

## THUNDERBIRD ENERGY CORP.

(the "Company")

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### MANAGEMENT PROXY CIRCULAR AS AT AND DATED JUNE 15, 2011

(unless otherwise indicated)

#### GENERAL PROXY INFORMATION

##### Solicitation of Proxies

This Management Proxy Circular ("Circular") is being furnished to the shareholders of **THUNDERBIRD ENERGY CORP.** (the "Company") in connection with the solicitation of proxies by management of the Company for use at the Annual Meeting of the shareholders of the Company (the "Meeting") to be held at 10:00 a.m. (Vancouver time) on July 27, 2011, in the Boardroom at 847 Hamilton Street, Vancouver, British Columbia, and at any adjournment or postponement thereof, for the purposes set forth in the accompanying Notice of Meeting.

While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone or electronic communication by the directors, officers and regular employees of the Company without special compensation. All costs of solicitation will be borne by the Company.

##### Appointment of Proxyholder

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Those shareholders so desiring may be represented by proxy at the Meeting. The persons named in the form of proxy accompanying this Circular are directors and/or officers of the Company ("Management Appointees"). **A shareholder has the right to appoint a person or company (who need not be a shareholder) to attend and act on the shareholder's behalf at the Meeting other than the Management Appointees.** To exercise this right, the shareholder must either insert the name of the desired person in the blank space provided in the form of proxy accompanying this Circular and strike out the names of the Management Appointees or submit another proper form of proxy.

#### NON-REGISTERED SHAREHOLDERS

**Only shareholders whose names appear on the records of the Company ("registered shareholders") or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are not registered shareholders because the shares they own are not registered in their names.** More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of that person (the "Non-Registered Holder") but which are registered either: (a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the shares including, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans; or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("CDS")), of which the Intermediary is a participant. In accordance with current securities regulatory policy, the Company has distributed copies of the Notice of Meeting, this Circular and the form of proxy accompanying this Circular (collectively, the "Meeting Materials") to the clearing agencies and Intermediaries.

Current securities regulatory policy requires Intermediaries to forward the Meeting Materials to, and to seek voting instructions from, Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries will often use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and **submit it to the Company, c/o Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, fax number: 1 (866) 249-7775;** or
- (b) more typically, be given a voting instruction or proxy authorization form **which is not signed by the Intermediary**, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "proxy authorization form") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company or otherwise communicate voting instructions to the Intermediary or its service

company (by way of telephone or the internet, for example), in accordance with the instructions of the Intermediary or its service company.

**Non-Registered Holder cannot use a proxy authorization form to vote shares directly at the Meeting.**

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares which they beneficially own.

The Meeting Materials are being sent to both registered and non-registered owners of shares. If you are a Non-Registered Holder and the Company or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding shares on your behalf. By choosing to send the Meeting Materials to you directly, the Company (and not the Intermediary holding shares on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

**Non-Registered Holders cannot be recognized at the Meeting for purposes of voting their shares in person or by way of depositing a form of proxy.** If you are a Non-Registered Holder and wish to vote in person at the Meeting, please see the voting instructions you received or contact your Intermediary well in advance of the Meeting to determine how you can do so.

**Non-Registered Holders should carefully follow the voting instructions they receive, including those on how and when voting instructions are to be provided, in order to have their shares voted at the Meeting.**

**Deposit of Proxies**

The instrument of proxy must be dated and signed and, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, deposited either at the office of Computershare Investor Services Inc. Proxy Department, 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, fax number: 1 (866) 249-7775, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the holding of the Meeting or any adjournment or postponement thereof or with the Chairman of the Meeting prior to the commencement of the Meeting or any adjourned or postponed meeting.

**Revocation of Proxies**

Pursuant to Section 148(4) of the *Canada Business Corporations Act* (the "Act"), a shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof or in any other manner permitted by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

Only registered shareholders have the right to revoke a proxy. A Non-Registered Holder may revoke a proxy authorization form or a waiver of the right to receive Meeting Materials and to vote given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of proxy authorization form or of a waiver of the right to receive Meeting Materials and to vote that is not received by the Intermediary at least 7 days prior to the Meeting.

**Exercise of Discretion**

Shares represented by proxies may be voted by the proxyholder on a show of hands, except where the proxyholder has conflicting instructions from more than one shareholder, in which case, such proxyholder will not be entitled to vote on a show of hands. In addition, shares represented by proxies will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for upon demand for a poll by a shareholder or proxyholder present at the Meeting or required because the number of shares represented by proxies that are to be voted against a matter is greater than 5% of the votes that could be cast at the Meeting. In either case, where a choice with respect to any matter to be acted upon has been specified in the proxy, the shares shall be voted or withheld from voting in accordance with the specifications so made. **SHARES REPRESENTED BY PROXIES NAMING A MANAGEMENT APPOINTEE AS PROXYHOLDER WILL BE VOTED FOR EACH MATTER (OTHER THAN THE APPOINTMENT OF AN AUDITOR AND THE ELECTION OF DIRECTORS) FOR WHICH NO CHOICE HAS BEEN SPECIFIED BY THE SHAREHOLDER.**

The form of proxy accompanying this Circular, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations to matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the Management Appointees designated in the form of proxy accompanying this Circular to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

**Record Date and Right to Vote**

The record date for the determination of shareholders entitled to receive Notice of and to vote at the Meeting has been fixed at June 24, 2011. Every shareholder of record at the close of business on June 24, 2011 will be entitled to vote either in person or by proxy at the Meeting or any adjournment thereof.

**Voting Securities and Principal Holders Thereof**

As at the date of this Circular, the Company has issued and outstanding 74,446,311 fully paid and non-assessable common shares, each share carrying the right to one vote. **THE COMPANY HAS NO OTHER CLASSES OF VOTING SECURITIES.**

To the knowledge of the directors and executive officers of the Company as at the date of this Circular, the only persons or companies who beneficially own, or control or direct, directly or indirectly, shares carrying 10% or more of the voting rights attached to all outstanding shares of the Company are:

Name	No. of Shares	Percentage
Timothy Gamble	7,783,703	10.5%

**ELECTION OF DIRECTORS**

Management proposes that the number of directors of the Company for the ensuing year be fixed at 7, subject to such increases as may be permitted by the Articles of the Company.

The term of office of each of the 7 present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management’s nominees and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual meeting of the shareholders of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the By-laws of the Company, or with the provisions of the Act. No class of shareholders of the Company has the right to elect a specified number of directors or to cumulate their votes with respect to the election of directors. The Articles of the Company provide that the Board of Directors of the Company may appoint one or more directors between annual meetings of shareholders, to hold office for a term expiring not later than the close of the next annual meeting of shareholders, provided the total number of directors so appointed does not exceed one-third the number of directors elected at the last annual meeting of shareholders nor the maximum number of directors set out in the Articles of the Company. The Company does not have an executive committee of its Board of Directors.

The following table sets out the names of the nominees for election as directors, the jurisdiction in which each is ordinarily resident, all offices of the Company now held by each of them, their principal occupations, the period of time for which each has been a director of the Company and the number of common shares of the Company or any of its subsidiaries beneficially owned, controlled or directed, directly or indirectly, by each, as at the date hereof.

Name, Position and Province/ State and Country of Residence <sup>(1)</sup>	Principal Occupation or Employment <sup>(1)</sup>	Period as a Director of the Company	No. of Shares <sup>(1)</sup>
<b>STEPHEN G. CHEIKES</b> <sup>(2)</sup> Director British Columbia, Canada	Co-Chairman and Chief Executive Officer of Monarch Entertainment Corp., an entertainment finance company.	November 13, 1996 to date	5,737,770
<b>TIMOTHY GAMBLE</b> <sup>(2)(3)</sup> Director and Corporate Secretary British Columbia, Canada	CEO of Thunderbird Films, a film and television production and distribution company.	July 15, 2004 to date	7,783,703
<b>JAMES PODRUSKI</b> <sup>(3)</sup> Director Alberta, Canada	Consulting Petroleum Geologist	July 19, 2006 to date	50,000

Name, Position and Province/ State and Country of Residence <sup>(1)</sup>	Principal Occupation or Employment <sup>(1)</sup>	Period as a Director of the Company	No. of Shares <sup>(1)</sup>
<b>CAMERON WHITE</b> <sup>(2)</sup> Director and CEO British Columbia, Canada	CEO of Thunderbird Energy Corp.	November 1, 2001 to date	4,798,459
<b>DAVID EVANS</b> Director and Chairman Calgary, Alberta	Chairman of Thunderbird Energy Corp.	June 2, 2008 to date	1,300,664
<b>RICK IRONSIDE</b> <sup>(3)</sup> Director, President and COO DeWinton, Alberta	Chief Operating Officer of Thunderbird Energy Corp.	June 2, 2008 to date	3,583,334
<b>ALAN J. WALKER</b> Director Salt Lake City, Utah	Questar - Gas Supply Manager USTAR (Utah Science Technology and Research) – Technology Outreach Director US Army – Special Operations Director for General Petraeus	May 16, 2011 to date	0

Note:

- (1) The information as to jurisdiction of residence, principal occupation and shares beneficially owned, directly or indirectly or over which control or direction is exercised is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (2) Member of the Audit Committee
- (3) Member of the Reserves Committee

To the knowledge of management of the Company, no proposed director (including any personal holding company of a proposed director):

- (a) is, as at the date of this Circular, or has been, within the preceding 10 years, a director, chief executive officer or chief financial officer of any company (including the Company) that
  - (i) was subject to a cease trade or similar order (including a management cease trade order whether or not such person was named in the order) or an order that denied the relevant company access to any exemption under securities legislation, that was in effect, for a period of more than 30 consecutive days (an "Order"), while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or;
  - (ii) was subject to an Order that was issued after such person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, as at the date of this Circular, or has been within the preceding 10 years, a director or executive officer of any company (including the 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
- (c) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (d) has been subject to:
  - (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000, or before December 31, 2000 the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or
  - (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security-holder in deciding whether to vote for a proposed director; or

- (e) is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity;

**STATEMENT OF EXECUTIVE COMPENSATION**  
(Form 51-102F6)

“Chief Executive Officer” or “CEO” means an individual who acted as chief executive officer of the Company or acted in a similar capacity, for any part of the most recently completed financial year.

“Chief Financial Officer” or “CFO” means an individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year.

“Executive Officer” means an individual who is a chair, a vice-chair or president of the Company, a vice-president in charge of a principal business unit, division or function including sales, finance or production of the Company and an individual who is performing a policy-making function in respect of the Company.

“Named Executive Officers” or “NEOs” means the following individuals:

- (i) a CEO;
- (ii) a CFO;
- (iii) each of the three most highly compensated Executive Officers of the Company, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (iv) each individual who would be an NEO under (iii) but for the fact that the individual was neither an Executive Officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year;

At the end of the Company’s most recently completed financial year, the Company had three Named Executive Officers, Cameron White, the Company’s CEO, Rick Ironside, the Company’s President and COO and Barb Harwood, the Company’s CFO. There were no Named Executive Officers of the Company, or other individuals acting in a similar capacity whose total compensation was, individually, more than \$150,000 during the financial year ended January 31, 2011.

**COMPENSATION DISCUSSION AND ANALYSIS**

The purpose of this Compensation Discussion and Analysis (“CD&A”) is to provide information about the Company’s executive compensation objectives and processes and to discuss compensation decisions relating to its NEOs.

The primary goal of the Company’s executive compensation program is to attract and retain the key executives necessary for the Company’s long term success and to motivate and encourage executives to further development of the Company and its operations. Executive compensation consists of salary, service fees charged by an external management company and long-term incentive stock options.

The Company is an exploration stage company engaged in the acquisition, exploration and development of natural resource properties. The Company has limited cash flows from operations, a situation that may continue until the Company can secure sufficient financing to develop its existing properties. Accordingly, the granting of stock options is an important element of executive compensation which does not require cash disbursement by the Company. In determining compensation with respect to stock option grants, however, the Company is cognizant of the TSX Venture Exchange’s statement in its Policy 4.4 that: “Incentive Stock Options are a means of rewarding optionees for future services provided to the Issuer. They are not intended as a substitute for salaries or wages, or as a means of compensation for past services rendered.” The Board of Directors determines the compensation in the form of stock options to its NEOs, as well as to its directors. Stock options are granted in accordance with the Company’s Stock Option Plan at the discretion of the Board of Directors of the Company at an exercise price of not less than the closing price on the TSX Venture Exchange of the common shares on the date of the grant of such options. The Stock Option Plan provides that the aggregate number of common shares subject to options under the Stock Option Plan shall not exceed 6,000,000 common shares. The normal term of the options is 5 years from the date of grant. In the event of resignation or termination of an optionee, such optionee may exercise options held by such optionee for a specified period not to exceed 90 days following the effective date of such resignation or the expiry date, whichever is earlier.

**SUMMARY COMPENSATION TABLE**

**Named Executive Officers**

Name and principal position	Year <sup>(1)</sup>	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual Incentive plans	Long-term incentive plans			
<b>Cameron White</b> <i>CEO</i>	2011	0	0	0	0	0	0	90,000 <sup>(2)</sup>	90,000
	2010	0	0	36,945.65	0	0	0	90,000	126,945.65
	2009	0	0	0	0	0	0	90,000	90,000
<b>Rick Ironside</b> <i>PRESIDENT, COO</i>	2011	0	0	0	0	0	0	93,375 <sup>(3)</sup>	93,375
	2010	0	0	64,654.89	0	0	0	112,050	176,704.89
	2009	0	0	73,992.00	0	0	0	75,600	149,592
<b>Barb Harwood</b> <i>CFO</i>	2011	0	0	0	0	0	0	78,000 <sup>(4)</sup>	78,000 <sup>(4)</sup>
	2010	0	0	23,091.03	0	0	0	36,000	59,091.03
	2009	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes: <sup>(1)</sup> Ended January 31

<sup>(2)</sup> Koele Capital Corp., a company that is controlled by Cameron White, receives a fee of \$7500 per month for the provision of management services.

<sup>(3)</sup> Westrich Resources Inc., a company that is controlled by Rick Ironside, receives a consulting fee of \$900 per day for the provision of management services.

<sup>(4)</sup> Ms. Harwood is employed by Thunderbird Films Inc. ("TFI") a private company that is controlled by certain directors of the Company. During the year ended January 31, 2011, TFI was reimbursed \$6,500/month for the provision of the services provided by Ms. Harwood during the most recently completed financial year.

**INCENTIVE PLAN AWARDS**

**Named Executive Officers**

**Outstanding share-based awards and option-based awards**

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 (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
<b>Cameron White</b>	200,000	0.20	Dec. 23, 2014	0	0	0
<b>Rick Ironside</b>	600,000 350,000	0.20 0.20	Jun. 2, 2013 Dec. 23, 2013	0 0	0 0	0 0
<b>Barb Harwood</b>	50,000 125,000	0.30 0.20	Feb. 15, 2013 Dec. 23, 2014	0 0	0 0	0 0

Pursuant to the Company's incentive stock option plan, options are granted at the discretion of the Board of Directors of the Company. The exercise price of the options may not be less than the market price of the Company's shares on the date of the grant of the options. Generally, 25% of the options vest on the date of grant, and a further 25% of the options vest every 6 months thereafter.

**Incentive plan awards – value vested or earned during the year**

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Cameron White	17,563	0	0
Rick Ironside	30,736	0	0
Barb Harwood	10,977	0	0

Note <sup>(1)</sup> Values calculated based on Black-Scholes-Merton (BSM) valuation model as computed during the course of preparation of the Company’s audited and quarterly financial statements. The full value of the BSM calculation has been included during the current period.

**TERMINATION AND CHANGE OF CONTROL BENEFITS**

By a Facilities and Services Contract dated February 1, 2002, as amended, between the Company and Koele Capital Corporation (“Koele”), a company controlled by Cameron White, a director and the Chief Executive Officer of the Company, the Company engaged Koele to provide management and administrative services to the Company in consideration of \$7,500 (plus GST) per month, as well as reimbursement of out-of-pocket expenses.

By a Facilities and Services Contract dated July 1, 2008 between the Company and Westrich Resources Inc (“Westrich”), a company controlled by Rick Ironside, a director and the President and Chief Operating Officer of the Company, the Company engaged Westrich to provide management and administrative services to the Company in consideration of \$900 (plus GST) per day, as well as reimbursement of out-of-pocket expenses.

The Company has no compensatory plan or arrangement with respect to the Named Executive Officer in the event of the resignation, retirement or any other termination of the Named Executive Officer’s employment with the Company and its subsidiaries or in the event of a change of control of the Company or its subsidiaries or in the event of a change in the Named Executive Officer’s responsibilities following a change in control, where in respect of the Named Executive Officer the value of such compensation exceeds \$50,000.

**DIRECTOR COMPENSATION**

**Non-NEO Directors**

**Director Compensation Table**

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$) <sup>(1)</sup>	Total (\$)
Stephen G. Cheikes	N/A	N/A	0	N/A	N/A	N/A	0
Timothy Gamble	N/A	N/A	0	N/A	N/A	N/A	0
James Podruski	N/A	N/A	0	N/A	N/A	N/A	0
Alan J. Walker	N/A	N/A	0	N/A	N/A	N/A	0
David Evans	N/A	N/A	0	N/A	N/A	50,000	50,000

Note <sup>(1)</sup> Paid to private companies controlled by Mr. Evans in consideration of management service

Share-based awards, option based awards and non-equity incentive plan compensation

Outstanding share-based awards and option-based awards

Option-based Awards					Share-based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Stephen G. Cheikes	200,000	0.20	Dec. 23, 2014	0	0	N/A
Timothy Gamble	200,000	0.20	Dec. 23, 2014	0	0	N/A
James Podruski	200,000	0.20	Dec. 23, 2014	0	0	N/A
David Evans	600,000 200,000	0.20 0.20	June 2, 2013 Dec. 23, 2014	0 0	0 0	N/A N/A

Pursuant to the Company's incentive stock option plan, options are granted at the discretion of the Board of Directors of the Company. The exercise price of the options may not be less than the market price of the Company's shares on the date of the grant of the options. Generally, 25% of the options vest on the date of grant, and a further 25% of the options vest every 6 months thereafter.

Incentive plan awards – value vested or earned during the year

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Stephen G. Cheikes	17,563	N/A	N/A
Timothy Gamble	17,563	N/A	N/A
James Podruski	17,563	N/A	N/A
Alan J. Walker	0	N/A	N/A
David Evans	17,563	N/A	N/A

Note: <sup>(1)</sup> Values calculated based on Black-Scholes-Merton (BSM) valuation model as computed during the course of preparation of the Company's audited and quarterly financial statements. The full value of the BSM calculation has been included during the current period.

Securities Authorized for Issuance Under Equity Compensation Plans

The Company has implemented a 2001 Incentive Stock Option Plan (the "Plan") as amended from time to time. The Plan has been approved by the shareholders of the Company and is administered by the Board of Directors.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	4,065,000	\$0.21 per share	1,935,000
Equity compensation plans not approved by security holders	0	0	0
<b>Total</b>	<b>4,065,000</b>	<b>\$0.21 per share</b>	<b>1,935,000</b>

None of the current or former directors or executive officers of the Company or any of its subsidiaries, no proposed nominee for election as a director of the Company, and no associates of any director or executive officer of the Company or proposed nominee, is or has been indebted to the Company or its subsidiaries at any time since the beginning of the Company's last completed financial year.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines and as prescribed in National Instrument 58-101, discloses below its corporate governance practices.

The board of directors of the Company (the "Board") believes that good corporate governance improves corporate performance and benefits all shareholders. This section sets out the Company's approach to corporate governance.

1. **Board of Directors-** The Board facilitates its exercise of independent supervision over management by ensuring that a majority of its members are "independent." Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a director's independent judgment. The only non-independent directors of the Company are Cameron White who is CEO, David Evans, who is Chairman of the Board and Rick Ironside, who is President and COO of the Company.

Management has been delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying out the Company's business in the ordinary course, evaluating business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board facilitates its independent supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts, and business transactions and all debt and equity financing transactions. Through its Audit Committee, the Board examines the effectiveness of the Company's internal control process.

2. **Directorships-** None of the Directors are directors of other reporting issuers.

3. **Orientation and Continuing Education-** Each new director receives orientation on the Company's business, current projects, and the industry. Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

4. **Ethical Business Conduct-** The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Furthermore, the Board promotes fair dealing with all its stakeholders and requires compliance with the laws of each jurisdiction in which it operates.

5. **Nomination of Directors-** The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

6. **Other Board Committees-** The Board has no other committees other than the Audit Committee and the Reserves Committee.

7. **Assessments-** The Board monitors on an ongoing basis the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committee.

## AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company is comprised of Cameron White, Stephen Cheikes and Timothy Gamble, all of whom, with the exception of Cameron White, are independent, in accordance with applicable securities regulations. Two of the three Audit Committee members are considered "Independent" and all three are "financially literate" as those terms are defined in National Instrument 52-110. All three members of the Audit Committee have extensive public company experience having served as directors of public companies and/or audit committee members.

A copy of the Audit Committee Charter is attached hereto as Schedule "A".

The Audit Committee provides review and oversight of the Company's accounting and financial reporting process, and the audit process, including the selection, oversight and compensation of the Company's external auditor.

#### *Audit Fees*

For the year ended January 31, 2011, the Company's external auditor has suggested the Company accrue \$57,650 plus HST for all audit and non-audit related fees (\$55,000 plus GST for the year ended January 31, 2010).

The Company, as a "venture issuer," is relying on the exemption in section 6.1 of National Instrument 52-110 *Audit Committees*.

#### **APPOINTMENT OF AUDITOR**

Management proposes that PricewaterhouseCoopers LLP be appointed as Auditors of the Company for the ensuing year. PricewaterhouseCoopers LLP were appointed as auditors effective November 3, 2008, replacing Manning Elliot, who had served as the Company's Auditors since February 22, 2005.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Except as otherwise disclosed herein, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, or controls or directs, directly or indirectly, common shares of the Company, or a combination of both, carrying more than ten percent of the voting rights attached to the outstanding common shares of the Company (an "Insider"); (c) director or executive officer of a person or company that is itself an Insider or subsidiary of the Company; or (d) any associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year, or in any proposed transaction that has materially affected or would materially affect the Company, except with respect to an interest arising from the ownership of common shares of the Company where such person or company will receive no extra or special benefit or advantage not shared on a pro-rata basis by all holders of common shares of the Company.

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

Except as otherwise set out herein, none of the directors or executive officers of the Company, no management proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the beginning of the Company's last completed financial year and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities of otherwise, in any matter to be acted on at the meeting.

#### **PARTICULARS OF MATTERS TO BE ACTED UPON**

MANAGEMENT IS NOT AWARE OF ANY OTHER MATTER TO COME BEFORE THE MEETING OTHER THAN AS SET FORTH IN THE NOTICE OF MEETING. IF ANY OTHER MATTER PROPERLY COMES BEFORE THE MEETING, IT IS THE INTENTION OF THE MANAGEMENT APPOINTEES TO VOTE THE SHARES REPRESENTED BY THE FORM OF PROXY ACCOMPANYING THIS CIRCULAR ON ANY BALLOT THAT MAY BE CALLED FOR IN ACCORDANCE WITH THEIR BEST JUDGMENT ON SUCH MATTER.

#### **PERCENTAGE OF VOTES REQUIRED TO PASS RESOLUTIONS**

An ordinary resolution of the shareholders requires an affirmative vote of a majority of the votes cast by the shareholders who voted in respect of that resolution in person or by proxy at the Meeting. All matters to be voted on at the Meeting are required to be passed by way of ordinary resolution.

#### **PROPOSALS**

March 18, 2011 is the final date by which the Company must receive a proposal for any matter that a person entitled to vote at an annual meeting of the Company proposes to raise at the next annual meeting.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on the Company's SEDAR web page at [www.sedar.com](http://www.sedar.com). A copy of the following documents may be obtained, without charge, upon request to the Chief Executive Officer of the Company at 847 Hamilton Street, Vancouver, B.C. V6B 2R7, Phone: (604-707-0373), Fax: (604-707-0378)

- (a) the comparative financial statements of the Company for the financial year ended January 31, 2011 together with the accompanying report of the auditor thereon and related Management Discussion and Analysis and any interim financial statements of the Company for periods subsequent to January 31, 2011 and related Management Discussion and Analysis; and
- (b) this Circular.

**APPROVAL**

The contents and the sending of this Circular have been approved by the directors of the Company.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "W.D. Cameron White"

W.D. Cameron White  
Chief Executive Officer

**SCHEDULE "A"**  
**CHARTER OF THE AUDIT COMMITTEE**  
**OF THE**  
**BOARD OF DIRECTORS**  
**OF**  
**THUNDERBIRD ENERGY CORP.**  
**(the "Company")**

**THE AUDIT COMMITTEE CHARTER**

**1 OVERALL PURPOSE / OBJECTIVES**

The committee will provide independent review and oversight of the Company's financial reporting process and will manage the relationship between the Company and its external auditors, including overseeing the audit process and recommending to the Board the nomination and compensation of such external auditors. The committee will also assist the Board in fulfilling its responsibilities in reviewing the Company's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors of the Company and will monitor the independence of those auditors. The committee will also be responsible for reviewing the Company's financial strategies, its financing plans and its use of the equity and debt markets.

To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company's business, operations and risks.

**2 AUTHORITY**

The board authorizes the committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to retain outside legal or professional counsel and other experts and to ensure the attendance of Company officers at meetings as appropriate.

**3 ORGANIZATION**

**3.1 Membership**

- a. The committee will be comprised of at least three members, a majority of whom should meet the following independence and qualification requirements:
  - (i) A committee member may not, other than in his or her capacity as a member of the committee, Board or any other committee of the Board, accept directly or indirectly any consulting, advisory or other compensatory fee from the Company. The indirect acceptance of a consulting, advisory or other compensatory fee shall include acceptance of the fee by a spouse, minor child or stepchild, or child or stepchild sharing a home with the committee member, or by an entity in which such member is a partner, member or principal or occupies a similar position and which provides accounting, consulting, legal, investment banking, financial or other advisory services or any similar services to the Company.
  - (ii) A committee member may not have been employed by the Company or any of its affiliates in the current or past three years.
  - (iii) A committee member may not be an affiliate of the Company or any of its subsidiaries.
- b. The chairman of the committee will be nominated by the committee from time to time.
- c. A quorum for any meeting of the committee will be two members.
- d. The secretary of the committee will be such person as nominated by the chairman.

**3.2 Attendance at Meetings**

- a. The committee may invite such other persons (e.g. the Chief Financial Officers, Chief Executive Officer or external auditors) to its meetings, as it deems appropriate.
- c. Meetings shall be held not less twice per year. Special meetings shall be convened as required. External auditors may convene a meeting if they consider that it is necessary.
- d. The proceedings of all meetings will be minuted.

### 3 ROLES AND RESPONSIBILITIES

The committee will:

- 3.1 Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.
- 3.2 Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.
- 3.3 Review the Company's strategic and financing plans to assist the Board's understanding of the underlying financial risks and the financing alternatives.
- 3.4 Review management's plans to access the equity and debt markets and to provide the Board with advice and commentary.
- 3.5 Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- 3.6 Review any legal matters which could significantly impact the financial statements as reported on by the Company's legal counsel and meet with such counsel whenever deemed appropriate.
- 3.7 Review the annual and quarterly financial statements including Management's Discussion and Analysis in respect thereof and determine whether they are complete and consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles, and, if appropriate, recommend to the Board that the annual and quarterly financial statements be included in the Company's securities filings.
- 3.8 Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.
- 3.9 Focus on judgmental areas, for example those areas involving valuation of assets and liabilities and other commitments and contingencies.
- 3.10 Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.
- 3.11 Meet with management and the external auditors to review the annual financial statements and the results of the audit.
- 3.12 Assess the fairness of the interim financial statements and disclosures, and obtain explanations from management on whether:
  - a. actual financial results for the interim period varied significantly from budgeted or projected results;
  - b. generally accepted accounting principles have been consistently applied;
  - c. there are any actual or proposed changes in accounting or financial reporting practices;
  - d. there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure.
- 3.13 Review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.
- 3.14 Review the performance of the external auditors and approve in advance provision of services other than auditing.
- 3.15 Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The committee will obtain from the external auditors, on an annual basis, a formal written statement delineating all relationships between the external auditors and the Company.
- 3.16 Evaluate and, if and when appropriate, recommend to the Board selection, compensation or replacement of the external auditors.

- 3.17 Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately, including the results of the external auditors' review of the adequacy and effectiveness of the Company's accounting and financial controls.
- 3.18 Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.
- 3.19 Obtain regular updates from management and the Company's legal counsel regarding compliance matters, as well as certificates from the Chief Financial Officer as to required statutory payments and bank covenant compliance and from senior operating personnel as to permit compliance.
- 3.20 Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
- 3.21 Perform other functions as requested by the full Board.
- 3.22 If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist.
- 3.23 Review and update the charter; receive approval of changes from the Board.
- 3.24 Work with the Board to determine an appropriate annual budget for the committee and its required activities, including but not limited to the compensation of the external auditors and any outside counsel or other experts retained by the committee.
- 3.25 Create specific procedures for the receipt, retention and treatment of complaints regarding the Company's accounting, internal accounting controls and auditing matters. These procedures will include, among other things, provisions for the confidential treatment of complaints and anonymity for employees desiring to make submissions.