



**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
to be held on May 14, 2009**

**TO THE SHAREHOLDERS:**

**NOTICE IS HEREBY GIVEN** that an Annual Meeting (the “**Meeting**”) of the shareholders of Winstar Resources Ltd. (the “**Company**”) will be held on Thursday, May 14, 2009 at 2:00 p.m. (Calgary time) at the **Plus 15 Conference Room of the Stock Exchange Tower, 300 – 5<sup>th</sup> Avenue S.W., Calgary, Alberta** for the following purposes:

1. to receive the financial statements of the Company for the year ended December 31, 2008, and the auditors’ report thereon;
2. to fix the number of directors to be elected at the Meeting at eleven (11);
3. to elect the directors of the Company for the ensuing year;
4. to appoint auditors of the Company for the ensuing year;
5. to consider and, if thought fit, pass an ordinary resolution approving certain amendments to the Company’s By-laws;
6. to consider and, if thought fit, pass an ordinary resolution approving all unallocated stock options under the Company’s stock option plan; and
7. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The specific details of the matters to be considered are set out in the Management Information Circular dated April 9, 2009 which accompanies this Notice.

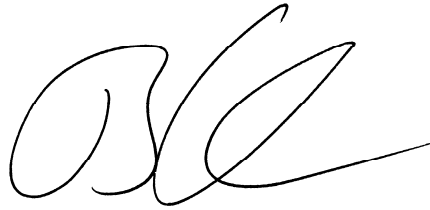
**Shareholders of the Company who are unable to attend the Meeting in person are requested to date and sign the enclosed form of proxy (the “Instrument of Proxy”) and return it by mail to, or deposit it with, in the envelope provided for that purpose, Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1. In order to be valid and acted upon at the Meeting, the Instrument of Proxy must be received by Computershare Trust Company of Canada at the aforesaid address, at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time set for the Meeting or any adjournment thereof.**

Shareholders are cautioned that the use of the mail to transmit Instruments of Proxy is at each shareholder's risk.

The record date for the Meeting is the close of business on April 9, 2009, (the "**Record Date**"). Only shareholders of the Company of record as at that date are entitled to receive notice of and to vote at the Meeting unless such shareholder transfers its shares after the Record Date and the transferee of those shares establishes that it owns the shares and demands not later than 10 days before the Meeting that the transferee's name be included in the list of shareholders entitled to vote at the Meeting.

**DATED** at Calgary, Alberta this 9th day of April, 2009.

**BY ORDER OF THE BOARD OF DIRECTORS**

A handwritten signature in black ink, appearing to be 'BRL', written over a horizontal line.

Bruce R. Libin  
Chairman



**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
to be held on Thursday, May 14, 2009**

**MANAGEMENT INFORMATION CIRCULAR  
dated April 9, 2009**

Shareholders who do not hold their shares in their own name as registered shareholders should read "Advice to Beneficial Shareholders" within for an explanation of their rights.

**SOLICITATION OF PROXIES**

This management information circular (the "Management Information Circular") is provided in connection with the solicitation by management of Winstar Resources Ltd. (the "Company") of proxies for the annual meeting of the holders of common shares (the "Common Shares") of the Company (the "Meeting") to be held on Thursday, May 14, 2009 at 2:00 p.m. (Calgary time) at the Plus 15 Conference Room of the Stock Exchange Tower, 300 – 5<sup>th</sup> Avenue S.W., Calgary, Alberta, and at any adjournment(s) thereof for the purposes set out in the accompanying Notice of Annual Meeting (the "Notice").

**This solicitation is made on behalf of management of the Company.** The costs incurred in the preparation and mailing of the Notice, this Management Information Circular and the accompanying form of proxy furnished by the Company (the "Instrument of Proxy") will be borne by the Company. In addition to the use of mail, proxies may be solicited by personal interviews, telephone or other means of communication by directors, officers and employees of the Company, none of whom will be specifically remunerated therefor.

**APPOINTMENT**

The persons named in the Instrument of Proxy are officers and/or directors of the Company. A shareholder has the right to appoint a nominee (who need not be a shareholder of the Company) to attend and act for such shareholder and on such shareholder's behalf at the Meeting, other than the persons designated in the Instrument of Proxy, by striking out the management proxyholder names shown and inserting the name of the shareholders' chosen nominee in the space provided for an alternate proxyholder on the Instrument of Proxy, or by completing another proper form of proxy. Such shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should instruct the nominee as to how the shareholder's shares are to be voted. In any case, the Instrument of Proxy should be dated and signed by the shareholder or the shareholder's attorney authorized in writing, with proof of such authorization attached, where an attorney signed the proxy form.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and deposited with Computershare Trust Company of Canada, 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, at least 48 hours, excluding Saturdays, Sundays and statutory holidays, before the time of the Meeting or any adjournment thereof. The instrument appointing a proxy shall be in writing and shall be signed by the shareholder or the shareholder's attorney authorized in writing or, if the shareholder is a Company, under its corporate seal or by an officer or attorney thereof duly authorized.

#### **RECORD, DATE, VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The record date for the Meeting is the close of business on April 9, 2009 (the "**Record Date**") for the determination of shareholders entitled to receive notice of and to vote their Common Shares at the Meeting, except to the extent that: (a) the holder has transferred the ownership of any of the holder's Common Shares after the Record Date; and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that the transferee owns the Common Shares, and demands, not later than the close of business 10 days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case the transferee is entitled to vote such Common Shares at the Meeting.

The Company has an authorized capital consisting of an unlimited number of Common Shares without nominal or par value and an unlimited number of preferred shares, issuable in series, of which 34,223,032 Common Shares (nil preferred shares) are issued and outstanding as at April 9th, 2009 (the "**Effective Date**"). A quorum will be present at the Meeting if a holder or holders of not less than 5% of the shares entitled to be voted at the Meeting are present in person or by proxy. Holders of Common Shares are entitled to one vote at the Meeting for each Common Share held. Unless otherwise indicated, the information contained in this Management Information Circular is given as at the Effective Date.

To the best of the knowledge of the directors and executive officers of the Company, as at the Effective Date, no persons owns, directly or indirectly or controls or directs over, more than 10% of the issued and outstanding Common Shares other than Yorktown Partners LLC, who owns directly and indirectly, or has direct control over, 15,855,386 Common Shares representing 46.32% of the issued and outstanding Common Shares, and Pala Assets Holdings Limited, who owns directly and indirectly, or has direct control over 6,282,300 Common Shares representing 18.35% of the issued and outstanding Common Shares.

#### **ADVICE TO BENEFICIAL SHAREHOLDERS**

The information set forth in this section is provided to beneficial holders of Common Shares who do not hold their Common Shares in their own name ("**Beneficial Shareholders**"). Beneficial Shareholders should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Beneficial Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Beneficial Shareholder's 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 brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. The Company does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**"). Broadridge typically mails a scannable Voting Instruction Form in lieu of the Instrument of Proxy. The Beneficial Shareholder is asked to complete and return the Voting Instruction Form to them by mail or facsimile. Alternatively the Beneficial Shareholder can call a toll free telephone number or access Broadridge's dedicated voting website at [www.proxyvote.com](http://www.proxyvote.com) to deliver their voting instructions and vote the Common Shares held by Beneficial Shareholder, Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Voting Instruction Form cannot use that Voting Instruction Form to vote Common Shares directly at the Meeting, the Voting Instruction Form must be returned to Broadridge well in advance of the Meeting to have the Common Shares voted.**

All references to holders of Common Shares in this Management Information Circular, the Instrument of Proxy and the Notice are to shareholders of record unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be made available upon request to registered shareholders who produce proof of their identity.

### **VOTING AND REVOCATION OF PROXIES**

The persons named in the Instrument of Proxy have been selected by the directors of the Company, are directors and officers of the Company and have indicated their willingness to represent as proxyholder the shareholders who appoint them. Each shareholder may instruct the proxyholder how to vote the shareholders' Common Shares by completing the blanks on the Instrument of Proxy.

Common Shares represented by properly executed Instruments of Proxy in favour of the person designated on the enclosed form will be voted or withheld from voting in accordance with the instructions given on the Instruments of Proxy. **IN THE ABSENCE OF SUCH INSTRUCTIONS, SUCH COMMON SHARES WILL BE VOTED IN FAVOUR OF ALL RESOLUTIONS IDENTIFIED IN THIS MANAGEMENT INFORMATION CIRCULAR.**

**The Instrument of Proxy confers discretionary authority upon the persons named therein with respect to amendments and variations to matters identified in the Notice and with respect to any other matters which may properly come before the Meeting. The shares represented by the proxy will be voted on such matters in accordance with the best judgment of the person voting such shares. As of the date of this Management Information Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.**

In addition to revocation in any other manner permitted by law, a shareholder who has given a proxy may revoke it, any time before it is exercised, by depositing an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing either at the registered office of the Company at any time up to and including the last business day preceding 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.

## BUSINESS OF THE MEETING

### Presentation of Financial Statements

Pursuant to the provisions of the *Business Corporations Act* (Alberta) and of the Company's By-laws (as defined below), the Company will submit to the shareholders at the Meeting the financial statements of the Company for the year ended December 31, 2008 and the auditors' report thereon, but no vote by the shareholders with respect thereto is required or proposed to be taken.

### Fixing the Number of Directors

At the Meeting, it is proposed that the number of directors to be elected at the Meeting be set at eleven (11), as may be adjusted between shareholders' meetings by way of resolution of the board of directors of the Company (the "Board" or "Board of Directors"). **Accordingly, unless otherwise directed, it is the intention of the persons designated in the Instrument of Proxy to vote proxies in the accompanying form in favour of the ordinary resolution below fixing the number of directors to be elected at the Meeting, at eleven (11).**

The full text of the resolution is as follows:

"Be it hereby resolved that the number of directors of Winstar Resources Ltd. to be elected at the Meeting be set at eleven."

### Election of Directors

At the Meeting, shareholders of the Company will be asked to elect eleven (11) directors to hold office until the next annual meeting of the Company or until their successors are elected or appointed. There are presently eleven (11) directors of the Company, the term of each of which expires at the Meeting.

**Unless otherwise directed, it is the intention of the persons designated in the Instrument of Proxy to vote proxies in the accompanying form in favour of the ordinary resolution below electing as directors of the Company the eleven (11) nominees hereinafter set forth. Management of the Company has no reason to believe that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons designated in the Instrument of Proxy reserve the right to vote for other nominees in their discretion unless the shareholder has specified in the proxy that such shareholder's Common Shares are to be withheld from voting on the election of directors.**

The following information relating to the nominees as directors is based partly on the Company's records and partly on the information received by the Company from the said nominees, and sets forth the names and province and country of residence of each of the persons proposed to be

nominated for election as a director, the number of Common Shares that he has advised are beneficially owned, directly or indirectly, or over which control or direction is exercised by him at the date of this Management Information Circular, all other positions or offices held by him in the Company, the date in which he was first elected as director and his principal occupation.

<b>Name, Municipality of Residence and Position Presently Held with the Company</b>	<b>Number of Common Shares Beneficially Owned or Controlled<sup>(4)</sup></b>	<b>Date First Elected or Appointed</b>	<b>Principal Occupation</b>
<b>Douglas N. Baker<sup>(1)(3)</sup></b> Director Calgary, Alberta, Canada	58,521	November 14, 2005	Chair of the Canadian Institute of Chartered Accountants; Prior to 2006, Vice President, Chief Financial Officer and Director, Valiant Energy Inc.
<b>Bernard P. de Combret<sup>(2)(3)</sup></b> Director Martigny, Switzerland	186,867	August 19, 2005	Independent Consultant; Prior to 2002, Deputy Chairman of the Executive Committee of Total
<b>Charles A. de Mestral</b> Chief Executive Officer, Director Vich, Switzerland	611,008	August 19, 2005	Chief Executive Officer and Director of the Company; Prior to 2005, General Manager and Director of Athanor B.V.; Prior to 1998 President of Coparex International;
<b>W. Russ Duncan<sup>(2)</sup></b> Director Calgary, Alberta, Canada	Nil	November 18, 2004	Vice-President of Sky Hunter Exploration Ltd.; Prior to 1998, Officer and Director of Paramount Resources Ltd.
<b>Evgenij Iorich</b> Director Zug, Switzerland	6,282,300 <sup>(5)</sup>	October 27, 2008	Adviser, Pala Investments AG since 2006. Prior to 2006, financial manager, Mechel OAO, mining and metals company based in Russia
<b>Bryan H. Lawrence<sup>(1)(3)</sup></b> Director New York, New York U.S.A.	15,855,386 <sup>(6)</sup>	August 19, 2005	Founder and member of Yorktown Partners LLC; Prior to 1997, Managing Director at Dillon Read & Co.
<b>Bruce R. Libin<sup>(1)(3)</sup></b> Chairman of the Board Calgary, Alberta, Canada	487,283 <sup>(7)</sup>	July 11, 2002	Executive Chairman and Chief Executive Officer of Destiny Resources Services Corp. (DSC:TSX);
<b>Roger G. McMechan</b> Executive Vice President, Director Calgary, Alberta, Canada	99,131	March 30, 2005	Executive Vice President and Director of the Company; Prior to 2005 General Manager Exploration and Development of Burlington Canada Resources Energy Ltd.;

Name, Municipality of Residence and Position Presently Held with the Company	Number of Common Shares Beneficially Owned or Controlled <sup>(4)</sup>	Date First Elected or Appointed	Principal Occupation
<b>Robert W. Mitchell</b> <sup>(2)</sup> Director Calgary, Alberta, Canada	8,014	August 19, 2005	Retired; Director of Provident Energy Trust; Prior to September 2003 Executive Vice President of Talisman Energy Inc.
<b>David A. Monachello</b> President, Director Calgary, Alberta, Canada	227,480	July 11, 2002	President, Interim Chief Financial Officer (February 1, 2008 – April 1- 2009) and Director of the Company
<b>Christopher J. Whyte</b> <sup>(8)</sup> Director Houston, Texas U.S.A.	Nil	March 26, 2009	President, Chief Executive Officer of PetroSantander Inc

**Notes:**

- (1) Member of the Audit Committee.
- (2) Member of the Reserves Committee.
- (3) Member of the Compensation Committee.
- (4) The information as to Common Shares of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised, is based upon information furnished to the Company by the respective nominees.
- (5) Mr. Iorich is the nominee or representative of Pala Assets Holdings Limited, which has direct control over 6,282,300 Common Shares representing 18.35% of the issued and outstanding Common Shares.
- (6) Mr. Lawrence is a founding member of Yorktown Partners LLC, which has direct control over 15,855,386 Common Shares representing 46.55% of the issued and outstanding Common Shares.
- (7) Includes Common Shares held by Ranger Holdings Ltd. over which Mr. Libin has control.
- (8) Mr. Whyte was appointed a director of Winstar Resources Ltd. effective March 26, 2009.

The full text of the resolution is as follows:

“Be it hereby resolved that the eleven nominees proposed by the Board in the Management Information Circular of the Company dated April 9th, 2009 be elected directors of Winstar Resources Ltd. until the next annual meeting of shareholders or until their successors are elected or duly appointed.”

**Appointment and Remuneration of Auditor**

Unless otherwise directed, it is the intention of the persons designated in the Instrument of Proxy to vote the proxies in the accompanying form in favour of the ordinary resolution below to appoint the firm of PricewaterhouseCoopers LLP, Chartered Accountants, to serve as auditors of the Company to hold office until the close of the next annual general meeting of shareholders or until such firm is removed from office or resigns as provided by law at a remuneration to be fixed by the Board of Directors. PricewaterhouseCoopers LLP are the current auditors of the Company and have been the auditors of the Company since 2007.

The full text of the resolution is as follows:

“Be it hereby resolved that PricewaterhouseCoopers LLP, Chartered Accountants, be appointed to serve as auditors of Winstar Resources Ltd. until the next annual meeting of shareholders and the directors of Winstar Resources Ltd. be authorized to fix the remuneration payable to the auditors.”

#### **Amendment to the Corporation’s By-laws**

The shareholders are asked to consider and, if thought fit, adopt a resolution approving an amendment to Section 4.6 – Committee of Directors of the Company’s existing general by-law (the “**By-laws**”). The proposed amendment changes the requirements for the structure of committees of directors of the Company from a minimum of 50% Canadian resident directors on any given committee of the Board to a minimum of 25% Canadian resident directors, such that Section 4.6 of the By-laws will be amended to read as follows:

#### 4.6 Committee of Directors

The directors may appoint from among their number a committee of directors, however designated, of which at least one-quarter of the members must be resident Canadians, and subject to section 115 of the Act may delegate to such committee any of the powers of the directors. Unless otherwise determined herein or by the board, a committee shall be comprised of not less than three directors.

This amendment to the By-laws was previously approved by a majority of the Board at a meeting on March 26, 2009.

The Board is of the opinion that, given the current and proposed make-up of the Board, the proposed amendment to the By-laws is in the best interests of the Company and its shareholders and therefore, the Board recommends that shareholders vote in favour of the resolution amending the By-laws as described herein.

**Unless otherwise directed, it is the intention of the persons designated in the Instrument of Proxy to vote proxies in the accompanying form in favour of the ordinary resolution below providing for the amendment to the By-laws of the Company.**

The full text of the resolution is as follows:

“WHEREAS it is deemed to be in the best interest of Winstar Resources Ltd. (the “**Company**”) and its shareholders to amend the By-laws of the Company:

NOW THEREFORE BE IT HEREBY RESOLVED THAT:

1. the By-laws of the Company are amended as indicated in the Management Information Circular of the Company dated April 9th, 2009, and all changes to the By-laws indicated in such

Management Information Circular are hereby authorized and approved; and

2. any one director or officer of the Company is hereby authorized and directed for and in the name of and on behalf of the Company 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 in the opinion of such director or officer may be necessary or desirable in connection with the foregoing."

### **Renewal Approval of Unallocated Options under the Stock Option Plan**

In accordance with the requirements of the Toronto Stock Exchange (the "TSX"), every three years after institution of a "rolling" stock option plan, all unallocated options, rights and other entitlements under such rolling stock option plan must be approved by both a majority of the issuer's board of directors and a majority of the issuer's securityholders. As the Company's stock option plan (the "**Stock Option Plan**") is a rolling plan that was approved at the Company's annual general and special meeting on August 19, 2005 (the "**2005 Meeting**"), the shareholders are asked to consider and, if thought fit, adopt a resolution approving all unallocated options issuable pursuant to the Stock Option Plan at the Meeting. The unallocated options under the Stock Option Plan were previously approved by a majority of the Board by director's resolution dated April 9, 2009. If all unallocated options issuable pursuant to the Stock Option Plan are approved by a majority of shareholders at the Meeting, the Company will have the ability to continue to granting options under the Stock Option Plan until May 14, 2012, which is a date that is three years from the date when shareholder approval is being sought.

In compliance with sections 613(d) and (g) of the rules of the TSX, certain terms of, and information relating to, the Stock Option Plan are provided in this Management Information Circular under the heading, "Statement of Executive Compensation - 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 options that are currently outstanding will continue unaffected, however, no additional options may be granted under the Stock Option Plan. Furthermore, options that are currently outstanding and which are subsequently cancelled or terminated will not be available for issuance under the Stock Option Plan.

The Board is of the opinion that the approval of unallocated options under the Stock Option Plan is in the best interests of the Company and its shareholders. Therefore, the Board recommends that shareholders vote in favour of the resolution below approving all unallocated options issuable pursuant to the Stock Option Plan at the Meeting.

**Unless otherwise directed, it is the intention of the persons designated in the Instrument of Proxy to vote proxies in the accompanying form in favour of the ordinary resolution below providing for approval of all unallocated options issuable pursuant to the Stock Option Plan.**

The full text of the resolution is as follows:

“WHEREAS

1. On August 19, 2005, the shareholders of Winstar Resources Ltd. (the “**Company**”) adopted a resolution approving the implementation of a stock option plan (the “**Stock Option Plan**”) that provides for an overall rolling maximum of 10% of the aggregate number of outstanding common shares of the Company from time to time calculated on a non-diluted basis when combined with all of the Company’s other security-based compensation arrangements;
2. the rules of the Toronto Stock Exchange provide that all unallocated options under security-based compensation plans that do not have a fixed maximum number of securities issuable be approved every three years; and
3. by resolution dated April 9, 2009, subject to shareholder approval, the Board of Directors of the Company approved all unallocated options under the Stock Option Plan,

NOW THEREFORE BE IT RESOLVED THAT:

1. all unallocated options under the Stock Option Plan be and are hereby approved;
2. the Company has the ability to continue granting options under the Stock Option Plan until May 14, 2012, which is the date that is three years from the date where shareholder approval is being sought; and
3. any director or officer of the Company be and is hereby authorized to do such things and to sign, execute and deliver all documents that such director or officer may, in their sole discretion, determine to be necessary in order to give full effect to the intent and purpose of this resolution.”

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Role and Composition of the Compensation Committee**

The compensation committee (the “**Compensation Committee**”) for the Company presently consists of Bryan Lawrence (Chairman), Bruce Libin, Douglas Baker and Bernard de Combret. The Compensation Committee comprises of four independent members of the Board of Directors.

The Compensation Committee is charged with the responsibility for overall employee and executive officer compensation. The Compensation Committee is responsible for reviewing the

compensation policy for all executive officers and senior management of the Company and making recommendations to the Board of Directors. The Compensation Committee met 12 times during 2008.

## **Compensation Discussion and Analysis**

### *Compensation Purpose and Objective*

The purpose of the Company's executive compensation policy are to attract and retain individuals of high calibre to serve as officers of the Company, to motivate their performance in order to achieve the Company's strategic objectives and to align the interests of executive officers with the long-term interests of the Company's shareholders.

The Company's primary compensation policy is to pay for performance and, accordingly, the performance of the Company and of the Chief Executive Officer are both examined by the Compensation Committee.

Some of the factors looked at in detail by the Compensation Committee in assessing the performance of the executive officers are as follows:

- (a) growth in production and reserves and production and reserves per share;
- (b) operating costs and general and administrative costs and operating costs and general and administrative costs per barrel of oil equivalent ("**BOE**");
- (c) finding and development costs (both current and over longer periods);
- (d) overall oil and gas reserve changes, looking at both proved and probable reserves;
- (e) cash flow per share changes; and
- (f) the Company's performance relative to its stated goals and objectives and the performance of its industry peer group.

The Compensation Committee does not set specific performance objectives in assessing the performance of the executive officers, rather the Compensation Committee uses its experience and judgment in determining an overall compensation package for the executive officers.

### *Elements of Compensation*

Executive officers compensation consists of essentially three components:

- base salary;
- annual incentive plan; and
- participation in long-term option-based awards.

Each of these executive officer compensation arrangements is briefly described as follows:

### *Base Salaries*

The Company intends to pay base salaries that are competitive with those of comparable companies in the oil and gas industry. The Company had a peer group comparison performed by a third party consultant. The Company benchmarked its executive officers' compensation to the 50th percentile. Factors looked at in assessing peer companies will include total revenue, total assets, cash flow, total level of capital expenditures, total operating expenses, number of employees and daily production levels on a BOE basis.

### *Bonuses*

The Compensation Committee reviews the company's overall performance relative to internal targets for production growth, finding, development and acquisition costs, net asset value, execution of capital program and share price performance relative to peer companies. The Compensation Committee reviews the internal targets relative to peer companies in order to determine whether a bonus is warranted. The amount of the bonus paid is not formulated but is the result of a subjective determination of performance and is approved by the Board based upon the recommendations of the Compensation Committee. The Compensation Committee is of the view that establishing strict predetermined quantitative performance criteria prior to the payment of bonuses to the named executive officers does not necessarily recognize progress made towards the Company's long-term goals. During 2008, the Company did not accrue any amounts related to executive officer bonus payments.

### *Long-Term Incentive Compensation - Stock Option Plan*

A cornerstone of the Company's long-term incentive compensation program is its Stock Option Plan. Directors, officers, consultants and employees of the Company and its subsidiaries are eligible to participate in the Stock Option Plan. Awards are granted consistent with the individual's level of responsibility. All awards, except those for directors who are also officers of the Company, are proposed by the Chief Executive Officer and approved by the Board.

### **Stock Option Plan**

The rules of the TSX require that the Company disclose the particulars of its Stock Option Plan on an annual basis. The following is a summary of the Stock Option Plan.

### *Purpose*

The purpose of the Stock Option Plan is to develop the interest of directors, officers and employees of and persons or companies (collectively the "**Participants**") who provide management or consulting services to the Company and its subsidiaries in the growth and development of the Company by providing them with the opportunity, through options, to acquire an increased proprietary interest in the Company.

### *Shares Subject to the Stock Option Plan*

The maximum number of Common Shares issuable upon the exercise of all options granted under the Stock Option Plan, together with Common Shares as may be subject to options pursuant to other share compensation arrangements, shall not exceed 10% of the aggregate of the outstanding

Common Shares. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Stock Option Plan without being exercised, the un-purchased Common Shares subject thereto shall again be available for the purpose of this Stock Option Plan. As of April 9, 2009, 34,223,032 Common Shares were issued and outstanding and, therefore, a maximum of 3,422,303 Common Shares can be reserved for issuance pursuant to the Stock Option Plan. As of April 9, 2009, options to purchase 2,343,133 Common Shares of the Company were issued and outstanding which is 6.8% of the issued and outstanding Common Shares leaving options to purchase 1,079,170 Common Shares issuable pursuant to the Stock Option Plan. Pursuant to the Stock Option Plan, the number of Common Shares reserved for issuance pursuant to options granted to insiders of the Company shall not exceed 10% of the outstanding Common Shares and the number of Common Shares issued to insiders within a one year period pursuant to options shall not exceed 10% of the outstanding Common Shares.

#### *Eligibility and Participation*

The Board may at any time and from time to time grant options to purchase Common Shares to directors, officers or employees of, or, any person or company engaged to provide ongoing management or consulting services to the Company or its subsidiaries. Participation in the Stock Option Plan shall be entirely voluntary and any decision not to participate shall not affect a Participant's relationship or employment with the Company or a subsidiary.

#### *Exercise Price*

The exercise price of the Common Shares subject to each option shall be determined by the Board at the time the options are granted, subject to applicable TSX approval. No options shall be granted with an exercise price less than the weighted average trading price of the Common Shares on the TSX for the 5 trading days immediately prior to the date of grant.

#### *Option Period, Consideration and Payment*

- (a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the TSX (currently 10 years).
- (b) Subject to any vesting restrictions imposed by the TSX, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the TSX.
- (d) The exercise of any option will be contingent upon receipt by the Company at its head office of a written notice of exercise, specifying the number of Common Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Common Shares with respect to which the option is exercised. No Participant will be, or will be deemed to be, a holder of any Common Shares unless and until the certificates for Common Shares issuable pursuant to options under the Stock Option Plan are issued to him or them under the terms of the Stock Option Plan.

### *Ceasing To Be a Director, Officer, Employee or Consultant*

If a Participant shall cease to be a director, officer, employee or consultant of the Company or its subsidiaries, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be a director, officer, employee or consultant.

### *Takeover or Change of Control*

The Board shall have the power, in the event of (i) any disposition of all or substantially all of the assets of the Company, on the dissolution, merger, amalgamation or consolidation of the Company, with or into any other person, or the merger, amalgamation or consolidation of any other person into the Company; or (ii) any change of control of the Company, to amend any option agreement to permit the exercise of any or all of the remaining options prior to completion of any such transaction. If the Board shall exercise that power, the options shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Participant at any time or from time to time as determined by the Board prior to the completion of such transaction.

### *Adjustments*

If the outstanding Common Shares are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Company through reorganization, merger, recapitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board in its discretion in the number or kind of Common Shares or securities optioned and the exercise price per Common Share or security, as regards previously granted and unexercised options or portions thereof, and as regards options which may be granted subsequent to any such change in the Company's capital.

Adjustments under the adjustment section of the Stock Option Plan shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Common Share shall be required to be issued under the Stock Option Plan on any such adjustment.

### *Cash Payment in Lieu of Exercise of Options*

The Stock Option Plan provides that the Board may permit an option to acquire Common Shares to be surrendered, unexercised, to the Company in consideration of the receipt by the Participant of an amount in cash, Common Shares or a combination thereof, equal to the amount by which the fair market value of the Common Shares (as determined by the Board on the date of surrender) acquired pursuant to the options exceeds the aggregate exercise price with respect to the Common Shares acquired pursuant to such options.

### *Transferability*

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 or to the extent, if any, permitted by the TSX. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

### *Amendment and Termination of Plan*

Subject to applicable approval of the TSX, the Board may, at any time, suspend or terminate the Stock Option Plan. Subject to applicable approval of the TSX, the Board may also at any time amend or revise the terms of the Stock Option Plan; provided that no such amendment or revision shall alter the terms of any options theretofore granted under the Stock Option Plan, unless shareholder approval, or disinterested shareholder approval, as the case may be, is obtained for such amendment or revision.

### *Necessary Approvals*

The ability of a Participant to exercise options and the obligation of the Company to issue and deliver Common Shares in accordance with the Stock Option Plan is subject to any approvals which may be required from shareholders of the Company and any regulatory authority or stock exchange having jurisdiction over the securities of the Company. If any Common Shares cannot be issued to any Participant for whatever reason, the obligation of the Company to issue such Common Shares shall terminate and any option exercise price paid to the Company will be returned to the Participant.

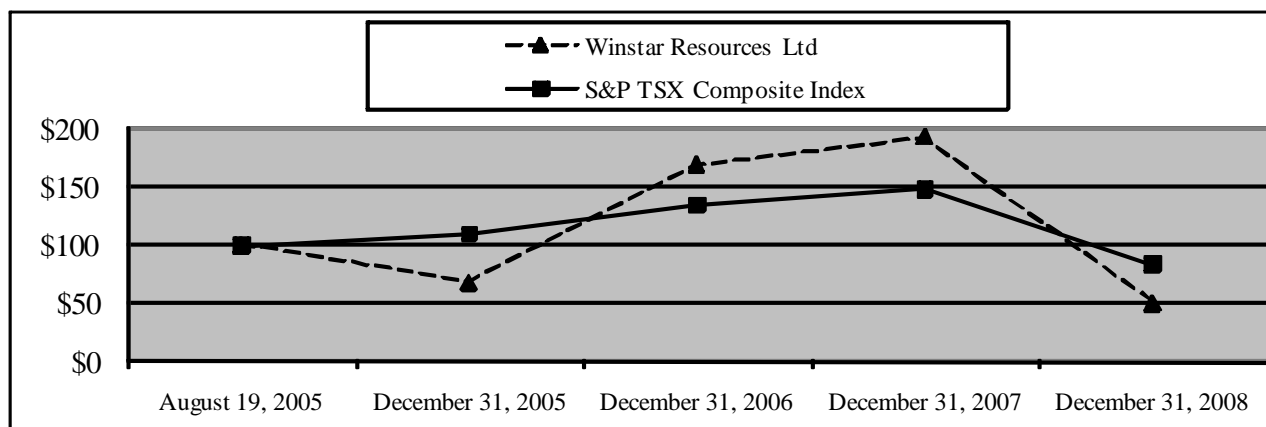
### *Option-based Awards and Share-based Awards*

The Company did not have any share-based awards outstanding at the end of the most recently completed financial year.

Options are normally recommended by the Company's management, reviewed by the Compensation Committee upon the commencement of employment with the Company based on the level of responsibility within the Company, and if approved by the Compensation Committee, recommended for approval by the board of directors. Additional grants may be made periodically, generally on an annual basis, to ensure that the number of options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within the Company. In considering additional option grants, the number of options then held and the value thereof is taken into account in determining option grants.

### **Performance Graph**

The following graph and table compare the yearly percentage change (converted into a fixed investment) in the cumulative shareholder return on the Common Shares (assuming a \$100 investment was made on August 19, 2005) with the cumulative total return of the S&P TSX Composite Index for the period which commenced on August 19, 2005 and ended on December 31, 2008 assuming reinvestment of dividends where applicable.



	August 19, 2005 <sup>(1)</sup>	December 31, 2005	December 31, 2006	December 31, 2007	December 31, 2008
Winstar Resources Ltd	\$100	\$68	\$169	\$193	\$50
S&P TSX Composite Index	\$100	\$110	\$135	\$149	\$84

**Note:**

(1) The Company commenced trading on the TSX on December 29, 2006. Prior to this time the Company was listed on the TSX – Venture Exchange. Effective August 19, 2005 the Company completed its merger with Athanor B.V. and completed a share consolidation on a five for one basis.

Executive compensation increased during 2006 and 2007 reflected the companies relative performance to S&P Composite Index. During 2008, total compensation which included no amount for annual incentive payments resulted in lower total compensation. In addition, the Company’s share price performance resulted in the executive officers having no current value from the long term incentive compensation program.

**Summary Compensation Table**

The following table provides a summary of compensation earned for each of the last three fiscal years by the persons who held the positions of Chief Executive Officer (“CEO”), President and Chief Financial Officer (“CFO”), Executive Vice President and Vice President of Finance and former Chief Financial Officer of the Company (collectively the “Named Executive Officers” or “NEOs” and the only executive officers of the Company).

Name and Principal Position	Year	Salary	Option-based awards <sup>(1)</sup>	Annual Incentive plans	Pension Value	All other Compensation <sup>(5)</sup>	Total Compensation
Charles de Mestral <sup>(3)</sup> CEO	2008	295,200	84,000	-	-	45,552	421,752
David Monachello President and CFO	2008	243,000	73,500	-	-	-	316,500

Name and Principal Position	Year	Salary	Option-based awards <sup>(1)</sup>	Annual Incentive plans	Pension Value	All other Compensation <sup>(5)</sup>	Total Compensation
<b>Roger McMechan</b> <i>Executive Vice President</i>	2008	209,000	63,000	-	-	-	272,000
<b>Bradley Giblin</b> <sup>(2)</sup> <i>Vice President Finance</i>	2008	140,000	135,800	-	-	-	275,800
<b>Don Milne</b> <sup>(4)</sup> <i>Former CFO</i>	2008	13,333	-	-	-	100,701	114,034

**Notes:**

- (1) Grant date fair value of the applicable awards granted on April 14, 2008 as calculated using the Black-Scholes option pricing model based on the following assumptions: exercise price - \$5.10, risk free rate - 3.13%, volatility - 48.47% and estimated life of 4 years.
- (2) During 2008, Mr. Giblin, in addition to options granted in (1) was granted 35,000 options on January 30, 2008 related to his new position and responsibilities as Vice-President of Finance. Grant date fair value of the applicable awards as calculated using the black-scholes option pricing model based on the following assumptions: exercise price - \$5.65, risk free rate - 3.13%, volatility - 50.04% and estimated life of 4 years.
- (3) Mr. de Mestral is located in Switzerland and his compensation is paid in Swiss Francs. Mr. de Mestral is the only Named Executive Officer located in Switzerland as of the Effective Date. There are two retirement plans: (i) the official Swiss social security plan is a (AVS, AI, APG, AC and maternity), of which the cost to Athanor Management Services S.A., a wholly owned subsidiary of the Company, is 6.58% of salary on an annual basis; and (ii) the complementary plan (LPP – Winterthur Columna), of which the cost to Athanor Management Services S.A. is 12.6% of salary on an annual basis. Mr. de Mestral's salary, pension plan benefit and all other compensation were translated at the average rate conversion rate of Swiss franc = 0.984 \$CDN.
- (4) Mr. Milne ceased employment with the company on February 1, 2008 and received 1 month salary in January 2009 and a severance package as noted in all other compensation.
- (5) The value of perquisites received by each NEOs, including property or other personal benefits provided to the NEOs that are not generally available to all employees, were not in aggregate greater than \$50,000 or 10% of the NEOs total salary for the financial year.

### Outstanding Option-based awards – Named Executive Officers

Name	Number of securities underlying unexercised options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of unexercised in-the-money options (\$)
Charles de Mestral	123,300	\$2.90	August 22, 2010	Nil
	50,000	\$2.90	March 31, 2011	Nil
	50,000	\$4.36	March 28, 2012	Nil
	40,000	\$5.10	April 14, 2013	Nil
David Monachello	270,000	\$2.90	August 22, 2010	Nil
	45,000	\$2.90	March 31, 2011	Nil
	50,000	\$4.36	March 28, 2012	Nil
	35,000	\$5.10	April 14, 2013	Nil
Roger McMechan	80,000	\$3.40	March 29, 2010	Nil
	120,000	\$2.90	August 22, 2010	Nil
	40,000	\$2.90	March 31, 2011	Nil
	50,000	\$4.36	March 28, 2012	Nil
	30,000	\$5.10	April 14, 2013	Nil
Bradley Giblin	10,000	\$2.90	August 22, 2010	Nil
	10,000	\$2.90	March 31, 2011	Nil
	18,000	\$4.36	March 28, 2012	Nil
	35,000	\$5.65	January 30, 2013	Nil
	25,000	\$5.10	April 14, 2013	Nil

**Note:**

(1) The Company does not have a share-based awards program.

### Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each of NEOs, the value of option-based awards which vested during the year ended December 31, 2008. The Company does not have any share-based awards.

Name	Option-based awards-Value vested during the year <sup>(1)</sup> (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Charles de Mestral	43,333	-
David Monachello	39,900	-
Roger McMechan	36,467	-
Bradley Giblin	10,107	-

**Note:**

- (1) Aggregate dollar value of the Common Share that would have been realized if the options had been exercised on the vesting date and calculated based on the difference between the market price of the Common Shares underlying the option on the vesting date and the exercise price of the options. **[NTD: Does this include the value of options granted to directors?]**

## **Employment Agreements and Termination Arrangements**

### *Chief Executive Officer – Charles de Mestral*

Mr. de Mestral, the Chief Executive Officer of the Company has entered into an employment agreement with a subsidiary of the Company, Athanor Management Services S.A. Compensation includes: (1) base salary, (2) other benefits (“frais de representation”) and (3) an annual bonus at the discretion of the Board. This agreement also provides, among other things, for payment to the Chief Executive Officer of compensation upon termination of his employment in certain circumstances.

In the case of termination because of disability or health reasons, the Chief Executive Officer is entitled to receive his salary for two years thereafter as well as a lump sum payment equal to his last bonus. Based on 2008 compensation, it is estimated that under this circumstance a payment of \$590,000 representing two years salary would be issued

In the case of termination for cause (as defined in the executive employment agreement), the Chief Executive Officer is entitled to a lump sum equal to his last bonus. Based on 2008 compensation no amount would be paid based in this circumstance.

In the case of termination in breach of his executive employment agreement by the Company, or for good reason (as defined in the executive employment agreement) or in the case of a change of control, or if the subject contract is terminated by the employer, the Chief Executive Officer is to receive a lump sum payment equal to 165% his base salary, plus “frais de representation”, plus his last bonus, provided that such lump sum payment is not less than 200% of the base salary plus “frais de representation”. The Chief Executive Officer’s pension and other benefits will continue for one year beyond such termination. Based on 2008 compensation it is estimated that termination under this circumstance would result in an estimated payment of approximately \$56,000 representing the amount that is not less than 200% of his base salary plus “frais de representation” plus the payment of benefits for one year.

In the case of termination for retirement (at the age of 60), the Chief Executive Officer is to receive a lump sum in cash equal to 80% of his base salary, plus “frais de representation”, plus the last bonus, provided that such lump sum is no less than 100% of the base salary plus “frais de representation” and plus his last bonus. The Chief Executive Officer's pension and other benefits will continue for one year beyond termination for retirement. Based on 2008 compensation it is estimated that this circumstance would result in a payment of approximately \$295,000 representing base salary plus “frais de representation” plus the payment of benefits for one year which are approximately \$56,000.

In case of death, the Chief Executive Officer's estate is to receive a lump sum in cash equal to 120% of his base salary plus “frais de representation”, plus the last bonus, provided that such lump sum is no less than 150% of the base salary plus “frais de representation”. The Chief Executive Officer's pension and other benefits applicable to his family will continue for one year beyond termination because of death. Payments under the case of death would result in an estimated amount of \$442,000

representing a minimum amount of 150% of base salary plus “frais de representation” plus the payment of benefits totalling approximately \$56,000.

The Chief Executive Officer is not obligated to mitigate any of the amounts he would be entitled to because of the termination of the contract. For a period of twelve months following termination, the Chief Executive Officer will not solicit any employee of the Company or its subsidiaries or acquire assets of the Company or its subsidiaries.

*David Monachello, Roger McMechan and Bradley Giblin*

Mr. Monachello, the President and interim Chief Financial Officer during 2008, Mr. McMechan, the Executive Vice President and Mr. Giblin, the Vice President of Finance (effective April 1, 2009, Mr. Giblin was announced as the Company’s Chief Financial Officer, have all entered into an executive employment agreement which provides, among other things, for payment of compensation upon termination of his employment in certain circumstances. If the employment is terminated with cause, resignation or retirement, the Company has no further obligation to the noted executives. If the employee is terminated without just cause or at the election of the officer by reason of change of control (as defined in the executive employment agreement), the executives would be entitled to the following:

David Monachello - President and interim Chief Financial Officer during 2008 will be entitled to 1.5 times his annual compensation, plus the average annual bonus of the preceding two years plus the right to exercise all vested stock options for a period of 180 days from his termination of employment. Based on 2008 compensation, termination under the terms of the employment contract would result in an estimated payment of \$412,000 representing 1.5 times the annual salary plus the average annual bonus of the two preceding years. As at December 31, 2008 no vested options were in-the-money and thus would not result in an additional benefit to the employee.

Roger McMechan – Executive Vice President will be entitled to 1.5 times his annual compensation, plus the average annual bonus of the preceding two years plus the right to exercise all vested stock options for a period of 180 days from his termination of employment. Based on 2008 compensation, termination under the terms of the employment contract would result in an estimated payment of \$360,000 representing 1.5 times the annual salary plus the average annual bonus of the two preceding years. As at December 31, 2008 no vested options were in-the-money and thus would not result in an additional benefit to the employee.

Bradley Giblin –Vice President of Finance will be entitled to 1.0 times his annual compensation, plus the average annual bonus of the preceding two years plus the right to exercise all vested stock options for a period of 180 days from his termination of employment. Based on 2008 compensation, termination under the terms of the employment contract would result in an estimated payment of \$158,000 representing 1.0 times the annual salary plus the average annual bonus of the two preceding years. As at December 31, 2008 no vested options were in-the-money and thus would not result in an additional benefit to the employee.

### **Director Compensation**

The Compensation Committee determines the level of director compensation by engaging an independent third party to prepare a benchmark comparison of peer group companies, which for the 2008 fiscal year, was comprised of 8 Canadian oil and gas companies of similar size and nature.

This review includes analysis of both cash based payments as well as director inclusion into the Companies stock option program and is conducted on a biennial basis.

Name	Fees earned <sup>(1)</sup> (\$)	Option-based awards <sup>(4)</sup> (\$)	Non-equity incentive plain compensation (\$)	Total (\$)
Douglas Baker	30,000	15,750	-	45,750
Bernard de Combret	30,000	15,750	-	45,750
W. Russ Duncan	25,000	15,750	-	40,750
Evgenij Iorich <sup>(2)</sup>	3,333	-	-	3,333
Bryan Lawrence <sup>(3)</sup>	-	-	-	-
Bruce Libin	37,000	15,750	-	52,750
Robert Mitchell	25,000	15,750	-	40,750
Christopher Whyte <sup>(5)</sup>	-	-	-	-
<b>Independent Director Total</b>	<b>145,333</b>	<b>78,750</b>	<b>-</b>	<b>229,083</b>

**Notes:**

- (1) Fees earned as calculated below.
- (2) Mr. Iorich was appointed to the board on October 27, 2008 and received fees prorated for his 2008 service.
- (3) Mr. Lawrence received no compensation or option-based awards for serving as a director of the company.
- (4) Mr. Baker, Mr. de Combret, Mr. Duncan, Mr. Libin and Mr. Mitchell were each granted 7,500 options on April 15, 2008 at an exercise price of \$5.10 per option and a fair value at the date of grant of \$2.10 per option.
- (5) Mr. Whyte was appointed a director of Winstar Resources Ltd effective March 26, 2009 and as such received no compensation as a director for the year ended December 31, 2008.

*Summary of Fees Earned*

Name	Board Retainer (\$)	Committee member Retainer (\$)	Non-executive Chairman Retainer (\$)	Total Fees Earned (\$)
Douglas Baker	20,000	10,000	-	30,000
Bernard de Combret	20,000	10,000	-	30,000
W. Russ Duncan	20,000	5,000	-	25,000
Evgenij Iorich	3,333	-	-	3,333
Bryan W. Lawrence	-	-	-	-
Bruce H. Libin	-	10,000	17,000	37,000
Robert W. Mitchell	20,000	5,000	-	25,000
<b>Independent Director Total</b>	<b>83,333</b>	<b>40,000</b>	<b>17,000</b>	<b>145,333</b>

*Director Incentive Plan Awards*

<b>Name</b>	<b>Number of securities underlying unexercised options (#)</b>	<b>Option Exercise Price (\$)</b>	<b>Option Expiration Date</b>	<b>Value of unexercised in-the-money options (\$)</b>
Douglas Baker	35,000	\$5.10	November 16,	Nil
	10,000	\$2.90	March 31, 2011	Nil
	12,000	\$4.36	March 28, 2012	Nil
Bernard de Combret	10,000	\$2.90	March 31, 2011	Nil
	8,000	\$4.36	March 28, 2012	Nil
	7,500	\$5.10	April 14, 2013	Nil
W. Russ Duncan	12,000	\$4.36	March 28, 2012	Nil
	7,500	\$5.10	April 14, 2013	Nil
Bruce Libin	80,000	\$2.90	August 22, 2010	Nil
	20,000	\$2.90	March 31, 2011	Nil
	20,000	\$4.36	March 28, 2012	Nil
	7,500	\$5.10	April 14, 2013	Nil
Robert Mitchell	35,000	\$2.90	August 22, 2010	Nil
	10,000	\$2.90	March 31, 2011	Nil
	12,000	\$4.36	March 28, 2012	Nil
	7,500	\$5.10	April 14, 2013	Nil
Bryan Lawrence <sup>(1)</sup>	-	-	-	-
Evgenij Iorich <sup>(1)</sup>	-	-	-	-

**Notes:**

- (1) Bryan H. Lawrence and Evgenij Iorich did not participate in the company's director incentive plan during 2008 and prior periods.
- (2) The Company does not have a share-based awards program.

*Incentive Plan Awards – Value Vested or Earned by Directors During the Year*

The following table sets forth for each of our directors other than directors who are also NEO's, the value of option-based awards which vested during the year ended December 31, 2008. The Company does not have any share-based awards or non-equity incentive plan compensation that includes vesting provisions.

Name	Option-based awards-Value vested during the year <sup>(1)</sup> (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Douglas Baker	9,027	N/A
Bernard de Combret	9,027	N/A
W. Russ Duncan	9,027	N/A
Bruce Libin	17,333	N/A
Robert W. Mitchell	9,027	N/A

**Notes:**

- (1) Aggregate dollar value of the Common Share that would have been realized if the options had been exercised on the vesting date and calculated based on the difference between the market price of the common shares underlying the option on the vesting date and the exercise price of the options.
- (2) The Company does not have a share-based awards program.

### EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth securities authorized for issuance under any compensation plan of the Company as at December 31, 2008.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options (\$)	Number of Common Shares remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	2,508,000	3.74	913,504
Equity compensation plans not approved by security holders	-	-	-
<b>Total</b>	<b>2,508,000</b>	<b>3.74</b>	<b>913,504</b>

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer or any of their respective associates or affiliates is, or has been at any time since the beginning of the last completed fiscal year ended December 31, 2008, indebted to the Company or any of its subsidiaries.

### INTEREST OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED ON

Management is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director, executive officer, anyone who has held office as such at any time since the beginning of the last financial year, proposed nominee for election as a director of the Company, or their respective associates or affiliates, in any matter to be acted on at the Meeting except as disclosed herein.

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

Management is not aware of any material interest, direct or indirect, of any informed person of the Company, any proposed director of the Company, or their respective associates or affiliates, in any transaction since the commencement of the Company's last financial year or in any proposed transaction that has materially affected or would materially affect the Company or any of its subsidiaries.

## **AUDIT COMMITTEE**

The Audit Committee is currently made up of three unrelated and independent directors: Douglas Baker (Chairman), Bruce Libin and Bryan Lawrence. Canadian securities regulation requires all Audit Committee members be financially literate. The Company's Board of Directors has determined all members of the Audit Committee are financially literate.

The Audit Committee communicates regularly and directly with management and the auditors of the Company. The Audit Committee met four times in 2007. Time was set aside regularly to meet with the shareholders' auditors, without management of the Company.

See Audit Committee Information in our Annual Information Form dated March 26, 2009 for more information about the Audit Committee, including the Mandate of the Audit Committee and information about the independence, financial literacy, relevant education and experience of Audit Committee members. A copy of our Annual Information Form dated March 26, 2009 can be found on SEDAR at [www.sedar.com](http://www.sedar.com) and, upon request, the Company will provide a copy of such document free of charge to a shareholder of the Company.

## **DIRECTORS' AND OFFICERS' LIABILITY INSURANCE**

The Company provides, at its expense, insurance for the Company's directors and officers as well as directors and officers of the Company's affiliates and subsidiaries. The insurance is for liability incurred by any of them in their capacity as a director or officer of the Company. This insurance policy provides coverage of up to \$15,000,000 for the directors and officers of the Company in aggregate.

## **CORPORATE GOVERNANCE DISCLOSURE**

Corporate governance relates to the activities of the Board and the structures, traditions and processes of leadership and stewardship that assign power, define roles and responsibilities governing communications with the Shareholders and ensure accountability.

The Board recognizes that effective corporate governance is critical to the continued and long-term success of the Company. The Company continues to update and modify its governance practices from time to time and is of the view that Winstar's general approach to corporate governance is appropriate and entirely consistent with the objectives required by applicable law, in particular, National Instrument 58-101 Disclosure of Corporate Governance Practices ("NI 58-101") and National Policy 58-201 Corporate Governance Guidelines. NI 58-101 came into force on June 30, 2005 and effectively replaced the corporate governance guidelines and disclosure policies of the TSX. Under NI 58-101, the Company is required to disclose certain information relating to its corporate governance practices. This information is set out in Schedule "A" to this Management Information Circular.

## **OTHER BUSINESS**

While there is no other business other than that mentioned in the Notice to be presented to the shareholders at the Meeting, it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting, or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's comparative financial statements and management's discussion and analysis for its most recently completed financial year. Security holders may contact the Secretary of the Company to request copies of the Company's financial statements and management's discussion and analysis at (403) 205-3722.

## SCHEDULE "A"

### WINSTAR RESOURCES LTD.

#### ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS to be held on Thursday, May 14, 2009

#### MANAGEMENT INFORMATION CIRCULAR dated April 9th, 2009

### CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices ("**NI 58-101**"), Winstar Resources Ltd. (the "**Company**") is required to disclose its corporate governance practices, as summarized below with respect to 2008.

#### 1. Board of Directors

The majority of the Board of Directors of the Company (the "**Board**" or the "**Board of Directors**") is comprised of independent directors within the meaning of NI 58-101. The Board has assessed and affirmatively determined that Bruce R. Libin, Chairman of the Board along with Bernard P. de Combret, Bryan H. Lawrence, Robert W. Mitchell, Douglas N. Baker, W. Russ Duncan and Evgenij Iorich are independent directors in accordance with NI 58-101. As Charles A. de Mestral, David A. Monachello, and Roger G. McMechan, hold the positions of President, Executive Vice-President, and Chief Executive Officer, respectively, they are not considered independent in accordance with NI 58-101. The Company believes the composition of the Board of Directors fairly reflects the investment of minority shareholders.

The following table sets forth the name of each reporting issuer, other than the Company, of which a director of the Company is also a director and each director's record of attendance at the Board and Committee meetings:

Name of Director	Other Reporting Issuers	Board of Directors	Audit Committee	Reserves Committee	Compensation Committee <sup>(2)</sup>
		(12)	(4)	(3)	(12)
Douglas N. Baker	Valiant Energy Inc.; Century Energy Ltd; True Energy Trust; Orleans Energy Ltd	11	4	N/A	10
Bernard P. de Combret	Coastal Energy Company Petrofrac Limited <sup>(1)</sup>	10	N/A	2	8
W. Russ Duncan	None	12	N/A	3	N/A
Bryan H. Lawrence	Hallador Petroleum Company <sup>(1)</sup> ; Crosstex Energy Inc. <sup>(1)</sup> ; Star Gas Partners, L.P. Approach Resources Inc <sup>(1)</sup>	12	4	N/A	12
Bruce R. Libin	Provident Energy Trust; Destiny Resource Services Corp.	12	4	N/A	11
Robert W. Mitchell	Provident Energy Trust	12	N/A	3	N/A
Charles A. de Mestral	None	12	N/A	N/A	N/A
David A. Monachello	None	12	N/A	N/A	N/A
Roger G. McMechan	None	12	N/A	N/A	N/A
Evgenij Iorich	None	3 <sup>(2)</sup>	N/A	N/A	N/A

**Notes:**

- (1) A United States publicly-traded company.  
(2) Evgenij Iorich joined the Board of Directors on October 27, 2008.

In accordance with the written mandate of the Board, the independent directors of the Board regularly hold *in camera* sessions of the Board at such times as the independent directors determine advisable. During 2008, *in camera* sessions were held in conjunction with seven of twelve regular meetings of the Board of Directors and all Audit Committee meetings. The independent members of the Board have an opportunity to meet, in conjunction with every regular meeting of the Board, without the members of the Board who are not independent.

## 2. Mandate of the Board of Directors

The Board of Directors has ultimate responsibility with respect to the business and affairs of the Company. The Board of Directors discharges its responsibilities through the Audit Committee, the Compensation Committee and the Reserves Committee. At meetings of the Board of Directors, members receive and discuss reports on the operations of the Company, financial statements and information, significant capital expenditures, proposed debt and equity financing, strategic plans and any other matters of a material nature. The day to day operations are delegated to the senior management of the Company. All matters of a material nature or significant tactical or strategic importance require the approval of the Board of Directors.

Meetings are scheduled to review and approve the audited and unaudited financial statements of the Company and to deal with such other business as may properly come before such meetings. Frequency of meetings, as well as the nature of the business to be discussed thereat, varies depending upon the activities of the Company and other events that affect the Company in the course of its operations.

### **3. Position Descriptions**

The Board has not developed written position descriptions for any of the chair of the board, the chair of each board committee or the CEO. Instead, the Board delineates the role and responsibilities of each such position by utilizing the knowledge and experience of the members of the Board, as a whole.

### **4. Orientation and Continuing Education**

While the Company does not currently have a formal orientation and education program for new recruits to the Board, the Company has historically provided such orientation and education on an informal basis. As new directors have joined the Board, management has provided these individuals with corporate policies, historical information about the Company, as well as information on the Company's performance and its strategic plan with an outline of the general duties and responsibilities entailed in carrying out their duties. The Board believes that these procedures have proved to be a practical and effective approach in light of the Company's particular circumstances, including the size of the Company, limited turnover of the directors and the experience and expertise of the members of the Board. Furthermore, the Company encourages directors to attend, enrol or participate in courses and/or seminars focusing on financial literacy, corporate governance and other related matters.

### **5. Ethical Business Conduct**

As of the Effective Date, the Board of Directors has adopted a code of business ethics and conduct applicable to all members of the Company, including directors, officers and employees (the "**Code of Business Ethics and Conduct**"). Each director, officer and employee of the Company has signed the Code of Business Ethics and Conduct and a copy of the Code of Business Ethics and Conduct has been filed on SEDAR at [www.sedar.com](http://www.sedar.com).

The Board of Directors will monitor compliance with the Code of Business Ethics and Conduct by requiring each employee to affirm in writing on an annual basis his or her agreement to abide by the Code of Business Ethics and Conduct, as to his or her ethical conduct and in respect of any conflicts of interest.

The Board of Directors of the Company itself must comply with the conflict of interest provisions of the *Business Corporations Act* (Alberta), as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

### **6. Nomination of Directors**

The Board of Directors as a whole is responsible for nominating new members of the Board of Directors. The Board of Directors considers succession planning (including appointment of senior management) when assessing new members. Nominees are considered on the basis of a mix of skills and experience necessary to guide the long-term strategy and ongoing business operations of the

Company. The review takes into account the desirability of maintaining a balance of skills, experience and background, with appropriate diversity, along with the key common characteristics required for effective participation.

## **7. Compensation**

As of the Effective Date, the Board of Directors has established a compensation committee (the “**Compensation Committee**”) composed entirely of independent directors to address issues of compensation for the Company. It is the Compensation Committee’s responsibility to review the compensation policy and remuneration policy of the Company and make any changes necessary to improve the Company’s ability to retain, recruit, and motivate employees. The Compensation Committee will annually review all employment and remuneration policies and recommendations, as well as the adequacy and form of the compensation of directors, taking into consideration current trends in compensation policies of issuer’s of a similar size to the Company. The Compensation Committee will recommend to the Board to make changes in compensation when warranted and in light of the responsibilities and risks involved in being a director. The Compensation Committee will also review and approve corporate goals and objectives in relation to the compensation of the Chief Executive Officer, President, Executive Vice-President, and Vice-President of Finance of the Company, and evaluates the Chief Executive Officer’s, President’s, Executive Vice-President’s and Vice-President of Finance’s performance in light of such goals and objectives, making recommendations to the Board based upon this evaluation.

The Company has engaged Deloitte & Touche LLP solely to assist in determining compensation for the Company’s non-management directors, which included a survey of public information available from a peer group of companies as disclosed in the “Director Compensation” section of this Management Information Circular.

## **8. Other Board Committees**

The Company also has a reserves committee (the “**Reserves Committee**”) composed entirely of independent directors: Robert W. Mitchell (Chairman), Russ Duncan and Bernard de Combret. The Reserves Committee is charged with the responsibility of assisting the Board in fulfilling its oversight responsibilities in respect of the adequacy, integrity, and effectiveness of the process by which the Company’s reserves are evaluated and reported. Specifically, the Reserves Committee performs the following functions:

- (a) reviewing the Company’s procedures relating to the disclosure of information with respect to oil and gas activities including reviewing the procedures for complying with the Company’s disclosure requirements as set forth under applicable securities regulations;
- (b) reviewing the Company’s procedures for providing information to the Company’s independent reserves evaluator and the review such reserves data;
- (c) reviewing the appointment of the Company’s independent reserves evaluator;
- (d) providing recommendations to the Board of Directors respecting the approval of the content and filing of the Company’s statement of reserves data and other information which may be prescribed by applicable securities requirements;

- (e) reviewing the Company's procedures for reporting all other information associated with oil and gas producing activities; and
- (f) generally reviewing all matters relating to the preparation and public disclosure of estimates of the Company's oil and gas reserves.

## **9. Assessments**

The Board of Directors is continually assessing and improving the execution of its responsibilities. The Board of Directors is also responsible for regularly assessing the effectiveness and contribution of individual directors, having regard to the competencies and skills each director is expected to bring to the Board of Directors.