FORM 2B
LISTING APPLICATION

March 30, 2012

Passport Energy Ltd. ("**Passport**" or the "**Corporation**") wishes to list its common shares ("**Common Shares**") on the TSX Venture Exchange.

"No securities regulatory authority or the TSX Venture Exchange has expressed an opinion about the securities which are the subject of this application"

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FORWARD LOOKING STATEMENTS

Certain statements contained in this listing application constitute forward-looking statements within the meaning of certain securities laws. These statements reflect the Corporation's current expectations regarding future events and future performance. All statements, other than statements of historical fact, are forward-looking statements. The use of any of the words "believe", "expect", "anticipate", "intend", "estimate", "continue", "project" and other similar expressions or future or conditional verbs such as "may", "will", "should", "would", and "could" are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The material factors and assumptions used to develop these forwarding-looking statements include, but are not limited to, information available to the Corporation about itself and the business in which it operates. Information used in developing forward looking statements has been acquired from various sources including third party consultants, suppliers, regulators and other sources. Although the forward-looking statements contained in this listing application are based upon what management of the Corporation believes are reasonable assumptions, the Corporation cannot assure investors that actual results will be consistent with these forward-looking statements. Accordingly, the forward-looking statements included in this listing application should not be relied upon.

In particular, this listing application contains forward-looking statements pertaining to the following:

- the exploration plans of the Corporation with respect to the Sweetgrass Arch and Hardy Bakken Field;
- the Corporation's stated business objectives and strategies;
- projections of exploration and operating expenses;
- expectations regarding the ability of the Corporation to raise capital and to execute its business plan;
- the performance, geological and other characteristics of the Corporation's exploration properties;
- the prospective and contingent resources estimated by management of the Corporation and certain experts;
- the ability of the Corporation to engage drilling contractors, to obtain and transport equipment, services, supplies and personnel in a timely manner and at an acceptable cost to carry out its activities and plans;
- oil and natural gas production levels;
- the ability of the Corporation to market its oil and natural gas and to transport its oil and natural gas to market;
- the timing and costs of all other exploration and development plans of the Corporation;
- timely receipt of regulatory approvals, including Exchange final listing approval, and the terms and conditions of such approval;

- drilling plans and the costs and timing of drilling, including potential cause of delay in such timing;
- the ability of the Corporation to obtain drilling success consistent with expectations;
- the ability of the Corporation to obtain capital to finance its exploration, development and operations;
- capital expenditure programs and the timing and method of financing thereof; and
- the size of the Corporation's oil and natural gas resources.

The Corporation's actual results could differ materially from those anticipated in the forward-looking statements contained in this listing application as a result of the risk factors set forth below and elsewhere in this listing application:

- volatility in market prices for oil and natural gas;
- lack of transportation and inability to produce resources;
- liabilities inherent in oil and natural gas operations;
- adverse regulatory rulings, orders and decisions;
- uncertainties and limitations associated with seismic data and the ability to draw conclusions therefrom;
- lack of complete geological and engineering data on which to make resource estimates;
- uncertainties associated with estimating oil and natural gas reserves and resources;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands, skilled personnel and access to services;
- incorrect assessments of the value of acquisitions and exploration and development programs;
- stock market volatility and market valuations;
- geological, technical, drilling and processing problems and other difficulties in producing reserves and resources;
- actions by foreign and domestic governmental and regulatory authorities including changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; and
- political, economic, social and other uncertainties.

See "*Risk Factors*".

Statements relating to "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the resources described can be profitably produced in the future.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Before placing any reliance on forward-looking statements to make a decision with respect to an investment in the Common Shares, prospective investors and others should carefully consider the factors identified above and other risks, uncertainties and potential changes that may cause actual results to differ materially from those anticipated in such forward-looking statements. In addition, the forward-looking statements contained in this listing application are made as of the date of this listing application. The Corporation does not undertake any obligation to publicly update or revise any forward-looking statements, except as expressly required by applicable securities laws. The forward-looking statements contained in this listing application are expressly qualified by this cautionary statement.

GLOSSARY OF TERMS

In this listing application, unless the context otherwise requires, capitalized words and phrases shall have the meanings set forth below. In the event of a conflict between a term defined in the glossary and a term defined in the policy manual of the Exchange, the Exchange definition will govern:

"**AFE**" means authorization for expenditure;

"**American Eagle**" means American Eagle Energy, Inc.;

"**AMI**" means the area of mutual interest as further described in the Purchase and Sale Agreement;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), together with any amendments thereto and all regulations promulgated thereunder;

"**Bcf**" means billion cubic feet;

"**BCFG**" means billion cubic feet gas;

"**Board of Directors**" or "**Board**" means the board of directors of the Corporation, as constituted from time to time;

"**CEO**" means Chief Executive Officer;

"**CFO**" means Chief Financial Officer;

"**CNSX**" means the Canadian National Stock Exchange, formerly known as the CNQ – the Canadian Trading and Quotation System;

"**CodeAmerica**" means Code America Investments, LLC;

"**Common Shares**" means the common shares in the capital of the Corporation;

"**COO**" means Chief Operating Officer;

"**Corporation**" or "**Passport**" means Passport Energy Ltd.;

"**CWI**" means carried working interest;

"**Damont**" means Damont Energy Inc.;

"**Escrow Agreement**" means the escrow agreement between the Corporation and Damont dated August 23, 2010;

"**Eternal Energy"** means Eternal Energy Corp.;

"**Exchange**" means the TSX Venture Exchange;

"Farm-in Agreement" means the farm-in agreement among Crescent Point Resources Partnership, Eternal Energy and the Corporation made as of December 2, 2011;

"**GAAP**" means Canadian generally accepted accounting principles;

"**GORR**" means gross overriding royalty;

"**Hardy Bakken Field**" means the Hardy Bakken Field located in southeastern Saskatchewan;

"**IFRS**" means International Financial Reporting Standards;

"**MHA**" means MHA Petroleum Consultants LLC;

"**MMCF**" means million cubic feet;

"**MTO**" means mineral titles online claim tenure;

"**NI 51-101**" means National Instrument 51-101 – *Standards for Disclosure for Oil and Gas Activities*;

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations*;

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*;

"**NP 58-201**" means National Policy 58-201 – *Corporate Governance Guidelines*;

"**Offering"** means the $2,600,000 private placement announced on February 27, 2012 comprised of $1,400,000 through the issuance of Common Shares priced at $0.15 per Common Share and $1,200,000 through the issuance of flow-through Common Shares priced at $0.17 per Common Share;

"**Options"** means options to acquire Common Shares pursuant to the Stock Option Plan;

"**Participation and Operating Agreement**" means the participation and operating agreement among EERG Energy ULC, AEE Canada Inc. and the Corporation made as of April 15, 2011;

"**Piebiter Letter Agreement**" means the letter agreement among Passport, John A. Chapman and KGE Management Ltd. dated February 23, 2007;

"**Piebiter Property**" means the Piebiter property at the Bralone Gold Camp near Bralone, British Columbia and includes the 11 MTO claim tenures;

"**Purchase and Sale Agreement**" means the purchase and sale agreement between the Corporation and Damont dated August 23, 2010 as amended by the amending agreement between the Corporation and Damont dated September 27, 2010;

"**Reserves Assessment**" means the Reserves Assessment and Evaluation of the Hardy Project of Passport Energy Ltd. in the Hardy area of Southeast Saskatchewan, Canada, effective September 30, 2011 prepared by GLJ Petroleum Consultants Ltd. dated January 13, 2012;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval, a filing system developed for the Canadian Securities Administrators;

"**Shareholders**" means the holders of Common Shares of the Corporation;

"**Stock Option Plan**" means the stock option plan of the Corporation dated effective as of March 15, 2012;

"**Sweetgrass Arch**" means the Sweetgrass Arch located in the Toole and Pondera Counties, Montana;

"**Sweetgrass LOI**" means the letter of intent between the Corporation and Damont dated August 11, 2010; and

"**Technical Review**" means the Technical Review of Certain Holdings of Passport Energy Ltd. in Toole and Pondera Counties, Montana, U.S. as of October 25, 2010 prepared by MHA Petroleum Consultants LLC and dated May 2011.

CONVENTIONS

Unless otherwise indicated, references herein to "$" or "dollars" are to Canadian dollars and all references to "US Dollars or "US$" are to U.S. dollars. All financial information with respect to the Corporation has been presented in Canadian dollars in accordance with GAAP in Canada.

SUMMARY

The following is a summary of the principal features of this listing application and should be read together with the more detailed information and financial data and statements contained elsewhere in this listing application.

Business: The Corporation is an early stage natural resource company engaged in the acquisition, exploration, development and production of natural gas and oil properties in North America. See "*Description of the Business*".

Listing: The Corporation has applied under this listing application to list a total of 113,001,599 Common Shares. This number takes into account the Common Shares currently outstanding (69,220,321), the Common Shares issuable upon the exercise of the Warrants (21,394,120), the Common Shares issuable pursuant to the Stock Option Plan (5,995,000) and the Common Shares issuable pursuant to the Offering (16,392,158). See "*Description of Securities to be Listed*".

Use of Proceeds: As at March 30, 2012, the estimated working capital of the Corporation after deducting the estimated expenses for the filing of this listing application is approximately $400,000. Management believes the Corporation's working capital together with proceeds of the Offering and production revenue will be sufficient to execute its business plan for the next 12 months following the date of this listing application. See "*Financings – Use of Proceeds*".

Risk Factors: The securities of the Corporation are subject to significant risk factors. These factors include risks related to our business and our industry, and risks relating to this listing application. Readers should carefully consider the information set out under "*Risk Factors*" and the other information contained in this listing application before purchasing the Common Shares. See "*Risk Factors*".

Summary Financial Information

The following table sets forth selected financial information with respect to the operations of the Corporation, which information has been derived from the financial statements of the Corporation and should be read in conjunction with the audited annual and unaudited interim financial statements of the Corporation and the notes to such financial statements incorporated by reference herein.

	For the year ended September 30, 2010 (audited)	**For the year ended September 30, 2011 (audited)**
Total revenues	-	$35,037
Total expenses	$725,920	$2,257,650
Net Loss	$(725,920)	$(2,222,613)
Per share – basic & fully diluted	$(0.04)	$(0.04)
Total assets	$511,474	$7,351,338
Total long term liabilities	-	$4,247
Cash dividends declared	-	-

DOCUMENTS INCORPORATED BY REFERENCE

The following documents of the Corporation, filed by the Corporation with the securities commission in each of British Columbia, Alberta and Ontario, are specifically incorporated into and form an integral part of this listing application:

- the audited comparative consolidated financial statements of the Corporation as at September 30, 2011 and 2010;
- the management's discussion and analysis of the Corporation for the year ended September 30, 2011;
- the management information circular dated February 15, 2012 relating to the annual and special meeting of the shareholders of the Corporation held on March 15, 2012;
- the statement of reserves data and other oil and gas information of the Corporation on Form 51-101F1 dated January 30, 2012, the report on reserves data by independent qualified reserves evaluator on Form 51-101F2 dated January 20, 2012 and the report of management and directors on reserves data and other information of the Corporation on Form 51-101F3 dated January 30, 2012; and
- the Technical Review of Certain Holdings of Passport Energy Ltd. in Toole and Pondera Counties, Montana, U.S. as of October 25, 2010 prepared by MHA Petroleum Consultants LLC dated May 2011.

Copies of the documents incorporated herein by reference may be obtained from the securities commissions or similar authorities in Canada through the Internet on SEDAR, which can be accessed online at www.sedar.com.

Any statement contained in this listing application or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for the purposes of this listing application, to the extent that a statement contained herein or in any other subsequently filed document which is also or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed to constitute a part of this listing application, except as so modified or superseded.

CORPORATE STRUCTURE

Name, Address and Incorporation

Passport was incorporated under the BCBCA on February 23, 2007 under the name of "Covenant Resources Ltd.". On December 6, 2010 the Corporation changed its name to "Passport Energy Ltd.".

The address for the head office of the Corporation is Suite 420, 600 - 6th Avenue S.W., Calgary, AB, T2P 0S5. The Corporation's registered and records office is located at Suite 1700, 666 Burrard Street, Vancouver, British Columbia, V6C 2X8. The address for the Corporation's website is www.passportenergy.com.

Intercorporate Relationships

Passport does not have any subsidiaries.

DESCRIPTION OF THE BUSINESS

General Development of the Business

The Corporation is an early stage natural resource company engaged in the acquisition, exploration, development and production of natural gas and oil properties in North America. The Corporation's two principal properties are the Hardy Bakken Field located in southeastern Saskatchewan and the Sweetgrass Arch located in the Toole and Pondera Counties, Montana are the focus of the its current exploration activities.

Five Year History

On February 23, 2007, the Corporation entered into the Piebiter Letter Agreement with John A. Chapman and KGE Management Ltd. (collectively, the "**Optionor**") for the option to acquire a 100% interest in the Piebiter Property. Pursuant to the terms of the Piebiter Letter Agreement the Corporation could earn a 100% interest in the Piebiter Property, subject to a 3% net smelter royalty in favour of the Optionor, by (i) completing $1,000,000 in exploration, (ii) making payments of $450,000 to the Optionor and (iii) issuing 1,000,000 common shares to the Optionor on or before October 31, 2012. On September 10, 2009, the Corporation and the Optionor entered into an amended and restated agreement to include the addition of four more contiguous MTO claim tenures acquired between February 23, 2007 and September 10, 2009, for a total of 11 contiguous MTO claim tenures. The Corporation elected not to complete the $75,000 work program that was required to be completed by June 15, 2010. On July 16, 2010, the Corporation announced that it had decided to allow the option on the Piebiter Property to lapse. As a result, the mineral properties and deferred exploration costs were written off during the year. The Corporation has no further obligations with respect to the Piebiter Property.

On August 11, 2010, the Corporation entered into the Sweetgrass LOI for the acquisition of oil and gas leases located in the Sweetgrass Arch. The Sweetgrass LOI outlined the terms of the acquisition of 41,500 acres of oil and gas leases in the Sweetgrass Arch prospect. The Sweetgrass LOI led the Corporation and Damont to enter into the Purchase and Sale Agreement allowing the Corporation purchase a 60% working interest in the Sweetgrass Arch. On October 15, 2010, the Corporation completed the acquisition through the issuance of 19,111,110 Common Shares at a deemed price of $0.20 per share for an aggregate acquisition cost of $3,822,222. The Common Shares issued pursuant to the acquisition are subject to the Escrow Agreement, whereby the Common Shares are released from escrow as follows; (a) 15% six months from August 23, 2010, (b) 15% twelve months from August 23, 2010, (c) 15% eighteen months from August 23, 2010, (d) 15% twenty-four months from August 23, 2010, (e) 15% thirty months from August 23, 2010 and (f) the remaining 25% thirty-six months from August 23, 2010. The Corporation has subsequently allowed certain non-core oil and gas leases to expire. The Corporation continues to own approximately 36,400 acres of oil and gas leases in the Sweetgrass Arch.

On December 22, 2010, the Corporation entered into a letter of intent allowing it to earn a 25% interest in the Hardy Bakken Field. On April 15, 2011 the Corporation entered the Participation and Operating Agreement with American Eagle and Eternal Energy whereby Passport has agreed to fund 38.5% of the drilling, completion and equipping costs of up to two wells located within the Hardy Bakken Field in exchange for a 25% working interest in each well.

On June 8, 2011, Passport, Eternal Energy and American Eagle announced the successful completion of drilling and casing the Hardy S 1A4-16-4B4-9-04-21W2 well.

On July 29, 2011, Passport, Eternal Energy and American Eagle announced that the Hardy S 1A4-16-4B4-9-04-21W2 well was being evaluated and was going to be placed on pump. The Corporation also announced that it was performing mapping and exploration work on its land package in Northern Montana.

On December 5, 2011, Passport, Eternal Energy and American Eagle announced the 1A4-16 well produced an average gross daily oil rate of approximately 164 barrels per day of 38 degree API oil during the period from September 22, 2011 to October 5, 2011. During this period, the well produced at a stabilized average measured oil cut of approximately 30% (of total produced fluid) and maintained a high stable fluid level. The well was shut in on October 6th due to wet weather and to facilitate a clean out of the horizontal leg. Operations took longer than expected due to the lack of service rig availability and weather conditions. The well was placed back on production in early November. Given the well's higher than expected productive rate, the current surface and down hole equipment configuration is insufficient to allow the well to produce at a consistent high rate for extended periods of time. As a result, the well is currently producing at a stabilized average gross daily oil rate of approximately 120 barrels per day (with an average oil cut of approximately 30% of total produced fluid).

On December 5, 2011, Passport, Eternal Energy and American Eagle also announced the execution of the Farm-in Agreement with a large independent Canadian oil and gas company covering 34 sections of land in close proximity to its Hardy property. The agreement provides for Passport, as operator (50%) and its partner, Eternal Energy (50%) to pay 100% of the drilling and completion costs of two Bakken horizontal wells to earn a 100% BPO interest (50% each) and a 65% APO interest (32.5% each) in ten contiguous sections (five sections per well) from surface to the base of the Three Forks zone, subject to the payment of Crown royalties and gross overriding royalties. Passport and Eternal Energy have the option to drill five additional rolling option wells to earn the same interest in the balance of the unearned 34 sections.

On December 13, 2011, Passport announced the expansion of the Hardy Bakken core area following a land sale held on December 5, 2011. Passport acquired seven sections (6.25 net) in close proximity to its existing acreage in the Hardy Bakken area. Within these seven sections, six were purchased at 100% working interest and one at 25% working interest (with the Corporation's area partner, Eternal Energy, at 75%). This brings the total number of sections that Passport has an interest in to 46.75 (gross) or 18.7 (net) within the core area.

On February 27, 2012, Passport announced that it had signed a revised letter of intent with Salman Partners Inc. ("**Salman Partners**") to act as Lead Agent ("**Lead Agent**") on a "commercial best efforts basis" for a syndicate of agents (the "**Agents**") including National Bank Financial and Haywood Securities Inc. for a $2.6 million private placement (the "**Offering**") comprised of $1.4 million Common Shares and $1.2 million Flow-Through Shares. The Offering may, at the election of Salman Partners, be increased by up to $300,000, in the event that subscriptions for Common Shares are received for greater than $2,600,000. See "Financings".

On January 30, 2012, Passport announced that, in conjunction with its partner American Eagle, it has successfully completed drilling and casing its Hardy North 3D14-17-3A3-17-4-21W2 well. This Bakken formation well was drilled to a vertical total measured depth of 3,358 m (11,015 ft.) with a lateral section of approximately 1,280 m (4,200 ft.). This well is located approximately 2,000 meters north and west of the Corporation's first Bakken horizontal development well, 4-16. A 26-stage fracture stimulation planned for the completion is scheduled for late February pending availability of the service crew. Passport has paid 23.1% of the drilling, completion and equipping costs of the well to earn a 15% working interest in 2 sections and a 7.5% working interest in 1.5 sections of land (640 net acres) in the Hardy North Area. The well completes the earning terms on the remainder of the joint Hardy North Acreage with its partner American Eagle.

Hardy Bakken Field

The Corporation executed a Participation and Operating Agreement with Passport, American Eagle and Eternal Energy whereby Passport has agreed to pay 38.5% of the costs of drilling, completing and equipping a 3,515 metre (measured depth) horizontal well to earn a 25% working interest in all petroleum and natural gas in sections E ½ and SW ¼ 4, W ½ 9, W ½ 16, W ½ 21 Twp 4 Rge. 21 W2M. The gross cost to drill, complete and equip this well is estimated to be $3,600,000 (net to Passport $1,386,000). Passport has the option to drill a second horizontal well within 120 days of equipping the first test well by paying 38.5% of the costs of drilling, completing and equipping a horizontal well to earn a 25% working interest in all petroleum and natural gas in Sections W ½ 5, 6, 17, 18 Twp. 4 Rge. 21 W2M. Following earning Passport will retain 368 net hectares (920 net acres) in 1472 gross hectares (3680 acres) in the Hardy Bakken field as described above. Currently, the petroleum and natural gas leases are set to expire in March 2016, but will be extended beyond their primary term if production is obtained from the wells drilled on these lands. The property has year round surface access.

Passport is responsible for its earned working interest share of all Saskatchewan crown royalties and non-convertible gross overriding royalties payable as follows:

- 1.75% GORR to Fairway Resources LLP
- 9% GORR to Crescent Point Energy
- .25% GORR to Tom Lantz
- 1.0% GORR to Richard Findley

The Hardy Bakken Field consists of one producing well, Pebble Hardy S RE HZ 2D7-09-3D2-16-04-21W2M, which was drilled by Eternal Energy and American Eagle in December 2010 and confirmed the presence of oil. The well has produced oil from the Bakken formation sporadically for the past 5 months. Pursuant to the Participation and Operating Agreement, Passport participated in the drilling of the first test well, EERG HARDY S HZ 1A4-16-4B4-09-21W2 which was drilled to a total measured depth of 3504 metres. A 28 stage frac of the well was successfully undertaken. An initial cleanup of the well was performed in order to clean out the horizontal section of any frac sand that could lead to damaging permanent pumping equipment. In the process of the clean out (performed using a service rig) the well was swab tested and recovered 5.7 m3 of oil and 32.0 m3 of formation water. Fluid levels remained high (~280m from surface) during the test indicating that the formation has excellent drive and inflow potential. The well is equipped with permanent down hole and surface equipment and was put on production in September, 2011. On January 30, 2012, Passport in conjunction with its partner American Eagle, successfully completed drilling and casing its Hardy North 3D14-17-3A3-17-4-21W2 well. The Bakken formation well was drilled to a vertical total

measured depth of 3,358 m (11,015 ft.) with a lateral section of approximately 1,280 m (4,200 ft.). This well is located approximately 2,000 meters north and west of the Corporation's first Bakken horizontal development well, 4-16. A 26-stage fracture stimulation planned for the completion is scheduled for late February pending availability of the service crew. Passport has paid 23.1% of the drilling, completion and equipping costs of the well to earn a 15% working interest in 2 sections and a 7.5% working interest in 1.5 sections of land (640 net acres) in the Hardy North Area. The well completes the earning terms on the remainder of the joint Hardy North Acreage with its partner American Eagle.

Geology of Hardy

The oil-bearing Bakken formation of the Williston Basin area was deposited in a restricted sea environment during Mississippian time. It is comprised of three main units. The lowermost unit is made of highly organic rich black shale. The middle unit, which is the main reservoir for the Bakken play, is comprised of very fine grained dolomitic sandstone with abundant pyrite (up to 10%) throughout. Locally it develops porosities of greater than 15% and, although its matrix permeability is usually in the 0.1mD range, due to its brittle nature, it is easily fractured resulting in very high permeabilities (>100mD) in some areas. The uppermost unit is very similar to the lowest unit as it is also a very organic-rich black shale. In the Hardy area the Middle Bakken reservoir unit is found at around 2025m depth.

Within the main Williston Basin, the Upper and Lower Bakken shales are typically the source for oil generation and, due to overpressuring and continued hydrocarbon generation within the shales, expel these hydrocarbons through the Middle Bakken migration pathways into the surrounding fields such as Viewfield and Hardy. This results in high water cuts as this oil mixes with the water already in the formation as it moves. Locally, in Hardy, there have been two cores taken and interpreted in the Middle Bakken fine grained sandstone reservoir. These cores show abundant dolomite in the sandstone, porosities >17% and permeabilities in the 0.3mD range. This is typical for a prolific reservoir in the Middle Bakken and, other than the typical range of error that is expected in core analysis, is thought to be a good representation for the Middle Bakken in this area as it is easily tied to logs throughout the area and would account for the high deliverability that is expected from early results in the EERG 4-16 well. Additional core analysis was performed by Canadian Energy Exploration on the 3-17-3-21W2 well and shows the very high pyrite content of the Middle Bakken. The percentage of pyrite in the core exceeds 10% in some samples and is important and the very dense and highly conductive nature of pyrite has a large effect on the resistivity curves in the area, driving the readings down and making the reservoir appear wet. How big of an effect the pyrite is having on the logs remains unknown at this time as the curves are also impacted by the highly laminated nature of these rocks and the water that is in the reservoir. Calculating the water saturation is the biggest challenge of the Bakken analysis in this area as the resistivity is thought to be reading abnormally low and core analysis typically does a very poor job estimating how much water is in the rock. This is the biggest uncertainty of the Hardy area Bakken, how much water actually lies in the system.

The Corporation has signed a definitive agreement to earn a 25% interest (subject to applicable royalties) in 5 ¾ sections of land (3,680 acres) in the Hardy Bakken Field by funding 38.5% of drilling and completion costs associated with two wells. The remaining two-thirds of drilling costs will be shared by industry partners American Eagle and Eternal Energy Following earning, there is potential to drill 14-28 further development wells on the earned lands.

The Corporation has drilled two wells on the Hardy Bakken Field. The Corporation is in the process of fracing the second of those wells.

Sweetgrass Arch

The following information regarding the Corporation's interest in the Sweetgrass Arch has been reproduced and excerpted from the Technical Review. The Technical Review meets the standards for a review and assessment of undiscovered properties contained in NI 51-101.

The Corporation currently holds a working interest in approximately 36,400 acres in the form of petroleum and natural gas licences, all depths, in Montana.

General Overview

The Purchase and Sale Agreement assigns oil and gas leases to Passport subject to the following key points:

1. The assets transferred are oil and gas leases within Townships 31-35, Ranges 2, 3 East in Toole County, Montana, excluding certain zones which are currently productive.

2. There is a requirement to carry CodeAmerica for 20% of all costs and expenses in the drilling, completing and equipping of wells as well as all land acquisition costs in the AMI and any geophysical and geological costs. Passport pays 80% and retains 60%.

3. CodeAmerica also receives a GORR on the assigned interest on all lands "equal to the positive difference, if any, between 25% and lease burdens of record". If there is a GORR of 15% payable under a freehold lease, CodeAmerica receive a 10% GORR. Passport is responsible for a 25% GORR on its working interest.

4. If Passport acquires any interest in the AMI during the term they must carry CodeAmerica for their proportionate 20% CWI and the incremental difference to a maximum 25% GORR.

Undiscovered Original Petroleum-in-Place Resource Estimation

The Corporation currently holds 36,400 acres within 12 townships in Toole and Pondera Counties, Montana. The acreage is located to the east of the Sweetgrass Arch, within sections of Townships 31 to 35 N and Ranges 1 to 3 E. Gas and gas fields bordering or within the UCC acreage are the Strawberry Creek Field (Kootenai Sunburst, Bow Island), Willow Ridge (Bow Island), Willow Ridge South (Kootenai Sunburst), Willow Ridge West (Bow Island), Antelope Coulee (Fish Scales, Black Leaf), Burwash (Kootenai Burwash), Devon (Bow Island), Kinyon Coulee (Bow Island), Galata (Bow Island), Devon East (Bow Island), Devon South (Bow Island), Tiber (Bow Island) and Dunkirk (Dakota, Kootenai Burwash). Natural gas is the main component of most producing reservoirs; however, crude gas is also produced from the Nisku, Kootenai Sunburst, Swift, and Sawtooth reservoirs. Average cumulative gas production per producing gas well is 157 MMCF. The average gas cumulative production per producing gas well is 28 MBO.

For the purposes of this study, 372 well logs were reviewed within a 12 township study area. Of these wells, 231 well logs penetrated the Kootenai Sunburst sand member and 119 were Madison penetrations. Structure maps were generated from log tops on three horizons. Producing formation maps were generated based on actual production, perforation intervals and correlated log tops. Reservoir thicknesses were estimated from log gamma ray, resistivity and porosity log parameters and perforation intervals from designated wells where production and sufficient data were present.

Producing Formations

The main producing reservoirs within the 12 township study area are the Bow Island (gas with minor oil), Kootenai Sunburst (gas), Kootenai Burwash (gas) and Nisku (gas). Minor gas and gas production comes from the Black Leaf, Fish Scales (or Spike), Swift, Rierdon, Sawtooth and Madison formations. The Devonian Nisku formation is a major gas producer to the northwest (Kevin East field) but is not considered a viable gas reservoir within the KUCC lands. Outside of the Kevin East field, few Paleozoic gas and gas reservoirs are found within the study area.

Reservoir Descriptions

The depositional histories of the three main viable producing horizons within the KUCC lease acreage are outlined below.

Lower Cretaceous (Albian) Bow Island

Bow Island formation is described as a series of stacked linear north/south wave-dominated marine sandstones representing regressive and transgressive phases of paleo-shoreline movement. The lithology of the entire interval is a series of interbedded lenticular sandstones, mudstones and localized chert pebble conglomerates. Bow Island sandstone reservoirs are generally 5 to 20 feet thick and have porosities between 12 and 20%. Many of these sandstone intervals can be correlated individually 10 miles or more. Within the study area, the Bow Island sands are found at depths between 500 and 1500 feet. Typical initial gas production from these sands range from 50 to 500 MCFD. Average cumulative gas production is approximately 126 MMCF. The formation is typically under-pressured and contains little water. Formation damage from drilling fluids is common.

Lower Cretaceous Kootenai (Albian) Burwash and (Barremian) Sunburst Members

The Kootenai Burwash and Sunburst reservoirs' depositional systems have been described by various authors to range from narrow channel sandstones to broad tidal flat deposits. The lithology is described as upward fining channel bodies scoured into tidal mudstone, siltstone and fine grained laminated sandstone deposits.

The Burwash sandstone member is located near the top of the Kootenai formation. Burwash (or Moulton) reservoirs are interpreted to be fluvial channel sandstones. Although less prolific than the lower Kootenai Sunburst, the Burwash is significant. An example of the reservoir is found in the Western Natural Gas Peterschick 2-13 (T34N R2E 12) as a 14-foot thick sandstone with 6 to 7% porosity. Despite the low porosity, the well has produced 621 MMCFG over a 20 year life. The main producing channel sand is shown to have a somewhat narrow width when compared to surrounding well logs. Where present, Burwash sandstones are found from 1000 to 2000 feet in depth. Typical Burwash reservoirs produce 185 MMCF gas or 13,000 barrels of oil.

The Sunburst member is the basal sandstone unit of the Kootenai formation. Within the study area, the Sunburst is interpreted as alluvial channel sandstone deposition over and into a Jurassic Morrison peneplain. Sunburst sandstones scour into Jurassic clastic deposits as a response to a tectonic resurgence of the Sweetgrass Arch. The channel systems trend north to south and northwest to southeast. Individual sandstone units can reach up to 50 feet in thickness although productive units typically average 20 feet.

Several wells have been productive from the Sunburst within or near the current KUCC acreage. Most notably is the Ranck Gas Co. Kanning 1-6 well (T33N R3E 6) and the Unit Petroleum Kanning 3-31 (T34N R3E 31) wells. These Sunburst producers have produced 2.4 BCFG (10') and 3.9

BCFG (17′), respectively. Log analysis shows 12% porosity within an interpreted fluvial splay sandstone facies to the east of the main channel. Gas production appears to be from the same sand reservoir. The main channel continues into the KUCC acreage to the south.

Sunburst sandstones typically occur at depths ranging from 1300 to 2300 feet and produce 619 MMCF gas and/or 19.500 barrels of oil.

Geologic Risks

Of the 302 wells in the study area which fully penetrated the Kootenai formation, 30 (10%) list the Sunburst or Burwash as the producing horizon. For Bow Island penetrations, there were 459 wells and 90 (20%) with Bow Island perforations and associated gas production. All gas and gas well drilling involves associated risk which is enhanced when the reservoir is stratigraphically trapped. This is especially true when drilling fluvial channel sand reservoirs. Accurate mapping of a fluvial channel through well log correlation is difficult due to the meandering nature of the reservoir. In order to reduce risk and increase the probability of success, additional subsurface data is needed. Previous experience with 3D seismic data has shown that with proper identification of channel sands, one can lower the risk of drilling a dry hole. However, factors such as actual reservoir (sandstone channel) width, pay thickness, porosity and gas saturation are elements which cannot be quantified with 3D seismic data.

Estimated Original Petroleum In Place (OPIP) Volumes

Volumetric estimates were calculated for the Bow Island and Kootenai reservoirs for gas in place. Average pay thicknesses and average porosity for each producing interval were calculated from well log data as follows:

	Pay thickness	Porosity	Acres	OPIP, Bcf
Bow Island	12′	13%	18,000	16.5
Burwash	10′	7%	8,400	4.3
Sunburst	12′	13%	10,000	13.9

Sand pay volumes were based on an estimated width and occurrence of the marine and fluvial reservoirs. Bow Island sand occurrence was given a higher probability within the Covenant leases because marine sandstone deposition is more widespread than fluvial sandstones. Burwash sand reservoirs were limited in estimated occurrence due to a lack of reservoir data and an inability to correlate the sand to nearby wells.

Due to the unknowns regarding sandstone distribution, MHA anticipates OPIP to be much greater than those numbers cited above. Once Passport's development program begins and well control can better establish the sand bodies, the OPIP numbers can be updated.

Capital Costs (2011 US dollars)

Passport anticipates a 2011-2012 work program with an expected budget of approximately US$100,000, which includes lease renewals and a geological assessment.

Drilling Location Picks from 2009 Mapping T 33-34 N, R 2-3 E Toole County

The following locations are chosen from areas interpreted to be prospective in the mapping project of 2009:

Spike Zone Prospects:

T 33 N, R 3 E
NW, NE section 9 (990′ FNL, 1500′ FEL) This location stays away from the bottom of the Willow Creek drainage
NW, NE section 10 (1980′ FEL, 990′ FNL)
SW % of section 2 could be prospective if the section 10 well was successful.

Second Bow Island Prospects:

T 34N, R 2 E
NE, NE section 28 (990′ FNL, 990′ FEL) SE, SE section 28 (990′ FSL, 990′ FEL) NE, NE section 33 (990′ FNL, 990′ FEL)
T 33 N, R 2 E
NW, NE section 3 (1980′ FEL, 990′ FNL)
NW, NE section 4 (1980′ FEL, 990′ FNL) A NE, NE location would have been more optimal, but would have been situated in the broad floodplain of Willow Creek.

Market

There is ample interstate pipeline representation in Montana (KM Interstate Gas Co., Northern Border Pipeline Co., Northern Natural Gas Co., Northwest Energy Co., Shoshone Pipeline Co. and Williston Basin Pipeline Co.) and the gathering lines have increased in numbers and capacity recently. MDU Resources and Devon are two large players in new gathering and treating state wide. Over the past ten years interstate capacity has increased over 35% and there is ample capacity to transport Montana gas to major market hubs.

The transportation cost of Montana gas is dependent on a number of variables but is driven primarily by which pipeline and which market provides the best net back. The transportation rate is ultimately a derivative of the closest market center or end use consumer (e.g. Chicago Hub, industrial user, power plant or Canadian based market). The best case scenario is to deliver the gas directly into an Interstate Pipeline system such as KM Interstate Gas Co., Northern Border Pipeline Co., Northern Natural Gas Co., Northwest Energy Co., Shoshone Pipeline Co. or Williston Basin Pipeline Co., all of which have a presence in Montana.

Prices

The gas price can be defined by either a price index or a basket of indices. A popular index for this area is TCPL Alberta, AECO-C posting but this posting is in Canadian dollars and has an adjustment to US dollars. The Northwest, Canadian Border (Sumas) is another index used and is quoted in US dollars. Alternatively, there is a basis differential pricing available that would be a Henry Hub +/- the basis differential.

Conclusions

The resources herein discussed are classified as undiscovered, as the Corporation has not yet established initial production rates across their holdings.

Since the Corporation has not yet realized commercial test rates from their initial well program, there is no certainty that it will be economically or technically feasible to produce any portion of the undiscovered resources herein reported.

FINANCINGS

Sources of Financing

In November 2010, the Corporation completed a non-brokered private placement of 2,510,000 units at a price of $0.20 per unit for aggregate gross proceeds of $502,000. Each unit consisted of one Common Share and one warrant, with each warrant entitling the holder thereof to acquire an additional Common Share at an exercise price of $0.30 per share. The warrants will expire on November 2, 2011.

In January 2011, the Corporation completed the first tranche of a non-brokered private placement of 8,060,000 units at a price of $0.25 per unit for aggregate gross proceeds of $2,015,000. Each unit consisted of one Common Share and one warrant, with each warrant entitling the holder thereof to acquire an additional Common Share at an exercise price of $0.35 per share. The warrants are due to expire on July 27, 2012.

In March 2011, the Corporation completed the second tranche of a non-brokered private placement of 6,399,000 units a price of $0.25 per unit for aggregate gross proceeds of $1,599,750. Each unit consisted of one Common Share and one warrant, with each warrant entitling the holder thereof to acquire an additional Common Share at an exercise price of $0.35 per share. The warrants are due to expire on September 8, 2012.

Other than these non-brokered financings, the Corporation has not completed any financings in the six months preceding the date of this listing application. The Corporation is conducting a financing in connection with the proposed listing on the Exchange.

On February 27, 2012, Passport announced that it had signed a revised letter of intent with Salman Partners to act as Lead Agent on a "commercial best efforts basis" for a syndicate of agents including National Bank Financial and Haywood Securities Inc. for a $2.6 million private placement comprised of $1.4 million Common Shares and $1.2 million Flow-Through Shares. The Offering consists of up to 9,333,334 Common Shares at $0.15 per share and up to 7,058,824 Flow Through Shares at $0.17 per share. The Offering may, at the election of Salman Partners, be increased by up to $300,000, in the event that subscriptions for Common Shares are received for greater than $2,600,000. The Agents' oversubscription option shall be exercisable at the Agents' discretion and with notice to the Corporation at least two days prior to the closing date of the Offering. The closing date is expected to be on or about April 20, 2012 or such other date as the Corporation and the Agents may agree, subject to regulatory approvals. The price of the Offering is to be determined in the context of the market. At closing, the Agents will be paid an aggregate fee of 7.0% of the gross proceeds from the Offering payable in cash and 7% broker warrants. The gross proceeds of the Flow-Through portion of the Offering will be used during the 2012 exploration program to incur eligible Canadian Exploration Expenses that will qualify as "flow-through expenditures", as defined in the *Income Tax Act* (Canada), (the "**Qualifying Expenditures**"), which will be renounced to the subscribers with an effective date no later than December 31, 2012. In the event the Corporation is unable to renounce Qualifying Expenditures effective on or prior to December 31, 2012 to the initial purchasers of Flow-Through Shares in an aggregate amount not less than the gross proceeds raised from the issue of the Flow-Through Shares or such expenditures are reduced by the Canada Revenue Agency, the Corporation will indemnify each Flow-Through Share subscriber for the additional taxes payable by such subscriber as a result of the Corporation's failure to renounce the Qualifying Expenditures as agreed. The net proceeds of the Offering will be used to fund continuing exploration and development activities at the Corporation's Hardy Bakken project.

Use of Proceeds

The following table sets forth the working capital of the Corporation as at March 30, 2012 assuming completion of the Offering with a net amount of $2,300,000 payable to Passport, together with the proposed uses for such funds:

SOURCE OF FUNDS	$
Current working capital	$400,000
Cash flow from production	$700,000
Cash flow from Offering	$2,300,000
Total source of funds	$3,400,000
USE OF FUNDS	
Bakken Drilling Program(1)	$1,600,000
Montana exploration	$100,000
General and administration	$500,000
Addition to working capital	**$1,200,000**

Note:

(1) The Bakken Drilling Program consists of the drilling of one development well, which is expected to be drilled between May and June of 2012.

Business Objectives and Milestones

The Corporation plans to drill and complete up to two wells in the Hardy Bakken Field, within the next three to six months, pursuant to the terms and conditions contained in the Participation and Operating Agreement. With positive drill results the Corporation's objective is to add oil reserves and positive cash flow. Further development drilling is planned if positive drill results are obtained with the first two wells. The first well was drilled on June 8, 2011 and the completion results were announced on December 5, 2011. The second well was announced on January 30, 2012, and is currently undergoing completion. See "Description of the Business – Three Year History".

The Corporation plans to finalize a detailed geological review of the Sweetgrass Arch with the objective of identifying drill ready locations. The Corporation plans to continue to expand its land holdings in existing core areas of Hardy Bakken Field and the Sweetgrass Arch.

The Corporation plans to develop new core areas which are prospective and appeal to its core technical competencies. Numerous acquisition and farm-in opportunities are being evaluated by the Corporation's technical team in the Western Canadian Sedimentary Basin.

The Corporation plans to seek new capital from private equity or through joint ventures to advance potential acquisitions and farm-ins throughout the Western Canadian Sedimentary Basin. Numerous presentations and meetings have been made to investor groups to prepare them for the next stage of growth at Passport.

DIVIDENDS AND OTHER DISTRIBUTIONS

The Corporation has not declared or paid any dividends on the Common Shares to date. Any decision to declare dividends on the Common Shares in the future will be made by the Board of Directors on the basis of the earnings, financial requirements and other conditions existing at such

time. Management of the Corporation does not expect to declare or pay dividends in the foreseeable future.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Please see the Corporation's management, discussion and analysis for the year ended September 30, 2011.

DISCLOSURE OF OUTSTANDING SECURITY DATA ON A FULLY DILUTED BASIS

The following table sets forth the share capital of the Corporation as at the date of this listing application.

Designation of Security	Amount Outstanding	Terms	Number of Shares on a Fully Diluted Basis
Common Shares	69,220,321	-	69,220,321
Warrants	6,060,000	$0.05 (expiring June 23, 2012)	6,060,000
Warrants	572,800	$0.25 (expiring July 27, 2012)	572,800
Warrants	302,320	$0.25 (expiring September 8, 2012)	302,320
Warrants	8,060,000	$0.35 (expiring July 27, 2012)	8,060,000
Warrants	6,399,000	$0.35 (expiring September 8, 2012)	6,399,000
Options	300,000	$0.06 (expiring February 15, 2015)	300,000
Options	375,000	$0.10 (expiring September 30, 2013)	375,000
Options	1,020,000	$0.10 (expiring June 28, 2015)	1,020,000
Options	350,000	$0.15 (expiring August 11, 2013)	350,000
Options	675,000	$0.33 (expiring October 25, 2015)	675,000
Options	550,000	$0.34 (expiring December 1, 2015)	550,000
Options	675,000	$0.34 (expiring February 4, 2016)	675,000
Options	2,050,000	$0.185 (expiring December 13, 2016)	2,050,000
		TOTAL	96,609,441

Common Shares

The Corporation's authorized share capital consists of an unlimited number of Common Shares without par value. Each Common Share entitles the holder thereof to one vote per share in all shareholder meetings of the Corporation. The holders of Common Shares are entitled to dividends that are set and declared by the Board of Directors. In the event of liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, the Shareholders shall be entitled to share in the remaining property of the Corporation.

As of March 30, 2012, the Corporation has 69,220,221 Common Shares outstanding. Of the issued and outstanding Common Shares 19,111,110 were deposited in escrow pursuant to the requirements of the Escrow Agreement, as at March 30, 2012, 13,377,777 Common Shares remain in escrow.

Warrants

As of March 30, 2012, the Corporation has 21,394,120 Warrants outstanding.

Stock Options

The Corporation has established a stock option plan for the benefit of employees, directors, officers, and consultants to the Corporation. As of March 30, 2012, there were 5,995,000 options outstanding.

DESCRIPTION OF SECURITIES TO BE LISTED

The following is a summary of the rights, privileges, restrictions and conditions attaching to the Common Shares intended to be listed.

The holders of the Common Shares are entitled to receive notice of and to attend, and to cast one vote for each Common Share held by them at, all meetings of the shareholders of the Corporation, other than meetings at which only the holders of another class or series of shares (if any) are entitled to vote separately as a class or series. The holders of the Common Shares are entitled to receive on a *pro rata* basis such dividends of the Board of Directors may from time to time declare. In the event of the voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of the Common Shares will be entitled to receive on a *pro rata* basis all of the assets of the Corporation remaining after payment of all of the Corporation's liabilities.

The Corporation has not issued any restricted securities or securities other than equity securities.

The Corporation has applied under this listing application to list a total of 113,001,599 Common Shares. This number takes into account the Common Shares currently outstanding (69,220,321), the Common Shares issuable upon the exercise of the Warrants (21,394,120), the Common Shares issuable pursuant to the Stock Option Plan (5,995,000) and the Common Shares issuable pursuant to the Offering (16,392,158).

CONSOLIDATED CAPITALIZATION

There have been no material changes in the share and loan capital of the issuer, on a consolidated basis, since the date of the issuer's financial statements for its most recently completed financial period included in the listing application, including any material change that will result from the listing of the securities being listed pursuant to this Listing Statement, other than as outlined below.

On November 2, 2011, 2,510,000 warrants, with an exercise price of $0.30 per share, expired unexercised.

On November 2, 2011, 95,100 broker warrants, with an exercise price of $0.20, expired unexercised.

On December 13, 2011, the Corporation granted an aggregate of 2,050,000 stock options to certain directors, officers and consultants of the Corporation. The options have a term of 5 years and an exercise price of $0.185 per share.

On December 20, 2011, a director surrendered to the Corporation 450,000 options with an exercise a price of $0.34.

On December 31, 2011, the Corporation issued 423,763 shares to management to settle $70,000 of accrued management and other consulting fees pursuant to management consulting

contracts for the quarter ended December 31, 2011. The shares were issued at the 5-trading day weighted average prior to December 31, 2011, which was $0.1652 per share.

Subsequent to December 31, 2011, 200,000 stock options were exercised for proceeds of $12,000.

Subsequent to December 31, 2011, 2,040,000 warrants were exercised for proceeds of $102,000.

STOCK OPTION PLAN

The Stock Option Plan provides that the Board of Directors may, from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation or any subsidiary, options to purchase Common Shares. The Stock Option Plan reserves a "rolling" maximum of 10% of the issued and outstanding Common Shares of the Corporation (determined at the time of the stock option grant) for issuance upon the exercise of stock options granted pursuant to the Stock Option Plan.

The number of Common Shares reserved for issuance in a one year period for any person may not exceed 10% of the issued and outstanding Common Shares.

The Board of Directors fixes the exercise price for any optioned Common Share (an "**Option Share**") at the time of the grant which exercise price may not be lower than the greater of the closing market price of the Common Shares on a the trading day prior to the grant of the Options and the date of grant of the Options. The price per Option Share set by the Board of Directors is subject to minimum pricing restrictions set by any exchange on which the Common Shares are then listed.

The term of which any Option may be exercised will be determined at the time of the granting of the Option by the Board of Directors, although the Stock Option Plan prohibits such term from extending beyond five years from the date of grant. The Board of Directors determines vesting at the time the Options are granted.

In the event the holder of Options ceases to be a director, officer, employee or consultant of the Corporation or any subsidiary or affiliate for any reason (except as a result of death or termination for cause) the holder's Options shall terminate 30 days after the date of such termination, provided that only such Options that had vested at the time the holder ceased to be a service provider may be exercised. In the event of a holder's death, an Option is exercisable until the earlier of the expiry of the term of the Option and the date that is one year of the death, provided that only such Options that had vested at the time of such holder's death may be exercised. In the case of termination for cause, all Options held by the dismissed holder of the Options terminate immediately.

During the 12-month period prior to the date of this listing application, the Corporation granted 2,050,000 Options, the particulars of which are set forth in the following table:

Date of Grant	Number of Common Shares Issuable on Exercise	Exercise Price ($)
December 13, 2011	2,050,000	$0.185

The following Options are outstanding under the Option plan as at the date of this listing application:

Name	Number of Options	Exercise Price ($)	Expiry Date
Christopher Gulka	250,000	$0.15	11-Aug-13
Christopher Gulka	200,000	$0.10	28-Jun-15
Christopher Gulka	450,000	$0.185	13-Dec-16
Frank Port	375,000	$0.10	30-Sep-13
Frank Port	200,000	$0.10	28-Jun-15
Frank Port	550,000	$0.34	1-Dec-15
Frank Port	450,000	$0.185	13-Dec-16
John Anderson	300,000	$0.06	1-Feb-15
John Anderson	200,000	$0.10	28-Jun-15
Bruce Murray	200,000	$0.10	28-Jun-15
Bruce Murray	175,000	$0.33	24-Oct-15
Bruce Murray	125,000	$0.34	04-Feb-16
Bruce Murray	450,000	$0.185	13-Dec-16
Richard Edgar	200,000	$0.10	28-Jun-15
Richard Edgar	100,000	$0.33	24-Oct-15
Thomas Lantz	100,000	$0.33	24-Oct-15
Thomas Lantz	200,000	$0.34	04-Feb-16
Senator David Tkachuk	100,000	$0.33	24-Oct-15
Senator David Tkachuk	200,000	$0.34	04-Feb-16
Tina Thring	100,000	$0.15	11-Aug-13
Matthew Clayton	20,000	$0.10	28-Jun-15
Dick Findlay	100,000	$0.33	24-Oct-15
Asif Khan	100,000	$0.33	24-Oct-15
Honourable Otto Jelinek	100,000	$0.34	04-Feb-16
John Mele	50,000	$0.34	04-Feb-16
Jessica Gordon-Metez	400,000	$0.185	13-Dec-16
Daniel Tiberio	200,000	$0.185	13-Dec-16
Karon Wilson	100,000	$0.185	13-Dec-16
		Total	**5,995,000**

PRIOR SALES

During the 12-month period prior to the date of this listing application, the Corporation issued 4,975,211 Common Shares and 500,000 warrants, the particulars of which are set forth in the following table:

Date	Nature of Transaction	Number and Type of Security	Issue Price per Security ($)	Aggregate Issue Price ($)
06-Apr-11	Warrant exercise	700,000 Common Shares	$0.05	$35,000
06-May-11	Returned to treasury(1)	(160,000 Common Shares)	n/a	n/a
06-May-11	Returned to treasury(1)	(160,000 warrants)	n/a	n/a
01-June-11	Warrant exercise	200,000 Common Shares	$0.05	$10,000
30-June-11	Private placement (2)	500,000 Common Shares	$0.05	$25,000
30-June-11	Private placement(2)	500,000 warrants	n/a	n/a
31-July-11	Shares for services (3)	404,932 Common Shares	$0.17	$70,000
21-Sep-11	Warrant exercise	150,000 Common Shares	$0.05	$7,500
30-Sept-11	Shares for services(3)	356,516 Common Shares	$0.20	$70,000
31-Dec-11	Shares for services(3)	423,763 Common Shares	$0.165	$70,000
12-Jan-12	Option exercise	100,000 Common Shares	$0.06	$6,000
13-Jan-12	Option exercise	50,000 Common Shares	$0.06	$3,000
20-Jan-12	Warrant exercise	200,000 Common Shares	$0.05	$10,000
14-Feb-12	Warrant exercise	100,000 Common Shares	$0.05	$5,000
15-Feb-12	Warrant exercise	140,000 Common Shares	$0.05	$7,000
20-Feb-12	Warrant exercise	200,000 Common Shares	$0.05	$10,000
06-Mar-12	Warrant exercise	400,000 Common Shares	$0.05	$20,000
21-Mar-12	Option exercise	50,000 Common Shares	$0.06	$3,000
28-Mar-12	Warrant exercise	1,000,000 Common Shares	$0.05	$50,000

Notes:

(1) Shares returned to treasury that were part of the March 8, 2011 private placement, whereby shares were to be delivered at payment (DAP); however, the private placees RRSP were not able to receive the shares into their account, so were returned to treasury.

(2) Shares issued pursuant to June 2010 private placement, which were to be issued in June 2010, but were not issued until June 30, 2011 due to an administrative error.

(3) Shares issued pursuant to the April 1, 2011 management contracts. See "*Executive Compensation*".

TRADING PRICE AND VOLUME

The Common Shares are listed on the CNSX under the trading symbol "PPO". The following table sets forth the reported high and low sales prices (which are not necessarily the closing prices) and the trading volume of the Common Shares on the CNSX, for the periods indicated:

Period	Price Range ($) High	Low	Trading Volume
2012			
March	$0.165	$0.13	1,254,277
February	$0.20	$0.16	803,500
January	$0.21	$0.175	852,511
2011			
December	$0.21	$0.15	1,127,266
November	$0.19	$0.11	1,678,933
October	$0.20	$0.16	1,178,720
September	$0.25	$0.16	1,763,500
August	$0.22	$0.14	1,275,500
July	$0.20	$0.15	1,238,000
June	$0.20	$0.15	1,236,000
May	$0.24	$0.175	2,353,000
April	$0.225	$0.175	1,090,500
March	$0.265	$0.18	1,720,500
February	$0.32	$0.25	1,493,500
January	$0.35	$0.25	2,474,000

On March 29, 2012, the last trading day before the date of this listing application, the closing price of Common Shares was $0.15 on the CNSX.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESTRICTION ON TRANSFER

Designation of Class	Number of Securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of Class
Common Shares	13,377,777	19.33%

The 13,377,777 Common Shares are held in escrow pursuant to the terms and conditions of the Escrow Agreement.

PRINCIPAL SECURITYHOLDERS

To the Corporation's knowledge, Damont is the registered holder of Common Shares carrying 19.33% of the voting rights attached to all outstanding Common Shares, as of the date hereof. Damont has represented to the Corporation that it is a bare trustee for various beneficial shareholders, of which, no beneficial shareholder holds 10% or more of the Common Shares. Accordingly, Damont as bare trustee is not considered to be an insider for disclosure purposes.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the names of the directors and executive officers of the Corporation and their respective municipal residents, offices and positions held with the Corporation and principal occupations:

Name and Municipality	Number of Common Shares Beneficially Owned or Controlled as of March 30, 2012	Position Held	Principal Occupation	Director Since
Bruce Murray *Calgary, Alberta Canada*	938,632	Chairman, Chief Executive Officer, and Director	President of Zorzal Incorporated.	February 18, 2010
Frank Port *Surrey, British Columbia, Canada*	1,146,303	President, Chief Operating Officer, and Director	President and Chief Executive Officer of Seaport Capital Inc. since 1996.	October 1, 2008
Christopher Gulka *Coleman, Alberta, Canada*	3,739,303	Chief Financial Officer and Director	President of Working Capital Corporation since 1999.	February 27, 2007
Richard Edgar *Calgary, Alberta, Canada*	Nil	Executive Director	President and Chief Financial Officer of Popular Creek Resources Ltd. President of Avery Resources Inc. from November 2005 to February 2008. President and Director	June 29, 2010

Name and Municipality	Number of Common Shares Beneficially Owned or Controlled as of March 30, 2012	Position Held	Principal Occupation	Director Since
			of Energy North Inc., from September 1996, until July 2004. Professional Geologist.	
John Anderson *Vancouver, British Columbia, Canada*	500,000	Director	Owner of Purplefish Capital Ltd., an investment company since 2005. General Partner in Aquastone Capital LLP since 2005.	September 29, 2009
Daniel Tiberio *Calgary, Alberta, Canada*	1,194,667	Vice President, Operations	Vice President, Operations for Passport Energy since April 2011. Manager of Exploitation for Monterey Exploration Ltd. from 2008 to 2010. Independent Businessman.	n/a

The number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by the directors and executive officers of the Corporation is 7,518,905 being approximately 10.86% of the issued and outstanding Common Shares. In addition, the directors and executive officers of the Corporation hold, directly or indirectly, Options to purchase, in aggregate, 4,825,000 Common Shares. The directors and executive officers of the Corporation hold, directly or indirectly, warrants to purchase, in aggregate, 720,000 Common Shares.

Biographical Information

Brief biographies of each of the directors, officers and key employees of the Corporation are set forth below:

Bruce Murray, 54, Chairman and Chief Executive Officer

Bruce Murray graduated from the University of Calgary in 1979 with a Bachelor of Commerce. Mr. Murray has over thirty years of varied oil and gas experience including land negotiations, marketing, finance, corporate development and management in emerging, junior and senior oil and gas companies. Mr. Murray devotes approximately 75% of his time to the Corporation, and is contracted to the Corporation through his consulting company Tydyl Holdings Ltd. Mr. Murray served as the President and Director of Tenergy Ltd., a Toronto Stock Exchange listed junior oil and gas company. The company commenced operations in November 2005 and was sold in March 2006 to Quintana Canada Corp. Prior to Tenergy Ltd., co-founded and was Chief Operating Officer and Director of Purcell Energy Ltd., a Toronto Stock Exchange listed junior oil and gas company from 1993 until 2005, during that time approximately two thirds of Purcell's assets were sold to Prairie Schooner Petroleum Limited and Crescent Point Energy Ltd. The remaining one third of Purcell's assets was spun out into two exploration companies, one of which was Tenergy Ltd.

Frank Port, 54, President and Chief Operating Officer

Frank Port graduated from the Southern Alberta Institute of Technology in 1977 with a Business Administration Diploma and from the University of Calgary in 1984 from the Fellow Certified Administrative Manager Program. Mr. Port's experience includes 14 years working with two of Canada's largest trust companies in senior capacities and five years with two major oil and gas companies, Hudson Bay Oil & Gas Company Ltd. and Dome Petroleum Limited. For the past 16 years Mr. Port provides consultation services through his own company Seaport Capital, providing venture capital financing, integrated public and corporate communications to both private and public junior companies. Mr. Port works full time for the Corporation and is contracted to the Corporation through Seaport Capital Inc. Mr. Port is currently the president of Seaport Capital Inc.

Christopher Gulka, 43, Chief Financial Officer and Director

Christopher Gulka graduated from the University of Alberta with a Bachelor of Commence with Distinction. Mr. Gulka received his Chartered Accountant designation in 1994 and Chartered Financial Analyst designation in 1999. Mr. Gulka's experience includes being a director and Chief Financial Officer of numerous private and public companies, including oil and gas issuers. Over the past 10 years Mr. Gulka, through Working Capital Corporation, completed numerous valuations, fairness opinions, business plans, and research reports, for private and public companies in various industries including the oil and gas sector. He also provided investor relation and consulting services, as well as assisted with financing numerous public companies. Mr. Gulka oversees all the financial reporting and public disclosure and regulatory requirements of the Corporation. Mr. Gulka works full time for the Corporation and is contracted through Working Capital Corporation. Mr. Gulka is presently and has been for the past five years, the President of Working Capital Corporation, a corporate finance consulting firm.

Richard N. Edgar, 65, Executive Director

Richard Edgar graduated from the University of Alberta in 1972 with a Bachelor of Science. Mr. Edgar has over 35 years of experience in the oil and gas industry, working as both a Geologist and as consultant. Mr. Edgar is an independent contractor spending approximately 10 hours per month working for the Corporation. Mr. Edgar is currently serving as the President and Chief Executive Officer of 1144449 Alberta Ltd. a consulting company offering executive services in the area of exploration and production advice to multiple clients. Prior to that, Mr. Edgar served as the President of Avery Resources Ltd. an oil and gas exploration and production company with interests in Canada and Australia.

Daniel Tiberio, 41, Vice President, Operations

Daniel Tiberio graduated from the Southern Alberta Institute of Technology in 1993 from its Petroleum Engineering Technologist Program. Mr. Tiberio has over 16 years of experience in oil and gas exploitation and optimization of assets in western Canada. Along with working for major oil and gas producers such as Canadian Natural Resources Limited, Rio Alto Mining Limited and Norcen Energy Ltd, Mr. Tiberio has spent the last 8 years working for junior oil and gas companies with a focus of maximizing asset values by optimizing production, minimizing operating costs and managing drilling programs within a multi-disciplinary team. He has held both management and officer positions with junior companies. Mr. Tiberio currently works full time for the Corporation. Mr. Tiberio's responsibilities within the Corporation include the management of the Corporation's engineering responsibilities. Mr. Tiberio was previously an Exploitation Manager at Monterey Exploration Ltd. from September 2008 to October 2010. Mr. Tiberio served as the Vice President, Exploitation and Production Engineering at FairWest Energy Corporation, from July 2007 until

September 2008. From July 2007 until September 2008 Mr. Tiberio was the General Manager, E&P Canada (Country Manager) for TransEuro Energy Corp. Prior to this Mr. Tiberio was employed by Tenergy Ltd. as the Manger, Operations and Exploitation from November 2005 until April 2006.

Jessica Gordon-Metez, 32, Exploration Manager

Jessica Gordon-Metez graduated from the University of Calgary in 2004 with a Bachelor of Science degree in Geology. Ms. Gordon-Metez currently works for the Corporation full-time providing geological support in the exploitation of the current properties as well as exploring for new opportunities. Prior to joining Passport, Ms. Gordon-Metez was employed with Pengrowth Energy Trust as a Geologist from July 2007 to May 2011. Ms. Gordon previously worked as a Geologist with Vaquero Resources Ltd. from December 2005 to July 2007. The majority of Ms. Gordon-Metez's experience has been focused on oil and gas exploration and exploitation in unconventional reservoirs in British Columbia.

John Anderson, 47, Director

John Anderson graduated from the University of Western Ontario in 1987 with a Bachelor of Arts degree. Mr. Anderson is the co-founder of Aquastone Capital Advisors Limited Partnership, a U.S. based gold investment fund. Mr. Anderson is an entrepreneur with over 15 years of business experience in capital markets. His primary areas of expertise are business financing, business development, mergers and acquisitions. He has extensive business experience in working in Asia, Europe and Canada.

Directorships

The following directors of the Corporation are also directors of the following reporting issuers (or issuers that are the equivalent of reporting issuers):

Name	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	From	To
Frank Port	StonePoint Global Brands Inc., British Columbia	TSX-V	Director	June 2005	Present
Bruce Murray	CMX Gold & Silver Corp., Alberta	TSX-V (pending)	Director	July 1996	Present
	Foot Source Inc., Alberta	TSX-V	Director	June 1998	Present
John Anderson	Northern Freegold Resources Ltd., British Columbia	TSX-V	Director	January 2010	Present
	Sona Resources Corp., British Columbia	TSX-V	Director	August 2006	Present
	Simba Gold Corp., British Columbia	TSX-V	Director	January 2009	Present
	Dawson Gold Corp., British Columbia	TSX-V	Director	August 2010	Present
	Huakan International Mining Inc., British Columbia	TSX-V	Director	June 2010	Present
	Cadan Resources Corporation, British Columbia	TSX-V	Director	February 2007	Present
	Eternal Energy Corp., United States	OTCBB	Director	November 2005	Present
Richard Edgar	Poplar Creek Resources Inc., Alberta	TSX-V	Director	July 2009	Present
	Bengal Energy Ltd., Alberta	TSX-V	Director	January 2003	Present
	Shelton Petroleum AB, Sweden	Nordic Growth Market	Director	December 2009	Present

Corporate Cease Trade Orders and Bankruptcies

Other than as outlined below, no director, executive officer or person that is a promoter, or has been a promoter within the two years immediately preceding the date hereof, of the Corporation is, or within the ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any other issuer that, while that person was acting in that capacity, (i) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation for a period of more than 30 consecutive days; (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemptions under securities legislation that was issued after the director or officer 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; and no director, executive officer or person that is a promoter, or has been a promoter within the two years immediately preceding the date hereof of the Corporation, or to the best of the Corporation's knowledge, any shareholder holding sufficient securities of the Corporation to materially affect the control of the Corporation, is, or within the ten years prior to the date hereof has been, a director or executive officer 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:

Bruce Murray

Mr. Murray was a director of Purcell Energy Ltd. (subsequently Point North Energy Ltd.) up until November 2005, the corporation being granted protection under the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**") on September 27, 2006. Point North Energy Ltd.'s Plan of Arrangement was approved by creditors on August 27, 2007 and the corporation emerged from CCAA protection on October 5, 2007.

In June 2004, cease trade orders were issued by the Alberta, British Columbia and Ontario Securities Commissions against CMX Gold & Silver Corp. (previously Laird Resources Ltd.), which Mr. Murray is and was then a director of, for failure to file financial statements. The deficiencies were rectified and the cease trade orders were lifted.

In June 2002, a cease trade order, trading halt and suspension was issued by Alberta and British Columbia Securities Commissions against Footsource Inc. which Mr. Murray is and was then a director of, for failure to file financial statements. The cease trade order, trading halt and suspension are still in force.

Christopher Gulka

In April and May 2003, cease trade orders were issued by the Alberta and British Columbia Securities Commission against Dev Investments Inc., which Mr. Gulka was then a director of, for failure to file financial statements. The deficiencies were rectified and the cease trade orders lifted.

On March 31, 2004, Mr. Gulka became a director and took on the role of Chief Financial Officer of Leader Mining International Inc., in order to restructure the corporation and address certain regulatory issues including the removal of cease trade orders. Prior to his appointment, on March 2, 2004 a cease trade order was issued by the Alberta Securities Commission for failure to file financial statements and withdrawal of the corporation's March 31, 2003 audited financial statements due to a material misstatement. Subsequent to his appointment, on May 12, 2004 the British Columbia

Securities Commission issued a cease trade order for failure to file financial statements. Mr. Gulka, on behalf of the corporation, filed restated audited and interim financial statements and applied to have the cease trade orders revoked. The cease trade orders are still in force. Mr. Gulka resigned as director and Chief Financial Officer of the corporation on October 31, 2009.

Penalties and Sanctions

No director, executive officer or person that is a promoter, or has been a promoter within the two years immediately preceding the date hereof of the Corporation, or to the best of the Corporation's knowledge, any shareholder holding sufficient securities of the Corporation to materially affect the control of the Corporation, has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Personal Bankruptcies

During the ten years preceding the date of this listing application, no director, executive officer or person that is a promoter, or has been a promoter within the two years immediately preceding the date hereof, of the Corporation, or to the best of the Corporation's knowledge, any shareholder holding sufficient securities of the Corporation to materially affect the control of the Corporation, has been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

EXECUTIVE COMPENSATION

The following disclosure of compensation earned by certain executive officers and directors of the Corporation in connection with their office or employment with the Corporation is made in accordance with the requirements of NI 51-102 is required to be made in relation to "Named Executive Officers", being those individuals who served as the Chief Executive Officer, Chief Financial Officer and each of the Corporation's three most highly compensated executive officers, other than the Chief Executive Officer and Chief Financial Officer. The CEO, COO, CFO, Vice President, Operations and Exploration Manager comprise the "Named Executive Officers" for the purposes of this listing application.

Compensation Discussion and Analysis

The Corporation's compensation program is designed to attract, retain and motivate highly qualified executive officers, while at the same time promoting a greater alignment of interests between such executive officers and the Shareholders. The Corporation's compensation policies are designed to recognize and reward individual performance as well as to provide a competitive level of compensation. The Corporation does not have a pension plan or any other form of retirement compensation.

Compensation plans and programs are designed so as to constitute adequate reward for services and incentive for the senior management team to implement both short-term and long-term strategies aimed at increasing the value of the Common Shares and creating economic value. Remuneration potential as well as the allocation of various remuneration and incentive components has been established in order to compete with remuneration practices of companies similar to the

Corporation. In this respect, the Corporation identifies remuneration practices and remuneration levels of publicly traded Canadian companies that, similarly to the Corporation, are involved in the exploration and development of crude oil and natural gas.

The compensation program is administered by the Compensation Committee, which consists of Bruce Murray, Frank Port and Christopher Gulka. The Compensation Committee was formed in October 2010 and prior to its formation, the compensation program was administered by the Board. The Compensation Committee retains and does not delegate any of its power to determine matters of executive compensation and benefits. The Compensation Committee reports to the Board on the major items covered at each Compensation Committee meeting.

The Corporation's compensation plan consists of base salary and stock options.

Consulting Agreement with Chief Operating Officer

A consulting management agreement, dated April 1, 2009 among the Corporation, a company beneficially owned and controlled by Mr. Port and Mr. Port, entails a base fee of $5,000 per month for a two-year term, with an automatic renewal provision for additional two-year terms on the expiry date of the original term and on the expiry date of any renewal term. The agreement can be terminated upon one month's written notice by the Corporation or the consultant, subject to severance. Pursuant to the terms of the agreement, travel and other expenses incurred in connection with the provision of services are reimbursable. Effective April 1, 2011, the agreement was modified to include a further fee of $5,833.33 per month, payable on the last day of each quarter in common shares of the Corporation. Common shares shall be valued at the five-day weighted average price for the five (5) days preceding the end of each quarter on which trading occurred. As of April 1, 2011, Mr. Port acts as President and COO, under this agreement. Prior to April 1, 2011 Mr. Port was the CEO of the Corporation.

Consulting Agreement with Chief Executive Officer

Effective April 1, 2011, Bruce Murray was appointed CEO. A consulting management agreement, dated April 1, 2011 among the Corporation, a company beneficially owned and controlled by Mr. Murray and Mr. Murray, entails a base fee of $5,000 payable in cash per month and a further fee of $6,666.67 per month, payable on the last day of each quarter in common shares of the Corporation. Common shares shall be valued at the five-day weighted average price for the five (5) days preceding the end of each quarter on which trading occurred. The agreement is for a two-year term, with an automatic renewal provision for additional two-year terms on the expiry date of the original term and on the expiry date of any renewal term. The agreement can be terminated upon one month's written notice by the Corporation or the consultant, subject to severance. Pursuant to the terms of the agreement, travel and other expenses incurred in connection with the provision of services are reimbursable.

Consulting Agreement with Chief Financial Officer

A consulting management agreement, dated April 1, 2009 among the Corporation, a company beneficially owned and controlled by Mr. Gulka and Mr. Gulka, entails a base fee of $5,000 per month for a two-year term, with an automatic renewal provision for additional two-year terms on the expiry date of the original term and on the expiry date of any renewal term. The agreement can be terminated upon one month's written notice by the Corporation or the consultant, subject to severance. Pursuant to the terms of the agreement, travel and other expenses incurred in connection with the provision of services are reimbursable. Effective April 1, 2011, the agreement was modified to include a further fee of $5,833.33 per month, payable on the last day of each quarter in common

shares of the Corporation. Common shares shall be valued at the five-day weighted average price for the five (5) days preceding the end of each quarter on which trading occurred.

Option-based Awards

As previously indicated, the Corporation has established the Stock Option Plan for its employees, officers and directors. The purpose of the Stock Option Plan is to attract, retain and motivate directors, officers, employees and consultants of the Corporation and its subsidiaries, and to advance the interests of the Corporation by providing such persons with the opportunity, through share options, to acquire an increased proprietary interest in the Corporation. Pursuant to the Stock Option Plan, the maximum number of Common Shares reserved for issuance is 10% of issued and outstanding Common Shares.

As at the date of this listing application, options to acquire an aggregate of 5,995,000 Common Shares, representing approximately 8.66% of the outstanding Common Shares, were issuable pursuant to the exercise of options issued pursuant to the Stock Option Plan.

Options are granted by the Board in accordance with the Stock Option Plan. Options are normally awarded upon the commencement of an individual's employment with the Corporation based on the level of responsibility within the Corporation. Additional grants may be made periodically to ensure that the number of options granted to any particular individual is commensurate with the individual's level of ongoing responsibility. The number of options an individual has been granted, the exercise price and the remaining term of such options and corporate and individual performance are also considered when options are granted. Previous grants of options are taken into account to ensure the entire compensation package is adequate in light of the individual's position and prevailing market conditions. The CEO and the CFO also play a role in granting options as they provide recommendations to the Board.

There were 1,300,000 options to acquire Common Shares granted to Named Executive Officers during the year ended September 30, 2011.

There were no options to acquire Common Shares exercised during the fiscal year ended September 30, 2011 by the Named Executive Officers.

Summary Compensation Table

The following table contains information about the compensation paid for the fiscal years ended September 30, 2011, 2010 and 2009 to the CEO, CFO and the next three most highly compensated executive officers of the Corporation.

Name and Principal Position	Year ended September 30	Salary ($)	Share-based Awards ($)	Option-based Awards ($)	Non-equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
					Annual Incentive Plan	Long Term Incentive Plans			
Frank Port, President & COO	2009	-	30,000(1)	37,500(2)	-	-	-	48,000(3)	115,500
	2010	-	-	21,150(4)	_	_	_	60,000(3)	81,150
	2011	-	35,000(3)	320,000(4)	-	-	-	60,000	415,000
Christopher Gulka, CFO	2009	-	-	-	-	-	-	42,000(5)	42,000
	2010	-	-	21,500(6)	_	_	_	60,000(5)	81,500
	2011	-	35,000(5)					60,000(5)	95,000
Bruce Murray, CEO	2011	-	40,000(7)	87,250(8)	-	-	-	30,000(7)	157,250
Daniel Tiberio, VP Operations	2011	-	30,000(9)	-	-	-	-	30,000(9)	60,000
Jessica Gordon-Metez, Exploration Manager	2011	47,500(10)	-	-	-	-	-	-	47,500
M. Douglas Walker, CEO & President	2009	-	-	-	-	-	-	20,000(11)	20,000
J. Greg Dawson, Director	2009	-	-	-	-	-	-	5,400(12)	5,400

Notes:

(1) Mr. Port was appointed President of the Corporation on October 1, 2008 and Chief Executive Officer of the Corporation on December 31, 2008. Upon becoming President, Mr. Port received a one-time signing bonus of $30,000 that was paid by the issuance of 300,000 Common Shares at a deemed price of $0.10 per Common Share.

(2) On October 1, 2008, Mr. Port was issued Options to acquire 375,000 Common Shares at an exercise price of $0.10 per Common Share for a period of five years from the date of grant. Closing price of the stock that day was $0.10.

(3) Consulting fees payable to a consulting company controlled by Mr. Port pursuant to a consulting agreement. As of April 1, 2010, a new consulting agreement was entered into, whereby consulting fees increased to $130,000 per year, with $5,000 per month to be paid in cash and the balance paid quarterly in Common Shares, based on the weighted average trading price 5 days prior to the quarter end. Mr. Port resigned as CEO on March 1, 2011 and remained as President with the added title of COO.

(4) Mr. Port was granted 50,000 Options on February 2, 2010 at an exercise price of $0.06 per Common Share for a period of 5 years. Closing price of the stock that date was $0.06. Mr. Port was granted 200,000 Options on June 29, 2010 at an exercise price of $0.10 per Common Share for a period of 5 years. Closing price of the stock that day was $0.10. Mr. Port was granted 1,000,000 Options on December 2, 2010 at an exercise price of $0.34 per Common Share for a period of 5 years. Closing price of the stock that day was $0.33. In December 2011, Mr. Port surrendered to the Corporation, 450,000 options at an exercise price of $0.34.

(5) Consulting fees payable to a consulting company controlled by Mr. Gulka pursuant to a consulting agreement. As of April 1, 2010 a new consulting agreement was entered into whereby consulting fees increased to $130,000 per year, with $5,000 per month to be paid in cash and the balance paid quarterly in Common Shares, based on the weighted average trading price 5 days prior to the quarter end.

(6) Mr. Gulka was granted 50,000 Options on February 2, 2010 at an exercise price of $0.06 per Common Share for a period of 5 years. Closing price of the stock that day was $0.06. Mr. Gulka was granted 200,000 options on June 29, 2010 at an exercise price of $0.10/share for a period of 5 years. Closing price of the stock that day was $0.10

(7) Mr. Murray was appointed CEO on April 1, 2011. Pursuant to a consulting agreement, consulting fees paid to a consulting company controlled by Mr. Murray. The consulting fees are $140,000 per year, with $5,000 per month to be paid in cash, and the balance paid quarterly in shares, based on the weighted average trading price 5 days prior to quarter end.

(8) Mr. Murray was granted 175,000 Options on October 25, 2010 at an exercise price of $0.33 per Common Share for a period of 5 years. Closing price of the stock that day was $0.33. Mr. Murray was granted 125,000 options on February 4, 2011 at an exercise price of $0.34 per Common Share for a period of 5 years. Closing price of the stock that day was $0.34.

(9) As of April 1, 2011, Daniel Tiberio was retained as Vice President Operations and is compensated through a consulting company controlled by Mr. Tiberio. The consulting fees are $120,000 per year, with $5,000 per month to be paid in cash, and the balance paid quarterly in shares, based on the weighted average trading price 5 days prior to quarter end.

(10) Jessica Gordon-Metez, commenced employment as Exploration Manager on May 9, 2011, and is compensated $114,000 per year.

(11) Mr. Walker resigned as President of the Corporation on October 1, 2008 and as CEO of the Corporation on December 31, 2008. Fees paid or accrued to Mr. Walker pursuant to a consulting agreement. The agreement provided that the Corporation would pay Mr. Walker $2,000 per month for management and consulting services. The agreement was terminated on December 31, 2008 and a $12,000 settlement payment was paid to Mr. Walker pursuant to the terms of the agreement.

(12) The Corporation had a consulting agreement with Mr. Dawson effective March 1, 2007, for a term of three years whereby the Corporation paid the director a base fee of $600 per month for geological consulting services. The director resigned effective September 2, 2009, and the consulting agreement was terminated.

Except as disclosed in the Summary Compensation Table above, no other remuneration payments were made, directly or indirectly, by the Corporation to its Named Executive Officers during the fiscal years ended September 30, 2011, 2010 and 2009.

Incentive Plan Awards

The following table contains information regarding the outstanding awards granted the Corporation's Named Executive Officers as at September 30, 2011.

	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 ($)**
Frank Port, President & COO	375,000 50,000 200,000 1,000,000	$0.10 $0.06 $0.10 $0.34	September 30, 2013 February 1, 2105 June 28, 2015 December 1, 2015	$37,500 $7,000 $20,000 -	-	-
Christopher Gulka, CFO	250,000 50,000 200,000	$0.15 $0.06 $0.10	August 11, 2013 February 1, 2105 June 28, 2015	$12,500 $7,000 $20,000	-	-
Bruce Murray, CEO	200,000 175,000 125,000	$0.10 $0.33 $0.34	June 28, 2015 October 25, 2015 February 4, 2016	$20,000 - -	-	-
Daniel Tiberio, VP Operations	-	-	-	-	-	-
Jessica Gordon-Metez, Exploration Manager	-	-	-	-	-	-

Director Compensation

The following table contains information about the compensation paid to the directors of the Corporation for the fiscal year ended September 30, 2011.

Name	Fees earned $	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation($)	Pension value ($)	All other compensation ($)	Total ($)
Frank Port	$60,000	$35,000	$320,000	-	-	-	$415,000
Christopher Gulka	$60,000	$35,000	-	-	-	-	$95,000
Bruce Murray	$30,000	$40,000	$87,250	-	-	-	$157,250
John Anderson	-	-	-	-	-	-	-

Name	Fees earned $	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation($)	Pension value ($)	All other compensation ($)	Total ($)
Richard Edgar	-	-	-	-	-	-	-
Senator David Tkachuk	-	-	-	-	-	-	-
Tom Lantz	-	-	-	-	-	-	-

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date hereof, no current or former director, executive officer, promoter or employee of the Corporation is indebted to the Corporation or any of its subsidiaries.

AUDIT COMMITTEES AND CORPORATE GOVERNANCE

Audit Committee

The Audit Committee's mandate is to assist the Board of Directors in fulfilling its oversight responsibilities with respect to financial reporting and risk management.

Audit Committee Charter

The Board of Directors has adopted a Charter for the Audit Committee which sets out the Audit Committee's mandate, organization, powers and responsibilities. The text of the Audit Committee's charter is attached as Appendix "B" to the management information circular of the Corporation dated October 20, 2010 and incorporated by reference in this listing application.

Composition of the Committee

The following table sets out the names of the members of the Audit Committee and whether they are "independent" and "financially literate" as those terms are defined in applicable securities laws.

Name of Member	Independent	Financially Literate
Christopher Gulka	No	Yes
John Anderson	Yes	Yes
Richard Edgar	Yes	Yes

Relevant Education and Experience

Christopher Gulka

Mr. Gulka is a Chartered Accountant and holds a Chartered Financial Analyst designation. Mr. Gulka is the founder and principal of Working Capital Corporation which provides advice in corporate finance, business valuations, fairness opinions and business plans. Mr. Gulka has acted as CFO and has sat on audit committees of numerous public companies.

John Anderson

Mr. Anderson has been a director and officer of a number of public companies where he was involved in reviewing their financial statements and other financial disclosure issues.

Richard Edgar

Mr. Edgar has been a director and officer of a number of public companies where he was involved in reviewing their financial statements and other financial disclosure issues. Mr. Edgar was formerly a member of the audit committee for TriStar Oil & Gas Ltd. and currently sits on the audit committee for Bengal Energy Ltd. and Poplar Creek Resources Inc.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditory not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 (*De Minimis Non-Audit Services)* of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

Audit Fees

The following table sets forth the fees billed by the Corporation's external auditors in the 12 months ended September 30, 2010 and 2011:

Services	**12 months ended September 30, 2011**	**12 months ended September 30, 2010**
Audit Fees(1)	$30,000	$24,500
Audit Related Fees(2)	-	-
Tax Fees(3)	-	$2,700
All Other Fees(4)	-	-
Total	**$30,000**	**$27,200**

Notes:

(1) Aggregate audit fees billed.

(2) Aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements which are not included under the heading "*Audit Fees*".

(3) Aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.

(4) Aggregate fees billed for products and services other than as set out under the headings "*Audit Fees*", "*Audit-Related Fees*" and "*Tax Fees*".

Exemption

The Corporation is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in Section 6.1 (Venture Issuers) of NI 52-110 with respect to its reporting obligations under Part 5 (Reporting Obligations) of NI 52-110.

Corporate Governance

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* requires all reporting issuer to provide certain annual disclosure of the corporate governance practices they have adopted with respect to the corporate governance guidelines ("**Guidelines**") set forth in National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**"). The Guidelines are not prescriptive, but have been considered by the Corporation in adopting its corporate governance practices. The Corporation's approach to corporate governance is set out below.

Board of Directors

The Board of Directors is currently comprised of five directors. The Guidelines suggest that the board of directors of every reporting issuer should be comprised of a majority of individuals who qualify as "independent" directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Corporation. A "material relationship" is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a director's independent judgement. In addition, certain individuals are deemed, for the purposes of NP 58-201, to have material relationships with the Corporation, including any individual who is, or has in the last three years been, an employee or executive officer of the Corporation. The independent members of the Board of Directors are John Anderson, and Richard Edgar.

Orientation and Continuing Education

The Board does not have any formal procedure to orient new board members nor does it have a formal policy of providing continuing education for directors. When a new director is appointed, they have the opportunity to meet the other directors, management and employees, with orientation tailored to the needs and experience of the new director, as well as the overall needs of the Board. New directors are provided with written information about the Board committees and the business and operations of the Corporation and documents from recent meetings of the Board.

The Corporation relies upon its professional advisors to update the knowledge of the Board in respect to changes in relevant policies and regulations. The Board expects to select any new members from persons who have the requisite knowledge and experience to ensure that the lack of formal policy will not detract from the performance of its members.

Members of the Board are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, to attend related industry seminars and conventions and to visit the Corporation's operations. Members of the Board have full access to the Corporation's records.

Ethical Business Conduct

The Board has not, to date, adopted a formal written code of business conduct and ethics. The current limited size of Passport's operations, and the small number of officers and employees, allow the Board to monitor, on an ongoing basis, the activities of management and to ensure that the

highest standard of ethical conduct is maintained. As Passport grows in size and scope, the Board anticipates that it will formulate and implement a formal corporate governance charter that will provide for a code of business conduct and ethics.

The Board itself must comply with the conflict of interest provisions of the BCBCA, 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.

Nomination of Directors

The Board as a whole is responsible for nominating new members of the Board and assessing members of the Board on an ongoing basis. The Board considers succession planning (including appointment of senior management). The Board annually reviews the general and specific criteria to consider when directors are being appointed to the Board. The objective of this review is to recommend that appointments be made to provide the best mix of skills and experience to guide the long-term strategy and ongoing business operations of the Corporation. 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.

Compensation

The Compensation Committee is responsible for the development and supervision of the Corporation's approach to compensation issues. The Compensation Committee will assist the Board in developing compensation guidelines, and make recommendations to the Board with respect to compensation practices. See section titled "*Compensation Committee*" below.

Other Board Committees

In addition to the Audit Committee and the Corporate Governance Committee, the Board of Directors has established a Compensation Committee.

Compensation Committee

The Compensation Committee is responsible for the development and supervision of the Corporation's approach to compensation issues. The Compensation Committee assists the Board in developing compensation guidelines, and provides recommendations to the Board with respect to compensation practices. The Compensation Committee is comprised of Bruce Murray, Frank Port and Christopher Gulka. The Corporation does not have a charter or terms of reference for the Compensation Committee.

Assessments

The Board is responsible for annually assessing its overall performance and that of its committees. The objective of this review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. The review has regard to the mandate or charter of the Board or committee and identifies any areas where the directors or management believe that the Board could make a better collective contribution to overseeing the affairs of the Corporation. The Board is also responsible for regularly assessing the effectiveness and contribution of the individual directors, having regard to the competencies and skills each director is expected to bring to the Board.

AGENT, SPONSOR OR ADVISOR

The Corporation has not retained any Agent, Sponsor or advisor retained in connection with the Application or in connection with any financing to take place contemporaneously with the listing. The Corporation applied for and was granted an exemption from the sponsorship requirements in accordance with section 3.4(a)(i) of Policy 2.2 – *Sponsorship and Sponsorship Requirements*.

RISK FACTORS

Exploration, Development and Production Risks

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. Our long-term commercial success depends on our ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves we may have at any particular time, and the production therefrom will decline over time as such existing reserves are exploited. A future increase in our reserves will depend not only on our ability to explore and develop any properties we may have from time to time, but also on our ability to select and acquire suitable producing properties or prospects. No assurance can be given that we will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, our management may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that we will discover or acquire further commercial quantities of oil and natural gas.

Future oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but also from wells that are productive but do not produce sufficient petroleum substances to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions.

While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or personal injury. In particular, we may explore for and produce sour natural gas in certain areas. An unintentional leak of sour natural gas could result in personal injury, loss of life or damage to property and may necessitate an evacuation of populated areas, all of which could result in liability to us.

In accordance with industry practice, we are not fully insured against all of these risks, nor are all such risks insurable. Although we maintain liability insurance in an amount that it considers

consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event we could incur significant costs.

Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks may have a material adverse effect on our business, financial condition, results of operations and prospects.

There are certain factors affecting the production and sale of oil and natural gas that could result in decreases in profitability including: (i) expiration or termination of leases, permits or licences, or sales price redeterminations or suspension of deliveries; (ii) future litigation; (iii) the timing and amount of insurance recoveries; (iv) work stoppages or other labour difficulties; (v) worker vacation schedules and related maintenance activities; and (vi) changes in the market and general economic conditions. Weather conditions, equipment replacement or repair, fires, and other geological conditions can have a significant impact on operating results.

Global Financial Crisis

Recent market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, have caused significant volatility to commodity prices.

These conditions worsened in 2008 and continued in 2009, causing a loss of confidence in global credit and financial markets and resulting in the collapse of, and government intervention in, major banks, financial institutions and insurers and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. Although economic conditions improved towards the latter portion of 2009 and in 2010, as anticipated, the recovery from the recession has been slow in various jurisdictions including in Europe and the United States and has been impacted by various ongoing factors including sovereign debt levels and high levels of unemployment which continue to impact commodity prices and to result in high volatility in the stock market.

Prices, Markets and Marketing

The marketability and price of oil and natural gas that may be acquired or discovered by us is and will continue to be affected by numerous factors beyond our control. Our ability to market our oil and natural gas may depend upon our ability to acquire space on pipelines that deliver natural gas to commercial markets. We may also be affected by deliverability uncertainties related to the proximity of our reserves to pipelines and processing and storage facilities and operational problems affecting such pipelines and facilities as well as extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business.

The prices of oil and natural gas prices may be volatile and subject to fluctuation. Any material decline in prices could result in a reduction of our net production revenue. The economics of producing from some wells may change as a result of lower prices, which could result in reduced production of oil or gas and a reduction in the volumes of our reserves. We might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in

our expected net production revenue and a reduction in our oil and gas acquisition, development and exploration activities. Prices for oil and gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty and a variety of additional factors beyond our control. These factors include economic conditions, in the United States and Canada, the actions of OPEC, governmental regulation, political stability in the Middle East and elsewhere, the foreign supply of oil and gas, risks of supply disruption, the price of foreign imports and the availability of alternative fuel sources. Any substantial and extended decline in the price of oil and gas would have an adverse effect on our carrying value of our reserves, borrowing capacity, revenues, profitability and cash flows from operations and may have a material adverse effect on our business, financial condition, results of operations and prospects.

Petroleum prices are expected to remain volatile for the near future as a result of market uncertainties over the supply and the demand of these commodities due to the current state of the world economies, OPEC actions and the ongoing credit and liquidity concerns. Volatile oil and gas prices make it difficult to estimate the value of producing properties for acquisition and often cause disruption in the market for oil and gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for and project the return on acquisitions and development and exploitation projects.

Failure to Realize Anticipated Benefits of Acquisitions and Dispositions

We make acquisitions and dispositions of businesses and assets in the ordinary course of business. Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner as well as our ability to realize the anticipated growth opportunities and synergies from combining our business and operations with those of the acquired business. The integration of an acquired business may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters. Management continually assesses the value and contribution of services provided and assets required to provide such services. In this regard, non-core assets are periodically disposed of, so that we can focus our efforts and resources more efficiently. Depending on the state of the market for such non-core assets, certain or our non-core assets, if disposed of, could be expected to realize less than their carrying value on our financial statements.

Acquisitions of oil and gas properties or companies are based in large part on engineering, environmental and economic assessments made by the acquirer, independent engineers and consultants. These assessments include a series of assumptions regarding such factors as recoverability and marketability of oil and natural gas, environmental restrictions and prohibitions regarding releases and emissions of various substances, future prices of oil and gas and operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond our control. All such assessments involve a measure of geologic, engineering, environmental and regulatory uncertainty that could result in lower production and reserves or higher operating or capital expenditures than anticipated.

Although select title and environmental reviews are conducted prior to any purchase of resource assets, such reviews cannot guarantee that any unforeseen defects in the chain of title will not arise to defeat our title to certain assets or that environmental defects, liabilities or deficiencies do not exist or are greater than anticipated.

Competition

The petroleum industry is competitive in all its phases. We compete with numerous other organizations in the search for, and the acquisition of, oil and natural gas properties and in the marketing of oil and natural gas. Our competitors include oil and natural gas companies that have substantially greater financial resources, staff and facilities than ours. Our ability to increase our reserves in the future will depend not only on our ability to explore and develop our present properties, but also on our ability to select and acquire other suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of oil and natural gas include price and methods and reliability of delivery and storage. Competition may also be presented by alternate fuel sources.

Regulatory

Oil and natural gas operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government, which may be amended from time to time. Governments may regulate or intervene with respect to price, taxes, royalties and the exportation of oil and natural gas. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for natural gas and crude oil and increase our costs, any of which may have a material adverse effect on our business, financial condition, results of operations and prospects. In order to conduct oil and gas operations, we will require licenses from various governmental authorities. There can be no assurance that we will be able to obtain all of the licenses and permits that may be required to conduct operations that we may wish to undertake.

Environmental

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and natural gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material.

Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require us to incur costs to remedy such discharge. Although we believe that we are in material compliance with current applicable environmental regulations, no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise have a material adverse effect on our business, financial condition, results of operations and prospects.

Climate Change

Canada is a signatory to the United Nations Framework Convention on Climate Change and has ratified the Kyoto Protocol established thereunder to set legally binding targets to reduce nationwide emissions of carbon dioxide, methane, nitrous oxide and other so called "greenhouse

gases". There has been much public debate with respect to Canada's ability to meet these targets and the Government's strategy or alternative strategies with respect to climate change and the control of greenhouse gases. We may also be required comply with the regulatory scheme for greenhouse gas emissions ultimately adopted by the federal government, which is now expected to be modified to ensure consistency with the regulatory scheme for greenhouse gas emissions adopted by the United States. The direct or indirect costs of these regulations may have a material adverse effect on our business, financial condition, results of operations and prospects. The future implementation or modification of greenhouse gases regulations, whether to meet the limits required by the Kyoto Protocol, the Copenhagen Accord or as otherwise determined, could have a material impact on the nature of oil and natural gas operations, including ours. Given the evolving nature of the debate related to climate change and the control of greenhouse gases and resulting requirements, it is not possible to predict the impact on us and our operations and financial condition.

Variations in Foreign Exchange Rates and Interest Rates

World oil and gas prices are quoted in United States dollars and the price received by Canadian producers is therefore affected by the Canadian/U.S. dollar exchange rate, which will fluctuate over time. In recent years, the Canadian dollar has increased materially in value against the United States dollar. Material increases in the value of the Canadian dollar negatively impact our production revenues. Future Canadian/United States exchange rates could accordingly impact the future value of our reserves as determined by independent evaluators To the extent that we engage in risk management activities related to foreign exchange rates, there is a credit risk associated with counterparties with which we may contract. An increase in interest rates could result in a significant increase in the amount we pay to service debt, which could negatively impact the market price of our securities.

Hedging

From time to time we may enter into agreements to receive fixed prices on our oil and natural gas production to offset the risk of revenue losses if commodity prices decline; however, if commodity prices increase beyond the levels set in such agreements, we will not benefit from such increases and we may nevertheless be obligated to pay royalties on such higher prices, even though not received by us, after giving effect to such agreements. Similarly, from time to time we may enter into agreements to fix the exchange rate of Canadian to United States dollars in order to offset the risk of revenue losses if the Canadian dollar increases in value compared to the United States dollar; however, if the Canadian dollar declines in value compared to the United States dollar, we will not benefit from the fluctuating exchange rate.

Management of Growth

We may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. Our ability to manage growth effectively will require us to continue to implement and improve our operational and financial systems and to expand, train and manage our employee base. Our potential inability to deal with this growth may have a material adverse effect on our business, financial condition, results of operations and prospects.

Operational Dependence

We do not operate all of our properties and facilities. Therefore, our results of operations may be adversely affected by pipeline interruptions and apportionments and the actions or inactions of third party operators, any of which could cause delays and additional expenses in receiving our revenues, which could in turn adversely affect our business, financial condition, results of operations

and prospects. Continuing production from a property, and to some extent the marketing of production therefrom, largely depend upon the ability of the operator of the property or related facilities and the uninterrupted access to pipelines.

Operating costs on most properties have increased over recent years. To the extent the operator fails to perform these functions properly or pipeline access is restricted, revenues will be reduced. Payments from production generally flow through the operator and there is a risk of delay and additional expense in receiving such revenues if the operator becomes insolvent. Our return on assets operated by others therefore depends upon a number of factors that may be outside of our control, including the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices.

Third Party Credit Risk

We may be exposed to third party credit risk through our contractual arrangements with our current or future joint venture partners, marketers of our petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations, such failures may have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, poor credit conditions in the industry and of joint venture partners may impact a joint venture partner's willingness to participate in our ongoing capital program, potentially delaying the program and the results of such program until we find a suitable alternative partner.

Substantial Capital Requirements

We anticipate making substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. If our revenues or reserves decline, we may not have access to the capital necessary to undertake or complete future drilling programs. In addition, uncertain levels of near term industry activity coupled with the present global credit crisis exposes us to additional access to capital risk. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to us. Our inability to access sufficient capital for our operations could have a material adverse effect on our business financial condition, results of operations and prospects.

Additional Funding Requirements

Our cash flow from our production and reserves may not be sufficient to fund our ongoing activities at all times. From time to time, we may require additional financing in order to carry out our oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause us to forfeit our interest in certain properties, miss certain acquisition opportunities and reduce or terminate our operations. If our revenues from our reserves decrease as a result of lower oil and natural gas prices or otherwise, it will affect our ability to expend the necessary capital to replace our reserves or to maintain our production. If our cash flow from operations is not sufficient to satisfy our capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or, if available, on terms acceptable to us. Continued uncertainty in domestic and international credit markets could materially affect our ability to access sufficient capital for our capital expenditures and acquisitions, and as a result, may have a material adverse effect on our ability to execute our business strategy and on our business, financial condition, results of operations and prospects.

Issuance of Debt

From time to time we may enter into transactions to acquire assets or the shares of other organizations. These transactions may be financed in whole or in part with debt, which may increase our debt levels above industry standards for oil and natural gas companies of similar size. Depending on future exploration and development plans, we may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms. Neither our articles nor by-laws limit the amount of indebtedness that we may incur.

The level of our indebtedness from time to time could impair our ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

Reliance on Key Personnel

Our success depends in large measure on our certain key personnel. The loss of the services of such key personnel may have a material adverse effect on our business, financial condition, results of operations and prospects. The contributions of the existing management team to our immediate and near term operations are likely to be of central importance. In addition, the competition for qualified personnel in the oil and natural gas industry is intense and there can be no assurance that we will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of our management.

Availability of Drilling and Completion Equipment and Access

Oil and natural gas exploration and development activities are dependent on the availability of drilling and completion and the related equipment (typically leased from third parties) in the particular areas where such activities will be conducted. The substantial increase in horizontal drilling and the use of multi-stage fracturing equipment has placed increased demands on this specialized equipment. Demand for such limited equipment or access restrictions may affect the availability of such equipment to us and may delay exploration and development activities.

Title to Assets

Although title reviews may be conducted prior to the purchase of oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that an unforeseen defect in the chain of title will not arise to defeat our claim which may have a material adverse effect on our business, financial condition, results of operations and prospects.

Reserve Estimates

There are numerous uncertainties inherent in estimating quantities of oil, natural gas and natural gas liquids reserves and the future cash flows attributed to such reserves. The reserve and associated future cash flow information set forth in this listing application and incorporated by reference herein are estimates only. In general, estimates of economically recoverable oil and natural gas reserves and the future net cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially from actual results. For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves

prepared by different engineers, or by the same engineers at different times may vary. Our actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material.

Estimates of proved reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Recovery factors and drainage areas were estimated by experience and analogy to similar producing pools. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history and production practices will result in variations in the estimated reserves and such variations could be material.

In accordance with applicable securities laws, our independent reserves evaluator has used forecast prices and costs in estimating the reserves and future net cash flows as summarized herein. Actual future net cash flows will be affected by other factors, such as actual production levels, supply and demand for oil and natural gas, curtailments or increases in consumption by oil and natural gas purchasers, changes in governmental regulation or taxation and the impact of inflation on costs.

Actual production and cash flows derived from our oil and gas reserves will vary from the estimates contained in the reserve evaluation, and such variations could be material. The reserve evaluation is based in part on the assumed success of activities we intend to undertake in future years. The reserves and estimated cash flows to be derived therefrom contained in the reserve evaluation will be reduced to the extent that such activities do not achieve the level of success assumed in the reserve evaluation. The reserve evaluation is effective as of a specific effective date and has not been updated and thus does not reflect changes in our reserves since that date.

Insurance

Our involvement in the exploration for and development of oil and natural gas properties may subject us to liability for pollution, blow outs, leaks of sour natural gas, property damage, personal injury or other hazards. Although we maintain insurance in accordance with industry standards to address certain of these risks, such insurance has limitations on liability and may not be sufficient to cover the full extent of such liabilities. In addition, such risks are not, in all circumstances, insurable or, in certain circumstances, we may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of any uninsured liabilities would reduce our available funds. The occurrence of a significant event that we are not fully insured against, or the insolvency of the insurer of such event, may have a material adverse effect on our business, financial condition, results of operations and prospects.

Adoption of International Financial Reporting Standards

The requirement for us to implement IFRS to replace Canadian generally accepted accounting principles effective January 1, 2011 may materially affect our financial results as reported in our financial statements. We are in the process of transitioning to IFRS and have reported our financial results for the past three quarters in compliance with Canadian GAAP, but at this time we are unable to quantify the impact IFRS will have on our financial statements. For information regarding the impact that IFRS will have on our accounting policies and financial statements, see "Additional Information" in our Management's Discussion and Analysis for the year ended September 30, 2011 which has been incorporated by reference into this listing application and is available on SEDAR at www.sedar.com.

Project Risks

We manage a variety of small and large projects in the conduct of our business. Project delays may delay expected revenues from operations. Significant project cost over-runs could make a project uneconomic. Our ability to execute projects and market oil and natural gas depends upon numerous factors beyond our control, including:

- the availability of processing capacity;
- the availability and proximity of pipeline capacity;
- the availability of storage capacity;
- the supply of and demand for oil and natural gas;
- the availability of alternative fuel sources;
- the effects of inclement weather;
- the availability of drilling and related equipment;
- unexpected cost increases;
- accidental events;
- currency fluctuations;
- changes in regulations;
- the availability and productivity of skilled labour; and
- the regulation of the oil and natural gas industry by various levels of government and governmental agencies.

Because of these factors, we could be unable to execute projects on time, on budget or at all, and may not be able to effectively market the oil and natural gas that we produce.

Geo-Political Risks

The marketability and price of oil and natural gas that we may acquire or discover is and will continue to be affected by political events throughout the world that cause disruptions in the supply of oil. Conflicts, or conversely peaceful developments, arising in the Middle East and other areas of the world have a significant impact on the price of oil and natural gas. Any particular event could result in a material decline in prices and therefore result in a reduction of our net production revenue.

In addition, our oil and natural gas properties, wells and facilities could be subject to a terrorist attack. If any of our properties, wells or facilities are the subject of terrorist attack it may have a material adverse effect on our business, financial condition, results of operations and prospects. We will not have insurance to protect against the risk from terrorism.

Dilution

We may make future acquisitions or enter into financings or other transactions involving the issuance of our securities which may be dilutive.

Expiration of Licences and Leases

Our properties are held in the form of licences and leases and working interests in licences and leases. If we or the holder of the licence or lease fails to meet the specific requirement of a licence or lease, the licence or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each licence or lease will be met. The termination or expiration of our licences or leases or the working interests relating to a licence or lease may have a material adverse effect on our business, financial condition, results of operations and prospects.

Dividends

We have not paid any dividends on our outstanding shares. Payment of dividends in the future will be dependent on, among other things, the cash flow, results of our operations and financial condition, the need for funds to finance ongoing operations and other considerations as our Board of Directors considers relevant.

Aboriginal Claims

Aboriginal peoples have claimed aboriginal title and rights to portions of western Canada. We are not aware that any claims have been made in respect of our properties and assets; however, if a claim arose and was successful such claim may have a material adverse effect on our business, financial condition, results of operations and prospects.

Seasonality

The level of activity in the North American oil and gas industry is influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable. Consequently, municipalities and provincial transportation departments enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. Also, certain oil and gas producing areas are located in areas that are inaccessible other than during the winter months because the ground surrounding the sites in these areas consists of swampy terrain. Seasonal factors and unexpected weather patterns may lead to declines in exploration and production activity and corresponding declines in the demand for our goods and services.

Conflicts of Interest

Certain of our directors are also directors of other oil and gas companies and as such may, in certain circumstances, have a conflict of interest requiring them to abstain from certain decisions. Conflicts, if any, will be subject to the procedures and remedies of the BCBCA.

PROMOTERS

Frank Port, Christopher Gulka, and Bruce Murray can be considered promoters of the Corporation. Mr. Port beneficially owns or controls, directly or indirectly 1,196,303 (1.78%) Common Shares. Mr. Gulka beneficially owns or controls, directly or indirectly 2,689,303 (3.99%) Common Shares. Mr. Murray beneficially owns or controls, directly or indirectly 938,632 (1.39%) Common Shares.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the knowledge of management of the Corporation, since incorporation, there have been no legal proceedings material to the Corporation to which the Corporation is or was a party or of which any of the property of the Corporation is or was the subject, nor are any such proceedings known to the Corporation to be contemplated.

Except as disclosed elsewhere in this listing application, within the three years preceding the date of this application, there have not been any penalties or sanctions imposed against the Corporation by a court relating to provincial and territorial securities legislation or by a securities regulatory authority and the Corporation has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or by a securities regulatory authority. To the knowledge of management of the Corporation, except as disclosed elsewhere in this listing application, there have been not any other penalties or sanctions imposed by a court or regulatory body against the Corporation.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of the Corporation, any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class of the outstanding voting securities of the Corporation or any associate or affiliate of any of them has, or has had, any material interest in any transaction prior to the date hereof or any proposed transaction that has materially affected or will materially affect the Corporation or its affiliates, except as disclosed elsewhere in this listing application.

INVESTOR RELATIONS ARRANGEMENTS

The Corporation has not made any arrangements with any person to provide promotional or investor relations services to the Corporation, other than as outlined below.

On February 9, 2011, the Corporation entered into an investor relations consulting agreement with Investor Cubed Inc. The terms of the agreement were $5,000 per month and 690,000 options with an exercise price of $0.34 per share. The share price on February 9, 2011 was $0.25 cents. Pursuant to the termination clause in the agreement, the Corporation terminated the agreement in May 2011.

AUDITORS, TRANSFER AGENTS AND REGISTRARS

The Corporation's auditors are Collins Barrow Calgary LLP who are located at 1400 First Alberta Place, 777 - 8th Avenue SW, Calgary, Alberta, T2P 3R5.

The registrar and transfer agent for the Common Shares is Olympia Trust Company, Suite 1900, 925 Georgia Street W., Vancouver, British Columbia, V6C 3L2.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contracts entered into by the Corporation which can reasonably be regarded as presently material to the Corporation, are the following:

a. the Purchase and Sale Agreement;

b. Escrow Agreement;

c. the Participation and Operating Agreement;

d. The management agreements dated April 1, 2011 entered into with each of the CEO, COO and CFO; and

e. The Farm-in Agreement.

EXPERTS

The following professional persons have prepared reports or have provided opinions that are either included in or referred to in this listing application:

- MHA prepared the Technical Review in accordance with NI 51-101;
- GLJ prepared the Reserves Assessment in accordance with NI 51-101;
- Collins Barrow Calgary LLP, the Corporation's auditor, is independent of the Corporation in accordance with the rules of professional conduct applicable to auditors in their respective jurisdictions in Canada.

There is no beneficial interest, direct or indirect, in any securities in excess of one percent of the Corporation's issued capital or property of the Corporation or of an associate or affiliate of the Corporation, held by a professional person referred to in section 106(2) of the Rules under the *Securities Act* (British Columbia), a responsible solicitor or any partner of a responsible solicitor's firm or by any person or company whose profession or business gives authority to statement made the person or company and who is named as having prepared or certified a part of this listing application or prepared or certified a report or valuation described or included in this listing application. No such person is or is expected to be elected, appointed or employed as a director or employee of the Corporation.

ADDITIONAL INFORMATION – MINING OR OIL AND GAS APPLICANTS

Please see "*Description of the Business*" and "*Documents Incorporated by Reference*".

EXEMPTIONS

No exemptions from a securities regulator or securities regulatory authority has been received by the Corporation.

FINANCIAL STATEMENT DISCLOSURE FOR ISSUERS

Please see "*Documents Incorporated by Reference*".

SIGNIFICANT ACQUISITIONS

The Corporation has not completed any significant acquisitions requiring disclosure under this item other than the acquisition of the leases from Damont, as outlined below.

On August 11, 2010, the Corporation entered into the Sweetgrass LOI for the acquisition of oil and gas leases located in the Sweetgrass Arch. The Sweetgrass LOI outlined the terms of the

acquisition of 41,500 acres of oil and gas leases in the Sweetgrass Arch prospect. On October 15, 2010, the Corporation completed the acquisition through the issuance of 19,111,110 Common Shares at a deemed price of $0.20 per share for an aggregate acquisition cost of $3,822,222. The Common Shares issued pursuant to the acquisition are subject to the Escrow Agreement, whereby the Common Shares are released from escrow as follows; (a) 15% six months from August 23, 2010, (b) 15% twelve months from August 23, 2010, (c) 15% eighteen months from August 23, 2010, (d) 15% twenty-four months from August 23, 2010, (e) 15% thirty months from August 23, 2010 and (f) the remaining 25% thirty-six months from August 23, 2010.

ACKNOWLEDGEMENT

The Corporation hereby represents and warrants that it has obtained all consents required under applicable law for the collection, use and disclosure by the Exchange of the Personal Information contained in or submitted pursuant to this listing application for the purposes described in Appendix "A" to this Application.

APPENDIX "A"
FORM 2B PERSONAL INFORMATION COLLECTION POLICY

Collection, Use and Disclosure

TSX Venture Exchange Inc. and its affiliates, authorized agents, subsidiaries and divisions, including TSX Venture Exchange and Toronto Stock Exchange, (collectively referred to as the "Exchange") collect the information contained in or submitted pursuant to Form 2B (which may include personal, confidential, non-public or other information) and use it for the following purposes:

- to conduct background checks,
- to verify the Personal Information that has been provided about each individual,
- to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Applicant,
- to consider the eligibility of the Applicant to list on the Exchange,
- to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Applicant, or its associates or affiliates, including information as to such individuals' involvement with any other reporting issuers,
- to detect and prevent fraud, and
- to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Exchange, securities legislation and other legal and regulatory requirements governing the conduct and protection of the capital markets in Canada.

Personal Information the Exchange collects may also be disclosed:

(a) to securities regulators and regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, and each of their subsidiaries, affiliates, regulators and authorized agents, for the purposes described above, and these agencies and organizations may use the information in their own investigations;

(b) on the Exchange's website or through printed materials published by or pursuant to the directions of the Exchange for the purposes described above; and

(c) as otherwise permitted or required by law.

The Exchange may from time to time use third parties to process information or provide other administrative services. In this regard, the Exchange may share the information with such third party service providers for the purposes described above.

Questions

If you have any questions or enquiries regarding the policy outlined above or about our privacy practices, please send a written request to: Chief Privacy Officer, TMX Group, The Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1J2.