer of the Corporation for cause, no Stock Options may be exercised following the date on which such participant ceases to be so employed or ceases to be a director

or officer, as the case may be. If a participant voluntarily ceases employment with the Corporation or voluntarily ceases to be a director or officer of the Corporation, then any vested option held by such participant at the effective date thereof shall be exercisable only for seven (7) days after such date, or prior to the expiration of the period during which the option may be exercised, whichever is sooner. If a participant ceases to be employed by or to be a director or officer of the Corporation by way of termination without cause, then any vested option held by such participant at the effective date thereof shall be exercisable for three (3) months after such date or prior to the expiration of the period during which the option may be exercised, whichever is sooner.

The Board has the right to amend, modify or terminate the Stock Option Plan at any time if and when it is advisable in the absolute discretion of the Board. Such right of the Board includes the ability to amend, modify or terminate the following provisions without shareholder or optionee approvals: (a) those persons to whom Stock Options may be granted; (b) general terms of the Stock Options including but not limited to vesting, change to the option period and the manner of exercising Stock Options; (c) exercise of Stock Options upon termination of employment or death; (d) exercise of Stock Options in the event of a takeover bid, amalgamation, consolidation, merger or similar transaction and adjustment in common shares as a result of such events; (e) financial assistance to optionees; (f) general limits on the size of Stock Options grants to certain individuals, including *insiders*; (f) transferability or assignability of Stock Options; and (g) the terms, conditions and exercise of the Put Right.

As of this information circular, 733,006 Stock Options have been exercised since inception of the Stock Option Plan, there are 6,774,023 Stock Options outstanding (representing 6.87% of the issued and outstanding common shares) and the Corporation may grant 2,588,850 Stock Options (representing 2.63% of the issued and outstanding common shares).

Deferred Share Compensation Plan

The purpose of the DCS Plan is to provide effective incentives for the directors, officers and employees of the Corporation to promote the success and business of the Corporation and to reward such directors, officers and employees in relation to the long-term performance and growth of the Corporation by encouraging ownership of common shares. There are two components to the DCS Plan: (i) a deferred grant to directors of the Corporation of such number of common shares per calendar year which is approved by the Compensation Committee from time to time; and (ii) a deferred grant to officers and employees of the Corporation who are approved by the Compensation Committee of such number of common shares per calendar year as is approved by the Compensation Committee. Compensation is payable pursuant to the DCS Plan in the form of a deferred grant of common shares.

Common shares which a director, officer or employee is entitled to receive pursuant to the DCS Plan will not be issued until the director, officer or employee has delivered to the Corporation an election in writing that the common shares be issued together with payment to the Corporation in the amount of \$0.05 for each common share issued. A director, officer or employee will not be entitled to elect to be issued any of the common shares which he or she has been granted until a period of three (3) years has passed since the date of grant of such common shares or until the director, officer or employee ceases to be a director, officer or employee of the Corporation, whichever is earlier. Upon a director, officer or employee ceasing to be a director, officer or employee of the Corporation, such director, officer or employee shall be required to elect whether he or she will be issued all or any portion of the common shares which have been granted to him or her (and to deliver payment for all of such common shares to be issued), such election and payment to be made within thirty (30) days following the director, officer or employee ceasing to be such and delivery of such common shares to occur the earlier of three (3) years after the date of grant of such common shares or one (1) year after the director, officer or employee of the Corporation

ceases to be such. A director, officer or employee shall have no right to receive common shares granted to him or her which have not been issued on the date that is ten (10) years following the date of grant.

The DCS Plan provides that the number of common shares that are issuable to a director, officer or employee pursuant to the DCS Plan shall be increased on each date on which a cash dividend is paid to shareholders by an amount equal to the product of the number of the common shares which remain issuable and the fraction which has as its numerator the cash dividend paid, expressed as an amount per common share and which has as its denominator the weighted average trading price of common shares on the TSX for the ten (10) trading days preceding the record date for such dividend. The total number of common shares issuable pursuant to the DCS Plan, subject to adjustment in accordance with the DCS Plan, including adjustments for cash dividends paid on the common shares, shall not exceed 500,000 common shares.

No common shares may be issued to a director, officer or employee under the DCS Plan if such issuance could result, at any time, in (i) the number of common shares reserved for issuance pursuant to issuances under the DCS Plan and all other established or proposed share compensation arrangements in respect of common shares granted to *insiders* exceeding 10% of the aggregate issued and outstanding common shares, (ii) the issuance to *insiders* of the Corporation pursuant to the DCS Plan and all other established or proposed share compensation arrangements, within a one (1) year period, of a number of common shares exceeding 10% of the aggregate issued and outstanding common shares, or (iii) the issuance pursuant to the DCS Plan and all other established or proposed share compensation arrangements to any one *insider* of the Corporation, or such *insider's* associates, within a one (1) year period, of a number of common shares exceeding 5% of the aggregate issued and outstanding common shares. The Board reserves the right to make amendments and modifications to the Stock Option Plan or terminate the Stock Option Plan and to amend or modify a DCS Agreement without shareholder approval.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

No director, executive officer or proposed nominee for election as a director, any of their associates or affiliates, or any employee, is or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation or any of its subsidiaries, nor is, or at any time since the beginning of the most recently completed financial year of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

AUDIT COMMITTEE

Reference is made to pages 54 to 56 of the Corporation's Annual Information Form ("AIF") dated March 16, 2009, which information is hereby incorporated by reference. The AIF can be found on SEDAR at www.sedar.com.

CORPORATE GOVERNANCE

The Board and senior management of the Corporation consider sound corporate governance to be a key component in the effective and efficient operation of the Corporation.

Board of Directors

The Board has the responsibility to oversee the conduct of the business of the Corporation and to supervise management who is responsible for the day-to-day conduct of the business of the Corporation. The Board's fundamental objectives are to enhance and preserve long-term shareholder value and to ensure the Corporation meets its obligations on an ongoing basis.

While the Board has delegated the responsibility for day-to-day management of the Corporation to management, the Board has implicitly and explicitly acknowledged its responsibility for the stewardship of the Corporation, including the responsibility for:

- (a) approving and monitoring the Corporation's strategic planning through a regular reporting and review process;
- (b) the identification of the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks;
- (c) the appointment of the senior executive officers and succession planning; and
- (d) ensuring timely and accurate communications to shareholders of financial and other matters in accordance with applicable law.

At the Corporation's expense, individual directors may engage outside advisors on any matter, when it considers it necessary or desirable.

Meetings

The Board is scheduled to meet quarterly, with additional meetings held as appropriate or required. While the Board does not hold regularly scheduled meetings comprised solely of independent directors, a portion of many Board meetings consist of an '*in camera*' session of the independent directors, where non-independent directors and members of management of the Corporation are not in attendance.

Composition of the Board

The Board is currently comprised of seven members, a majority (five) of whom are considered independent. Messrs. Oaks (Chairman of the Board), McKinnon, Umaña-Valenzuela, Sarpi, and Ytreland are independent directors.

Mr. Wright would not be considered an independent director because he would be considered to have a "material relationship", as defined in Multilateral Instrument 52-110 – Audit Committees ("MI 52-110"), with the Corporation, as he is a current executive officer of the Corporation. Mr. Macdonald is not considered independent within the meaning of MI 52-110 since he was previously employed by and received compensation from Petrominerales Colombia Ltd., a wholly-owned subsidiary of the Corporation.

During 2008, the Board held five (5) meetings, the Audit Committee held five (5) meetings and the Reserves Committee held one (1) meeting. All Board members at the time of such meetings were present

at all Board meetings held during 2008, with the exception of Messrs. Macdonald, Ytreland and Oaks who each attended four (4) out of a total of five (5) Board meetings. All committee members at the time of such meetings were present at all committee meetings held during 2008, with the exception of Mr. Macdonald who attended three (3) out of a total five (5) Audit Committee meetings.

The following Board members are directors of other reporting issuers: Mr. McKinnon for Quorum Information Technologies Inc. and Petrobank Energy and Resources Ltd.; Mr. Oaks for Petrobank Energy and Resources Ltd., Mr. Umaña-Valenzuela for Sociedades Bolivar S.A. listed on Bolsa de Valores de Colombia (The Colombian Stock Exchange) and Mr. Wright for Talon International Energy Ltd. and Petrobank Energy and Resources Ltd.

Mandate of the Board of Directors

The Board and each of its committees have written mandates. The mandate of the Board is attached as Schedule "A" to this information circular.

The Board has the responsibility to oversee the conduct of the business of the Corporation and has delegated the responsibility for the day-to-day conduct of the business to the President and Chief Executive Officer and other members of management, subject to compliance with plans and objectives that may be approved from time to time by the Board. The President and Chief Executive Officer is assessed based on corporate objectives established by the Corporation's strategic plan, which is regularly reviewed by the Board.

Committees of the Board of Directors

The Board has three committees: the Audit Committee, the Reserves Committee, and the Compensation Committee.

Position Descriptions

The Board has adopted a formal written position description for the Chief Executive Officer of the Corporation and for the Chairman of the Board, which sets out the duties and responsibilities of such positions. The Chief Executive Officer is charged with the general oversight and management of the Corporation. The Chair of each committee of the Board is charged with leading and assessing each committee to ensure it fulfills its mandate as set out in the committee terms of reference.

Orientation and Continuing Education

The Board provides an informal orientation program for all new directors. In addition, all directors, both current and new directors, are encouraged to attend, at the expense of the Corporation, applicable educational programs so as to ensure that they are familiar with aspects of the Corporation's operations and assets. Educational programs are also provided for directors on an 'as requested' basis. New members of the Board are provided with background information about the Corporation's business, current issues and corporate strategy. As well, any director has unrestricted direct access to any member of senior management and their staff at any time. The Board believes that these procedures are practical and effective in light of the Corporation's particular circumstances, including the size of the Board, the size of the Corporation, the nature and scope of the Corporation's business and operations and the experience and expertise of Board members.

Code of Ethics

The Board has adopted an extensive Disclosure, Confidentiality and Trading Policy to which all such persons are subject. This policy encourages ethical conduct in that it reflects the importance of confidentiality in respect of the Corporation's activities and restricts trading in the securities of the Corporation at times when individuals may be in possession of material non-public information. The Corporation also has written policies in place in respect of conduct, privacy, harassment and whistle-blowing. Compliance with the Corporation's various policies is monitored by management of the Corporation, with reports to the Board, if necessary.

In addition, the Corporation has in place a written Vision and Values statement, which outlines the Corporation's commitment to safety, shareholder value, its employees, the environment and integrity. Management of the Corporation and the Board are of the view that the Vision and Values statement encourages and promotes a culture of ethical business conduct within the Corporation. A copy of the Vision and Values statement can be obtained free of charge by writing to the Vice President Finance and Chief Financial Officer of the Corporation. In light of the foregoing, the Corporation has not adopted a formal written code of ethics.

Nomination of Board Members

The full Board performs the function of a nominating committee of the Corporation with the responsibility for the appointment and assessment of directors. All directors are encouraged to identify and put forth potential nominees. The Board believes that these procedures are practical and effective in light of the Corporation's particular circumstances, including the size of the Board and the size of the Corporation.

Compensation of Board Members

The Compensation Committee of the Board periodically reviews the compensation of the directors, which is discussed under the heading Compensation of Directors. Please refer to the sections titled "*Summary Compensation Table*".

Board Assessments

The Board will periodically review the effectiveness of the Board, its committees, and the contributions of individual Board of Directors members. Assessments are conducted through informal discussion and evaluation of members' contributions.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is provided in the Corporation's financial statements and MD&A for its most recently completed financial year. Copies of the documents incorporated herein by reference may be obtained on SEDAR or on request without charge from the Vice President Finance and Chief Financial Officer of the Corporation by e-mail: ir@petrominerales.com, by telephone at 011.571.629.2701 or by facsimile at 011.571.629.4723 or by submitting a written request to the Corporation, Teleport Business Center - Torre B, Calle 113 No. 7-45 Piso 15, Bogotá D.C., Colombia, Attention: Chief Financial Officer.

OTHER MATTERS

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

SCHEDULE “A”

PETROMINERALES LTD. MANDATE OF THE BOARD OF DIRECTORS

The board of directors (the “**Board**”) of Petrominerales Ltd. (the “**Corporation**”) is responsible for the stewardship of the Corporation. In general terms, the Board will:

1. in consultation with the chief executive officer of the Corporation (the “**CEO**”), periodically approve the general business strategy of the Corporation;
2. supervise the management of the business and affairs of the Corporation with the goal of achieving the Corporation’s general business strategy as approved by the Board;
3. discharge the duties imposed on the Board by applicable laws; and
4. for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

Without limiting the generality of the foregoing, the Board will perform the following duties:

Strategic Direction, Operating, Capital and Financial Plans

- (a) require the CEO to periodically present to the Board a strategic plan for the Corporation’s business, which plan must:
 - (i) be designed to implement the Corporation’s general business strategy,
 - (ii) identify the principal strategic and operational opportunities and risks of the Corporation’s business, and
 - (iii) be approved by the Board as a pre-condition to the implementation of such plans;
- (b) review progress towards the achievement of the goals established in the strategic, operating and capital plans;
- (c) identify the principal risks of the Corporation’s business and take all reasonable steps to ensure the implementation of the appropriate systems to manage these risks;
- (d) approve the annual operating and capital plans;
- (e) approve issuances of additional common shares or other securities to the public;
- (f) monitor the Corporation’s progress towards its goals, and to revise and alter its direction through management in light of changing circumstances;

Management and Organization

- (g) appoint the CEO and determine the terms of the CEO’s employment with the Corporation;
- (h) evaluate the performance of the CEO;

- (i) in consultation with the CEO, establish the limits of management's authority and responsibility in conducting the Corporation's business;
- (j) in consultation with the CEO, appoint all officers of the Corporation and approve the terms of any unique or long-term compensation arrangements or severance terms agreed to with senior management;
- (k) develop a succession plan for senior management positions;
- (l) generally provide advice and guidance to management;

Finances and Controls

- (m) use reasonable efforts to ensure that the Corporation maintains appropriate systems to manage the risks of the Corporation's business;
- (n) monitor the appropriateness of the Corporation's capital structure;
- (o) in consultation with the CEO, establish and confirm that appropriate ethical standards are observed by all officers and employees of the Corporation;
- (p) require that the CEO institute and monitor processes and systems designed to ensure compliance with applicable laws by the Corporation and its officers and employees;
- (q) recommend to the shareholders of the Corporation a firm of chartered accountants to be appointed as the Corporation's auditors;
- (r) take all necessary actions to gain reasonable assurance that all material financial information made public by the Corporation (including the Corporation's annual and quarterly financial statements) represents fairly the Corporation's financial position and performance in accordance with Canadian generally accepted accounting principles;

Governance

- (s) facilitate the continuity, effectiveness and independence of the Board by, amongst other things,
 - (i) selecting nominees for election to the Board,
 - (ii) appointing a Chairman of the Board who is not a member of management;
 - (iii) appointing from amongst the directors an audit committee and such other committees of the Board as the Board deems appropriate,
 - (iv) defining the mandate of each committee of the Board,
 - (v) assessing the size and effectiveness of the Board as a whole, each committee of the Board and each director individually,
 - (vi) providing an appropriate opportunity for any director to engage an outside adviser at the expense of the Corporation; and
- (t) periodically review the adequacy and form of the compensation of directors.

Delegation

The Board may delegate its duties to and receive reports and recommendations from any committee of the Board.

Meetings

- (a) the Board shall meet at least four times per year and/or as deemed appropriate by the Board Chair;
- (b) minutes of each meeting shall be prepared;
- (c) the CEO or his designate(s) may be present at all meetings of the Board;
- (d) Vice-Presidents and such other staff as appropriate to provide information to the Board shall attend meetings at the invitation of the Board; and
- (e) the Board may call meetings without members of management, including members of management who are also directors of the Corporation, in attendance for purposes of discussing and evaluating management's performance and addressing other material issues at the Board's discretion.