

**FAIRWEST ENERGY CORPORATION
NOTICE OF ANNUAL AND SPECIAL MEETING
OF HOLDERS OF COMMON SHARES
TO BE HELD MAY 15, 2009**

Notice is hereby given that the annual and special meeting (the "Meeting") of the holders (the "Shareholders") of common shares (the "Common Shares") of FairWest Energy Corporation ("FairWest" or the "Corporation") will be held at Bankers Hall Auditorium, Lower Level 315 – 8 Avenue S.W. Calgary, Alberta on May 15, 2009 at 10:00 a.m. (Calgary time), for the following purposes:

1. to receive the audited financial statements of FairWest for the year ended December 31, 2008;
2. to consider and if thought appropriate, to pass an ordinary resolution electing directors of FairWest for the ensuing year;
3. to consider and if thought appropriate, to pass an ordinary resolution appointing Kenway Mack Slusarchuk Stewart LLP the auditors of FairWest and authorizing the directors to fix their remuneration;
4. to consider and if thought appropriate, to pass with or without variation, an ordinary resolution to approve, ratify and confirm the granting of options to directors, officers, employees, consultants and other eligible service providers on the terms and conditions of the Plan as previously approved by the Shareholders of the Corporation on April 26, 2006, and the further granting of options in accordance with the Plan is hereby approved, ratified and confirmed until May 15, 2012;.
5. to consider, and if thought appropriate, to pass with or without variation an ordinary resolution to approve and confirm the Corporation's amendment to the exercise price of certain stock options granted to directors, officers, consultants and other eligible service providers;
6. to transact such other business as may properly come before the Meeting or any adjournment(s) thereof.

The nature of the business to be transacted at the Meeting and the specific details regarding the foregoing are described in further detail in the accompanying Management Information Circular dated April 6, 2009 (the "Circular") and the appendices thereto.

DATED at Calgary, Alberta on this 6th day of April, 2009.

By Order of the Board of Directors

(signed) James G. Gettis

JAMES G. GETTIS

President, Chief Executive Officer, and Director

FAIRWEST ENERGY CORPORATION

Management Information Circular (“Circular”)

This Circular is furnished in connection with the solicitation of proxies by the management (“Management”) of FairWest Energy Corporation (“FairWest” or the “Corporation”) for use at the Annual and Special Meeting of Shareholders (the “Meeting”) to be held at the Bankers Hall Auditorium, Lower Level 315 – 8 Avenue S.W. Calgary, Alberta on May 15, 2009 at 10:00 a.m. (Calgary time), and at any and all adjournments of that meeting.

All references to FairWest shareholders (each a “Shareholder” and together the “Shareholders”) in this Circular and the accompanying form of proxy and Notice of Meeting are to Shareholders of record unless specifically stated otherwise. The record date for the determination of holders of common shares (each a “Common Share” and together the “Common Shares”) of the Corporation who may vote at the meeting shall be at the close of business on April 6, 2009 (the “Record Date”). Each Common Share carries one vote. Olympia Trust Company will prepare, as of the Record Date, a list of Shareholders entitled to receive the Notice of the Meeting and showing the number of Common Shares held by each such Shareholder. Each person named in the list of Shareholders will be entitled to notice of, to attend and to vote the Common Shares shown opposite such Shareholder’s name at the Meeting; provided that, to the extent that such Shareholder transfers the ownership of such holder’s Common Shares after the Record Date and the transferee of those shares establishes that the transferee owns the Common Shares and demands, not later than ten days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote such Shares at the Meeting.

Date of Information

Information contained in this Circular is given as of March 31, 2009 unless otherwise noted.

Communicating with the FairWest Board of Directors and Management

Any proposal by a registered Shareholder entitled to vote at the Meeting (an “Eligible Shareholder”) intended to be presented at the Meeting should be directed to the attention of the President and Chief Executive Officer or the Chairman of the Board of FairWest at the following address. At the time of printing this Circular, FairWest has not been made aware of any proposal intended to be presented at the Meeting by an Eligible Shareholder.

FairWest Energy Corporation
#800, 407 – 2 Street SW
Calgary, Alberta T2P 2Y3

Telephone: 403-264-4949
Facsimile: 403-269-1761

SOLICITATION OF PROXIES

Purpose of Solicitation

The information contained in this Circular is furnished in connection with the solicitation of proxies by or on behalf of the Management of FairWest for use at the Meeting. The solicitation of proxies by Management will be primarily by mail, however, proxies may also be solicited personally or by telephone, fax or other means of communication by regular employees of the Corporation. The cost of any such solicitation will be borne by the Corporation.

Appointment and Revocation of Proxy

A Shareholder has the right to designate a person (who need not be a Shareholder of the Corporation) other than James G. Gettis, the President, Chief Executive Officer, and Director of the Corporation, or, failing him, Richard W. Clark, Chairman of the Board of Directors of the Corporation, who are the Management designees, to attend and act for such Shareholder at the Meeting. Such right may be exercised by inserting in the blank space provided in the proxy the name of the person to be designated, delivering the resulting instrument of proxy to Olympia Trust Company (“Olympia”) not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournments thereof.

The Record Date for the determination of Shareholders entitled to receive notice of the Meeting has been set as April 6, 2009. Only holders of Common Shares of record as at that date are entitled to receive notice of and to vote at the Meeting.

However, any transferee who has acquired Shares after the Record Date will also be entitled to exercise his or her voting rights attached to said Shares at the Meeting or at any reconvening thereof, in case of adjournment, provided that such transferee produces properly endorsed share certificate(s) representing the Shares or otherwise establishes ownership thereof, and makes a written request, at least ten days prior to the Meeting, that his or her name be included on the list of Shareholders.

A form of proxy will not be valid and will not be acted upon or voted unless it is delivered to Olympia, Suite 2300, 125 - 9 Avenue SE Calgary, Alberta T2G 0P6 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment(s) thereof. Incomplete proxies delivered to Olympia will be deemed to have designated James G. Gettis to act on behalf of the Shareholder at the Meeting. The instrument appointing a proxy shall be in writing and shall be executed by the Shareholder or the Shareholders' attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

In addition to any other matter permitted by law, a Shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast by completing an instrument in writing executed by the Shareholder or his attorney authorized in writing, or if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, and by depositing such instrument of revocation with Olympia, Suite 2300, 125 - 9 Avenue SE Calgary, Alberta T2G 0P6 at any time up to and including the last business day preceding the day of the Meeting, or with the Chairman of the Meeting on the date of the Meeting immediately prior to the commencement thereof or adjournment(s) thereof. In addition, a proxy may be revoked by the Shareholder personally attending at the Meeting and voting its Common Shares.

Voting of Proxies

Each Share entitles the holder thereof to one vote per Share on a ballot at the Meeting. All Shares represented at the Meeting by properly executed proxies will be voted by the persons named in such proxy as proxyholder on any ballot that may be called for and where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specifications, the Management designees, if named as proxy, will vote in favour of all the matters set out thereon. The enclosed instrument of proxy confers discretionary authority upon the Management designees, or other persons named as proxy, with respect to amendments to or variation of matters identified in the Notice and any other matters which may properly come before the Meeting.** At the date of this Circular, the Management of the Corporation is not aware of any such amendments, variations or other matters. If other matters should properly come before the Meeting, it is the intention of the persons named in the enclosed Form of Proxy to vote such Proxy according to their best judgment.

Advice to the Beneficial Shareholders

The information set forth in this section is of significant importance to many Shareholders who do not hold their Shares in their own name, referred to in this Circular as "Beneficial Shareholders". Only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Shares can be recognized and acted upon at the Meeting. If Shares are listed in your account statement provided by your broker, then in almost all cases those Shares will not be registered in your name on the records of the Corporation. Such Shares will likely be registered under the name of your broker or an agent of that broker. Shares held by your broker or their nominee can only be voted upon your instructions. Without specific instructions, your broker or their nominee is prohibited from voting your Shares. Therefore, Beneficial Shareholders should ensure that instructions respecting voting of their Common Shares are communicated to the right person.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as described elsewhere herein, none of the directors or executive officers of the Corporation at anytime since the beginning of the Corporation's last financial year, nor any of their associates or affiliates, has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

FairWest is authorized to issue an unlimited number of Common Shares and an unlimited number of non-voting preferred shares ("Preferred Shares"). At the close of business on March 31, 2009 there were 109,392,379 Common Shares and 211,259 Preferred Shares issued and outstanding.

To the knowledge of the directors and officers, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10 per cent or more of the voting rights attached to the Common Shares.

MATTERS TO BE CONSIDERED AT THE MEETING

1. Financial Statements

The financial statements for the year ended December 31, 2008 (the "Financial Statements") will be mailed to Shareholders of record together with this Circular. The Financial Statements are available under the Corporation's profile at www.sedar.com or if desired, by request to FairWest at #800, 407 – 2 Street SW Calgary Alberta, T2P 2Y3, telephone 403-264-4949. The Board has approved the Financial Statements and the auditor's report thereon, which Financial Statements and auditor's report will be tabled at the Meeting.

2. Election of Directors

Subject to the Articles of the Corporation, the business affairs of the Corporation shall be managed by a board of directors (the "Board of Directors" or the "Board") consisting of a minimum of three (3) directors and a maximum of fifteen (15) directors. Directors hold office for a term not exceeding the close of the third annual meeting of Shareholders following their election or for such shorter term as may be fixed by the Shareholders at the time of election. It is proposed that the seven (7) persons named below will be nominated at the Meeting. In the opinion of the Board and Management, the nominees are qualified to act as directors for the following year. Each one has confirmed his or her eligibility and willingness to serve as a director if elected.

The following table sets forth the name, residence, length of time served as a director, principal occupation, business or employment, and the number of voting securities beneficially owned, controlled or directed, directly or indirectly as of March 31, 2009 of each of the nominees for director. Directors appointed at the meeting shall serve until the next annual general meeting of Shareholders.

Nominee	Date Elected / Appointed Director	Securities held, (direct and indirect)	Principal occupation
Richard Clark ⁽¹⁾⁽²⁾⁽³⁾ Calgary, Alberta	April 30, 2007	Common Shares: 449,966 Options: 150,000	Richard Clark is a partner of Gowling Lafleur Henderson LLP, a law firm.
Vern Fauth ⁽²⁾ Calgary, Alberta	August 18, 2005	Common Shares: 4,539,793 Preferred Shares: 2,012 Debentures: \$500,000 Options: 150,000	Vern Fauth is the founder and President of Fauth Financial Group Ltd., a financial and estate planning company since 1991.

Nominee	Date Elected / Appointed Director	Securities held, (direct and indirect)	Principal occupation
James G. Gettis Calgary, Alberta	August 18, 2005	Common Shares: 1,003,097 Options: 1,200,000	Jim Gettis is President and Chief Executive Officer of FairWest since August 2005. Prior thereto, Mr. Gettis operated his own private oil and gas company Bluestone Resources Inc. and co-founded and managed Leader Oil & Gas Management Services Inc. from 1997 to 2005.
Randy Kwasnicia ⁽¹⁾ Dewinton, Alberta	August 18, 2005	Common Shares: 1,987,900 Preferred Shares: 4,024 Options: 150,000	Randy Kwasnicia is President of Bralin Management Ltd., a private oil and gas and real estate investment company operating in Alberta and Saskatchewan.
Colin McPhee Calgary, Alberta	July 23, 2007	Common Shares: 1,930,000 Options: 150,000	Mr. McPhee is President of NBC Technologies Inc., a private company providing project management, planning and supervision of oil and gas operations since 1998.
Carl M. Ravinsky Montreal, Quebec	August 18, 2005	Common Shares: 730,737 Options: 150,000	Carl Ravinsky is a Lawyer, Partner of Lavery, de Billy, LLP. Montreal, Quebec since August 2004 and prior to that partner at a Montreal law firm.
Donald Rowden ⁽¹⁾⁽²⁾ Bend, Oregon USA	December 13, 2007	Options: 150,000	Mr. Rowden is President & Chief Executive Officer of Macsema, Inc., a private electronics manufacturing company.

- (1) Member of the Audit Committee
- (2) Member of the Compensation Committee
- (3) Chairman of the Board
- (4) The Company did not have a reserves committee in 2008.

Personal Bankruptcies

No proposed director of the Corporation has, within 10 years prior to the date hereof, become bankrupt, 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 their assets.

Corporate Bankruptcies

Other than as set forth below, within the ten years prior to the date hereof, no proposed director has been a director or executive officer of a company that, while that person was acting in that capacity:

- A) was the subject of a cease trade or similar order, or an order that denied the relevant company access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days; or
- B) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under applicable securities legislation, for a period of more than 30 consecutive days; or

- C) 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.

Mr. James G. Gettis was a director of Danbel Inc. when it was petitioned into bankruptcy on January 15, 2002. Danbel Inc. was suspended from trading on the Toronto Stock Exchange (the "TSX") on January 21, 2002. It has not resumed trading since that date. Mr. James G. Gettis was a director of Abstract Enterprises Corp. which was delisted by the TSX Venture Exchange. Mr. Gettis resigned from the board of directors of Abstract Enterprises Corp. on November 20, 2001.

Mr. Donald Rowden was a director of Caribou Resources Corp., formerly Rimron Resources Inc., formerly Niaski Environmental Services Inc. ("Caribou"):

(a) The trading in shares of Caribou was the subject of a cease trade order in the provinces of Alberta, British Columbia and Saskatchewan for failure to file and mail to the shareholders required financial statements. The financial statements have now been filed and mailed to the shareholders and the cease trade orders have been lifted. During the periods of the cease trade orders, Mr. Rowden was a director.

(b) Caribou made a proposal to its creditors under the *Bankruptcy and Insolvency Act* (Canada) on March 20, 2000 which was approved by the creditors on April 13, 2000. The trustee was discharged in May 2001. At the time Mr. Rowden was a director.

(c) Caribou was involuntarily delisted by the TSX Venture Exchange on April 12, 2002 for failure to meet minimum listing requirements. At the time, Mr. Rowden was a director.

(d) Caribou filed for and received protection under the Companies' Creditors Arrangement Act (CCAA) from the Alberta Court of Queens' Bench on January 30, 2007. The Court approved the CCAA Plan on July 31, 2007. Mr. Rowden was a director during this period and remained a director until July 30, 2007.

Mr. Donald Rowden was a director of Shaker Resources Inc., formerly Oyama Industries Ltd. ("Shaker"). Trading in the shares of Shaker was suspended by the Alberta Stock Exchange from November 27, 1997 to January 15, 2002 for failure to complete a major transaction within 18 months. A major transaction was completed in June 2002. Mr. Rowden was a director at the time and remained a director until September 30, 2004. Mr. Richard Clark was President and a director at the time.

Management and the Board recommend that Shareholders vote FOR these appointments. The persons named in the enclosed Proxy intend to vote FOR the election of each of these nominees unless the Shareholder specifies that authority to do so is withheld.

3. Appointment of Auditor of the Corporation

Management and the Board recommend appointment of Kenway Mack Slusarchuk Stewart LLP ("Kenway Mack") as auditors for the ensuing year, to hold office until the close of the next annual general meeting of Shareholders or until Kenway Mack is removed from office or resigns and to authorize the Directors to fix their remuneration. Kenway Mack have been the auditors of the Corporation since the amalgamation of Western Energy Corporation ("Western") and Fairstar Explorations Inc. ("Fairstar") on August 18, 2005. Prior thereto, Kenway Mack were the auditors for Western since November 30, 2004.

Management and the Board recommend that Shareholders vote FOR this appointment. The persons named in the enclosed Proxy intend to vote FOR the appointment of Kenway Mack as auditors unless the Shareholder specifies that authority to do so is withheld.

4. Approval of Share Option Plan

At the annual and special meeting of shareholders on April 26, 2006 the shareholders of the Corporation approved a Share Option Plan (“Plan”) under which no further options may be granted after April 26, 2009. The Shareholders are asked to consider a resolution to approve, ratify and confirm that further grants may be made under the Plan for a further three (3) year term ending May 15, 2012 on the same terms and conditions of the Plan as previously approved by the Shareholders. The Corporation will not grant any additional options under the Plan during the period April 26, 2009 to the date of the Meeting and any options cancelled will not be available for re-grant. In the event that Shareholders do not approve that further grants may be granted under the Plan, any options granted as of April 26, 2009 will not be affected and will remain in full force and effect. As of the date of this Circular there are 8,025,000 options to purchase common shares issued.

Summary of Material Terms of the Stock Option Plan

The Plan is designed to advance the interests of the Corporation by encouraging officers, directors, employees, and persons and companies providing ongoing services to the Corporation to hold equity in the Corporation through the acquisition of Shares.

The Plan provides that eligible persons thereunder include any director, senior officer, employees of the Corporation, its affiliates and to persons and companies providing ongoing services to the Corporation (the “Eligible Optionees”).

The total number of Shares which may be issued pursuant to the exercise of options under the Plan is 10,939,238, which number represented 10% of the issued and outstanding Shares. As of the date hereof, options for the purchase of an aggregate of 8,025,000 Shares have been granted to Eligible Optionees and not cancelled or expired pursuant to the Plan, representing 7.3% of the 109,392,379 currently outstanding Shares.

The Plan specifically sets out that the Plan, together with all of the Corporation’s other previously established or proposed share compensation arrangements, may not result at any time in:

- (i) the number of Shares issuable to insiders at any time to exceed 10% of the outstanding Shares of the Corporation;
- (ii) the issuance to insiders, within a one year period, of Shares exceeding 10% of the outstanding Shares; or
- (iii) the issuance to any one insider of a number of shares exceeding 5% of the outstanding Shares.

Subject to the approval of the relevant authorities and the fulfillment, if applicable, of the conditions relating to such approval, the Board may, at any time and from time to time, amend the Plan or terminate it by resolution. However, except with the consent in writing of the beneficiaries, the amendment or termination of the Plan shall in no way affect the conditions attached to the options already granted in accordance with the Plan.

The exercise price per Share for options to be granted under the Plan is set by the Board so as not to be lower than the market price (as such term is defined in the policies of the TSX) of the Shares at the time of the grant of the options. Options to purchase Shares granted under the Plan may not be exercised after five years from the date of grant and are not transferable.

The Plan specifically sets out that with respect to change of control of the Corporation; (1) in the event of a sale of all or substantially all of the property and assets of the Corporation, any unexercised options, whether vested or not, may be exercised at any time, up to and including, but not after 30 days following the date of completion of the sale of assets; (2) in the event that the Corporation receives a take-over-bid, which if successful, would result in the offeror beneficially owning in excess of 30% of the outstanding Shares, any unexercised options, whether vested or not, may be exercised at any time prior to the 30th day following the date of the take-over bid offer; and (3) if prior to the expiry time of the options, the Corporation shall, at any time arrange with or merge into another body corporate, the option holder will receive, upon the exercise of the option, the securities or properties to which a holder of the number of shares then deliverable upon the exercise of the option would have been entitled upon such arrangement or merger.

In the event of the death of an Eligible Optionee, options held by such Eligible Optionee may be exercised until the earlier of the expiry date of such options or the 90th day from the date of death, after which the options will terminate.

Subject to other provisions in the Plan, each option granted to an Eligible Optionee shall no longer be exercised from the 90th day from the date of the termination of the business connection between the beneficiary of an option and the Corporation, as director, officer, employee, or consultant.

The resolution being put forth to shareholders is as follows:

“BE IT RESOLVED THAT:

- (i) the Corporation be and is hereby authorized to allow for the granting of options to acquire common shares (“Common Shares”) to directors, officers, employees, consultants and other eligible service providers on the terms and conditions of the Plan as previously approved by the shareholders of the Corporation on April 26, 2006, and the further granting of options in accordance with the Plan is hereby approved, ratified and confirmed until May 15, 2012;
- (ii) the maximum number of Common Shares of the Corporation reserved for grant under the Plan is 10% of the issued and outstanding shares of the Corporation at the time of grant and the creation of and reservation of such Common Shares for issuance in accordance with the Plan is hereby approved, ratified and confirmed; and
- (iii) any one officer or director of the Corporation, be and is hereby authorized, empowered and directed for and on behalf of the Corporation to do all things necessary or desirable to effect the foregoing resolutions and all actions taken heretofore by the Corporation in connection with the foregoing resolutions be and the same are hereby approved, authorized, ratified and confirmed.

Management and the Board recommend that Shareholders vote FOR this resolution. The persons named in the enclosed Proxy intend to vote FOR approval of the Plan unless the Shareholder specifies that authority to do so is withheld.

5. Amendment to Existing Options to Purchase Common Shares

At the Meeting, the Shareholders will be asked to approve the Corporation’s amendment to the exercise price of certain stock options previously granted to directors, officers, consultants and other eligible service providers of the Corporation (“Optionholders”). On April 6, 2009, the TSX conditionally approved the amendment of the exercise price, subject to disinterested shareholder approval. Under the rules of the TSX, the resolution to approve the amendment to the exercise price of options held by insiders must be approved by majority vote of those Shareholders voting on the motion, other than votes attaching to Common Shares held by insiders whose options are to be repriced or their respective associates (who are required to abstain from voting).

The Plan is designed to enable Optionholders to own a proprietary interest in FairWest, thereby providing an additional incentive to promote the best interests of the Corporation. The Corporation benefits by having the means to attract and retain qualified persons. The current trading price of the Common Shares is well below the exercise prices under options granted to the Optionholders and are therefore not providing the contemplated benefits to the Corporation, the Shareholders, or the Optionholders. **Since inception of the Plan, no common shares have been issued pursuant to the Plan.**

The terms of the Plan allow for granting of options at an exercise price not lower than the market price of the Common Shares on the TSX, defined by the Plan to be the volume weighted average trading for the five trading days immediately preceding the date of grant (the “5 Day Weighted Price”). No options may be granted during a Blackout Period. A Blackout period as defined by the Corporation’s policies includes quarterly blackouts commencing on the 31st day following the end of a quarter and end on the second day following the issuance of a news release disclosing financial results. Additional Blackout Periods may be prescribed from time to time by the Board of Directors of FairWest as a result of special circumstances relating to FairWest when Insiders would be precluded from trading in its securities. During 2008 and to March 31, 2009, the simple average trading price on the TSX of 10,867,442 common shares valued at \$1,171,279 was \$0.11.

Management believe that the majority of its shareholders are holding their common shares. Those shareholders wishing to sell are faced with the challenge of limited purchasers and this is impacting the share price on the TSX.

Management is proposing that the exercise price of options granted to Optionholders be amended to an exercise price that more closely reflects the current market price and is proposing that, subject to Board of Director and Shareholder approval and the Corporation not being in a Blackout Period, the exercise price be amended to the 5 Day Weighted Price as of the date of the Meeting, being May 15, 2009. In the event that the Corporation is in a Blackout Period on May 15, 2009 the exercise price be amended to the 5 Day Weighted Price after two business days from the last day of the Blackout Period.

The following table sets forth the number of stock option grants issued and outstanding as of April 6, 2009 and the current exercise price subject to amendment.

<u>Exercise Price (\$)</u>	<u>Expiry Date</u> <u>dd/mm/yy</u>	<u>Employee/</u> <u>Consultant</u>	<u>Independent</u> <u>Director</u>	<u>Officer</u>	<u>Total</u>
\$0.50	14 Dec 2010	1,200,000	300,000	2,050,000	3,550,000
\$0.56	20 Aug 2011	225,000	75,000	175,000	475,000
\$0.59	3 Jan 2011	100,000			100,000
\$0.51	17 Sept 2011	75,000			75,000
\$0.38	30 Apr 2012			400,000	40,000
\$0.42	7 Jan 2012	150,000			150,000
\$0.39	23 May 2012		125,000		125,000
\$0.39	31 May 2012	700,000			700,000
\$0.34	17 Jul 2012	50,000			50,000
\$0.32	31 Jul 2012	300,000			300,000
\$0.28	19 Aug 2012		125,000		125,000
\$0.22	13 Apr 2013	1,375,000	275,000	325,000	1,975,000
	To 05 Apr 2014				
Total		4,150,000	900,000	2,950,000	8,025,000

Management and the Board recommend that Shareholders vote FOR this resolution. The persons named in the enclosed Proxy intend to vote FOR approval of the amendments to the options granted unless the Shareholder specifies that authority to do so is withheld.

6. Other Business of FairWest

Management is not aware of any other matters to come before the Meeting other than those set out in the Notice. If other matters come before the Meeting, it is the intention of the management designees to vote the same in accordance with their best judgment in such matters.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

In determining a compensation strategy, emphasis was initially placed on stock option benefits to attract skilled employees and consultants to FairWest. As the company has developed, there has been a growing need to compete in the marketplace to attract and retain qualified individuals. In 2007, the Compensation Committee reviewed and compared its level of overall compensation of its CEO with that of 43 comparable sized oil and gas exploration companies by targeting companies at similar production levels in the industry ("Peer Companies"). FairWest also participated in an industry specific and independently compiled salary survey provided by a nationally recognized human resources consulting firm ("Consulting Firm"). The results of the Consulting Firm survey showed that FairWest's CEO was paid 40% less than his peers and other executive officers were paid 10-25% less than their peers. The Peer Company survey showed that total compensation paid to FairWest's CEO was 32% less than the average paid to his peers. Management salaries including that of the CEO were increased on January 1, 2008; however not to the levels of the survey results from the Consulting Firm and Peer Companies. No Management salary increases are planned for 2009.

During 2008, the CEO and board of directors agreed on specific corporate and operational goals including increasing production and netbacks and decreasing operating costs, general and administrative expenses, and acquisition, finding, and development costs. No bonus was paid for 2008. The Compensation Committee is currently reviewing a 2009 bonus plan that is based on the achievement of defined corporate goals and individual goals.

The Corporation also uses accountability agreements (the “Accountability Agreements”) with management and employees to align the Corporation’s targets with the individual’s accountabilities. During 2008, \$28,800 was paid to executive officers upon successful completion of pre-determined goals. For 2009 the Accountability Agreements will be used in conjunction with the bonus plan.

Stock option benefits are offered to all employees of FairWest. During 2008, the Corporation granted options to purchase 850,000 Common Shares to new employees and options to purchase a further 725,000 Common Shares to officers and directors. The number of stock options granted to new and existing employees is dependent on their level of experience, years of service in the industry, and FairWest’s need to be competitive with its peers to attract qualified individuals. In determining any grant of stock option benefits, consideration is given to the employee’s role within the Corporation, the areas of operations in which they are accountable, their years of experience, and their relation to other individuals in the Company with similar seniority and responsibility.

As a result of the current trading price of FairWest’s Common Shares on the TSX, the stock option benefits are not providing the contemplated benefits to the Corporation, its Shareholders, or the Optionholders. In addition to seeking to extend the period of the Stock Option Plan to May 15, 2012, the Corporation is seeking Shareholder approval to amend the exercise price of options granted under its Stock Option Plan.

In 2009, the Corporation established an Employee Share Ownership Plan (“ESOP”) that will enable employees and consultants providing services to the Corporation to purchase common shares of the Corporation through withholding of salary or consulting fees to a maximum of 10% of earnings. The Corporation will contribute an equal amount on behalf of the employee or consultant. Funds will be used to acquire the publicly traded common shares of the Corporation. The common shares purchased by the Corporation will vest on December 31 of each year. Management and directors believe that the ESOP will assist the Corporation with the retention of qualified personnel. Further, management and directors are of the opinion that shareholders will benefit by the increased activity and demand for common shares on the TSX as a result of these purchases. The ESOP will be managed by an independent trust company.

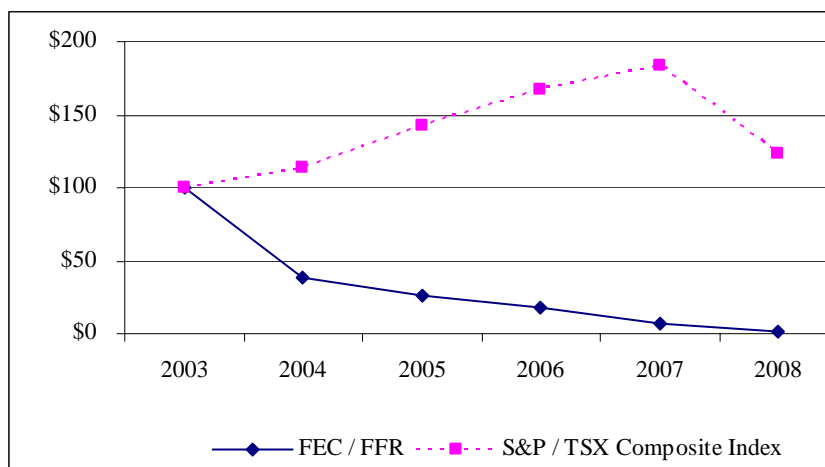
Performance Graph

FairWest Energy Corporation resulted from an amalgamation, under section 185 of the *Canada Business Corporations Act*, of Western Energy Corporation and Fairstar Explorations Inc. on August 18, 2005.

The performance graph below shows the Corporation’s cumulative total shareholder return over the five most recently completed financial years assuming that \$100 was invested on the first day of the five-year period. FairWest’s Common Shares commenced trading on the TSX under the symbol FEC on August 25, 2005. Prior to this date, the common shares traded were those of Fairstar Explorations Inc. Fairstar was a natural resource company engaged in the acquisition and exploration of mineral properties. After amalgamation, management of Western became the management of FairWest. The mineral exploration properties and assets previously owned by Fairstar were sold and FairWest directed its business focus to the exploration for, and the acquisition, development and production of, oil and natural gas reserves in Canada, specifically, the provinces of Alberta and Saskatchewan.

The chart below compares the initial value of a \$100 investment in Fairstar during the five year period commencing January 1, 2004 to the value of FairWest as of December 31, 2008.

Executive salaries paid during the initial formation of the Corporation’s oil and gas assets were well below market value. The CEO Salary remained the same from November 2005 to December 2007. On January 1, 2008 a 20% increase was granted. The increase was a result of the need to retain and hire qualified individuals and the decision to ensure that the CEO’s salary was competitive to salaries being paid to new employees.



	2003	2004	2005	2006	2007	2008
FEC / FFR	\$100	38	26	18	7	2
S&P / TSX Composite Index	\$100	114	142	167	183	123

Option-based awards

The Compensation Committee is responsible for assisting the Board of Directors in setting or amending equity incentive plans. The Compensation Committee makes specific recommendations to the independent members of the Board regarding the grant of stock option benefits to be made to the officers and senior managers of FairWest, and makes recommendations on the specific policies and guidelines concerning the grant of stock option benefits to other employees and consultants. These guidelines are used by Management in the recruitment of personnel; however any grant of stock option benefits must be approved by the Board of Directors. In determining any grant of stock option benefits, consideration is given to the employee's role within the Corporation, the areas of operations in which they are accountable, their years of experience, and their relation to other individuals in the Company with similar seniority and responsibility.

The terms of FairWest's Stock Option Plan and any other previously established or proposed share compensation arrangement allows for the issuance of up to 10% of its issued and outstanding shares. As of the date of this Circular, the number of options granted to directors, officers, employees and consultants under FairWest's Option Plan is 7%.

Summary of Compensation

The Named Executive Officers ("NEOs") of the Corporation include the CEO, CFO, Vice President Land and Vice President Exploration (who are considered to be officers of the Corporation) and also include one employee who is neither an executive officer of the Corporation, nor acting in a similar capacity whose total compensation was more than \$150,000 for the financial year ended December 31, 2008. No other officer of the Corporation received total salary and bonus exceeding \$150,000. Other perquisites and personal benefits are less than 10% of the total of the annual salary and bonus for the financial year. The following table sets forth total compensation paid to the NEOs.

Name and Principal Position	Year	Salary (\$)	Share Based Awards (\$)	Option Based Awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Long term incentive plans	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
James G. Gettis ⁽²⁾	2008	60,000	-	472	-	-	-	4,500	64,972
<i>Chief Executive Officer</i>	2007	150,000	-	-	-	-	-	500	150,500
	2006	150,000	-	1,787	-	-	-	-	151,787
Marion D. Mackie	2008	120,000	-	472	-	-	-	8,500	128,972
<i>Chief Financial Officer</i>	2007	101,667	-	-	-	-	-	500	102,167
	2006	84,867	-	8,936	-	-	-	-	93,803
Michael G. Lambros	2008	165,000	-	314	-	-	-	13,300	178,614
<i>Vice President, Land</i>	2007	150,000	-	-	-	-	-	35,500	185,500
	2006	120,000	-	-	-	-	-	-	120,000
Cam Dawes ⁽³⁾	2008	123,750	-	-	-	-	-	8,500	132,250
<i>Vice President, Exploration</i>	2007	90,000	-	-	-	-	-	15,500	105,500
	-	-	-	-	-	-	-	-	-
William C. Bailey ⁽⁴⁾	2008	165,000	-	-	-	-	-	500	165,500
<i>Manager, Acquisitions</i>	2007	79,753	-	28,103	-	-	-	500	108,356
	-	-	-	-	-	-	-	-	-

(1) The Company uses the Black-Scholes option pricing model to calculate stock-based compensation. Option based awards are not in the money and have no monetary value at this time.

(2) In addition to the above, a private company controlled by Mr. Gettis received \$120,000 during 2008 for providing consulting services to the Corporation.

(3) Mr. Dawes was appointed Vice President, Exploration in May 2007.

(4) Mr. Bailey was appointed Manager, Acquisitions in June 2007. Mr. Bailey is not considered an executive officer of the Corporation.

Currency

All amounts reported in this form are in Canadian dollars.

Officers who also act as directors

James Gettis is President and CEO and a director of the Corporation. Mr. Gettis receives no additional compensation for being a director.

Incentive Plan Awards

Name	Option-based Awards			Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise Price (\$)	Option expiration date (yyyy/mm/dd)	Value of unexercised in-the-money options (\$)	Number of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
James G. Gettis	1,100,000	\$0.50	2010/12/13	0	0	0
	25,000	\$0.56	2011/08/20	0	8,333	0
	75,000	\$0.22	2013/01/20	0	50,000	0
Marion D. Mackie	200,000	\$0.50	2010/12/13	0	0	0
	125,000	\$0.56	2011/08/20	0	41,666	0
	75,000	\$0.22	2013/01/20	0	50,000	0
Michael Lambros	400,000	\$0.50	2010/12/13	0	0	0
	50,000	\$0.22	2013/01/20	0	33,333	0
Cam Dawes	400,000	\$0.38	2012/04/30	0	266,666	0
	50,000	\$0.22	2013/01/20	0	33,333	0
William Bailey	400,000	\$0.39	2012/05/31	0	266,666	0

The closing price of FairWest Shares on December 31, 2008 was \$0.06.

Value Vested or Earned During the Year

All options granted have no monetary value and no options were exercised during 2008. Options granted may be surrendered prior to their expiry.

Pension Plan Benefits

The Corporation has no pension plan benefits.

Deferred Compensation Plans

The Corporation has no deferred compensation plan.

Termination and Change of Control Benefits

The Corporation has entered into employment contracts (the "Employment Contracts") with the NEOs that come into effect in the event of:

- (i) resignation, retirement, or any other termination of the NEO's employment with the Corporation,
- (ii) change of control of the Corporation; or
- (iii) if there is a significant downgrading in responsibilities, authorities or reporting requirements, regardless of any change in title.

In the event of one of the above triggering events, the terms of the Employment Contracts prescribe payment of one (1) times salary and benefits within the first year of employment; or one and a half (1.5) times salary and benefits within the second (2) and third (3) years of employment; or two (2.0) times salary and benefits after three (3) years of employment.

Benefits are not to exceed \$5,000 per annum. Please refer to the table under the heading “*Summary of Compensation*” for the annual salary of each NEO.

Director Compensation

The following table sets forth all forms of compensation awarded to, earned by, paid to, or payable to a director in any capacity with respect to the Corporation.

Name	Director Compensation ⁽¹⁾ (\$)	Option Based Awards ⁽²⁾ (\$)	Other Compensation (\$)	Paid to company controlled by director	Total Compensation (\$)
Richard Clark	21,000	157	-	-	21,157
Vern Fauth ⁽³⁾	20,250	157	-	147,893	168,300
Randy Kwasnacia	16,750	157	-	-	16,907
Colin McPhee ⁽⁴⁾	13,000	157	-	724,274	737,431
Carl Ravinsky	13,000	157	-	-	13,157
Donald Rowden	22,500	943	-	-	22,657

- (1) Directors receive an annual retainer and fees for attendance at meetings.
- (2) The Company uses the Black-Scholes option pricing model to calculate stock-based compensation. Option based awards are not in the money and have no monetary value at this time.
- (3) Fees paid are for advisory services in the normal course of the Corporation’s business and rates paid are, in the opinion of Management, competitive with other service providers.
- (4) Amounts paid are for contractor services provided for the drilling and operations activities of the Corporation and amounts paid are, in the opinion of Management, competitive with other service providers.

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth details, as at December 31, 2008, of the number of securities (a) to be issued upon exercise of outstanding options and (b) remaining available for issuance under equity compensation plans during the period ending April 26, 2009 at which time no further grants may be made under the Share Option Plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c) ⁽²⁾
Share Option Plan ⁽¹⁾⁽²⁾	7,925,000	\$0.41	3,014,238 ⁽³⁾
Fairstar Rollover Options ⁽²⁾	141,315	\$2.319	0
Total	8,066,315	\$0.44	3,014,238

- (1) The Share Option Plan will expire April 26, 2009 and no further grants may be made. The Corporation is seeking Shareholder approval to extend the expiry date of its Share Option Plan.
- (2) Fairstar Rollover Options expired on January 9, 2009. In addition, during 2009 there were 200,000 options cancelled and 300,000 options granted to new employees.
- (3) The maximum number of unissued Common Shares that may be subject to options granted and outstanding under the Stock Option Plan at any time is 10% of its issued and outstanding Common Shares on an undiluted basis. As of December 31, 2008 there are 109,392,379 Common Shares issued and outstanding. The Corporation has reserved 8,785,440 Common Shares for issuance as of December 31, 2008.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

There is no indebtedness outstanding of directors or executive officers as of the date of this Circular except in the ordinary course of business of the Corporation or its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein, there were no material interests, direct or indirect, of directors or executive officers of FairWest, nominees for director, any Shareholder who beneficially owns more than 10% of the Common Shares, or any known associate or affiliate of such persons in any material transactions since the commencement of FairWest's last completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

MANAGEMENT CONTRACTS

Effective January 1, 2008 the Company entered into a management contract with Bluestone Resources Inc. ("Bluestone") to provide services in respect to the operating activities of FairWest. Bluestone is a private company in which Mr. James Gettis, President and Chief Executive Officer of FairWest is a principal shareholder. The terms of the management contract provide for a monthly retainer of \$10,000. Mr. Gettis personally performs the management functions on behalf of Bluestone.

AUDIT COMMITTEE

The disclosure respecting the Audit Committee information required by Form 52-110F1 can be found in the Corporation's Annual Information Form ("AIF") under the heading "Audit Committee Disclosure". The AIF is available on SEDAR at www.sedar.com or by contacting the head office of the Corporation at #800, 407 – 2 Street SW Calgary, Alberta T2P 2Y3, Telephone 403-264-4949.

CORPORATE GOVERNANCE DISCLOSURE

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and accountable to the Shareholders, and takes into account the role of the individual members of Management who are appointed by the Board of Directors and who are charged with the day to day management of the Company. The Board of Directors is of the view that the Company's general approach to corporate governance is appropriate and consistent with objectives reflected in National Policy 58-201, *Corporate Governance Guidelines*.

a. Set forth below is FairWest's response to the TSX Guide to Good Disclosure for National Instrument 58-101F1, *Corporate Governance Disclosure*.

1. Board of Directors

(a) *Disclose the identity of directors who are independent*

Richard Clark, Vern Fauth, Randy Kwasnicia, Colin McPhee, Carl Ravinsky, and Donald Rowden are unrelated and non-management with no business relationships with FairWest other than as a director except as set forth below:

Vern Fauth receives advisory fees through Fauth Financial Group in connection with financial advisory services, resulting in non-independence pursuant to Section 1.5 of NI 52-110, Audit Committee.

Colin McPhee receives revenue from FairWest through NBC Technologies Inc. in connection with oil and gas drilling and operations services, resulting in non-independence pursuant to Section 1.5 of NI 52-110, Audit Committee.

Messrs. Ravinsky and Clark are each members of law firms whereby FairWest may retain services. In both instances, the proportion of business from FairWest in relation to their law practice is not material.

(b) Disclose the identity of directors who are not independent and describe the basis of that determination.

James Gettis is the President and Chief Executive Officer of FairWest.

(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board does to facilitate its exercise of independent judgment in carrying out its responsibilities

Six of the seven Board members are independent directors.

(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.

Richard Clark is on the board of directors of Petroflow Energy Ltd., a TSX-V and AMEX listed company.

Randy Kwasnicia is on the board of directors of Total Energy Services Trust, a TSX listed a company.

Donald Rowden is a director of Petroflow Energy Ltd., TSX-V and AMEX listed company.

(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of Management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.

During 2008, the Audit Committee had four meetings with the external auditors to discuss the financial statements for the periods ended December 31, 2007, March 31, 2008, June 30, 2008, and September 30, 2008 with Management in attendance and at each of these meetings held an in-camera meeting with the external auditors without Management in attendance. During 2008, the Board of Directors met with the third party independent appraisers to discuss the evaluation of the Corporation's petroleum and natural gas reserves with management in attendance and held an in camera meeting without management in attendance.

(f) Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor lead director that is independent, describe what the board does to provide leadership for its independent directors.

The Chair of the Board is an independent director.

(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.

During 2008, the Board of Directors held 7 meetings. All Board members attended the meetings except for Randy Kwasnicia and Vern Fauth who were each absent from one meeting, and Colin McPhee and Carl Ravinsky who were each absent from two meetings.

2. Board Mandate

Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.

The following sets forth the Board Mandate as approved by the Board of Directors on March 17, 2006 as amended on March 20, 2009.

The Board of Directors (the "Board") of FairWest Energy Corporation (the "Company") shall have the oversight responsibility, authority and specific duties as described below.

Composition

The Board shall be comprised of not fewer than the minimum number nor more than the maximum number of directors set out in the Articles of the Company. The Board may, from time to time, determine the number of directors within the required minimum and maximum allowed.

All members of the Board shall have such skills and abilities appropriate to their appointment as directors as shall be determined by the Board. It is recognized that the right mix of experiences and competencies will ensure that the Board will carry out its duties and responsibilities in the most effective manner.

Except as may be otherwise provided in the By-Laws of the Company, members of the Board shall be elected annually at the annual meeting of shareholders and shall serve until their successors are duly elected.

The Chair of the Board shall be appointed annually by the Board to oversee the Board carrying out its responsibilities effectively.

Responsibility

The Board shall manage, or supervise the management of, the business and affairs of the Company. The Board has the responsibility to act in the best interests of the Company and the shareholders.

The Board shall, upon recommendation of the Chief Executive Officer, adopt a strategic direction and planning process designed to achieve sustained, profitable growth that takes into account, among other things, the opportunities and risks of the business.

The Board shall annually review the Board's and Management's adherence to ethical business practices, behaviour and fair dealing in all business relationships, including human rights, environmental conservation, and safety, both within and outside FairWest.

Meetings

The Board shall meet at least four times annually and as many additional times as the Board deems necessary to carry out its duties effectively. Each director shall review all Board meeting materials in advance of each meeting and shall strive to attend at all Board and Board Committee meetings of which they are a member.

Specific Duties

To carry out its management of the business and affairs of the Company, the Board shall have specific responsibility for:

- (a) Selecting, appointing, evaluating and, if necessary, terminating the Chief Executive Officer; approving or developing the corporate objectives that the Chief Executive Officer is responsible for meeting and assessing the Chief Executive Officer against these objectives.
- (b) Succession planning, including appointing, training and monitoring the performance of senior management.
- (c) Approving an external communications policy for the Company which addresses disclosure matters and ensuring that the policy is reviewed as required.
- (d) Approving financial commitments in excess of delegated approval authorities.
- (e) With the advice of the Compensation Committee, approving the compensation of the senior management team and approving an appropriate compensation program for the Company's personnel.

- (f) Ensuring policies and processes are in place for the identification of principal business risks and opportunities for the Company and to address what risks are acceptable to the Company and ensuring that appropriate systems are in place to manage risk.
- (g) Ensuring policies and processes are in place to ensure the integrity of the Company's internal control, financial reporting and management information systems are in place.
- (h) Ensuring appropriate policies are in place respecting auditing and accounting principles and practices.
- (i) Ensuring policies and processes are in place to ensure the integrity of the Company's oil and gas reserves, and reserves reporting adheres to the Standards of Disclosure for Oil & Gas Activities.
- (j) Determining whether individual directors meet the requirements for independence and make such disclosures as are required with respect to that determination.
- (k) Ensuring an appropriate, formal orientation program for new directors and ongoing education sessions on the business and strategies of the Company are provided.
- (l) Appointing Board Committees, however designated, and delegating to any such Board Committees any of the powers of the Board except those which pertain to items which, under the legislation governing the Company, a Board Committee has no authority to exercise.
- (m) Ensuring appropriate policies and processes are in place to ensure the Company's compliance with applicable laws and regulations, including timely disclosure of relevant corporate information and regulatory reporting.

3. Position Descriptions

(a) Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.

The Board has two committees; the Audit Committee and the Compensation Committee. Each of the committees has a written mandate and terms of reference describing its duties and responsibilities. No position descriptions have been prepared for the Chairs of each Committee.

(b) Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.

The Board has developed a written position description for the CEO delineating the roles and responsibilities between the CEO and the Board.

4. Orientation and Continuing Education

(a) Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer's business.

New Board members are provided with the mandate and terms of reference for the committees and for the Board in general. Regular board meetings include meetings with management, where new Board members can familiarize themselves with the Company's operations.

(b) Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.

There is no specific education and orientation program expected of board members once they are appointed. Management distributes information on available training to directors as it is received and reimburses reasonable expenses for their attendance at workshops, seminars, or courses that may assist them with their roles and responsibilities.

Presentations and materials are provided to the Board by management from time to time to educate and keep them informed of changes within FairWest, in regulatory and industry requirements and standards and other information to support the operational and financial results of the Company.

5. Ethical Business Conduct

(a) Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code: (i) disclose how a person or company may obtain a copy of the code; (ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.

The Board has adopted a Code of Conduct for all employees, consultants and directors of FairWest. A copy of the Code of Conduct is available at www.fairwestenergy.com. The Board satisfies itself regarding compliance with its policy by receiving an annual signed copy of the policy from each employee, consultant, and director, confirming his or her compliance therewith.

The Board has not granted any waiver of the Code of Conduct in favor of a director or officer since the formation of FairWest. Accordingly, no material change report has been required or filed.

(b) Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

A director who has a material interest in the outcome of a resolution of the board will abstain from voting. If a resolution put forth will affect all board members, that resolution will be reviewed by a qualified committee of the board and recommendations will be put forth after such Committee meeting.

(c) Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.

All directors are welcome to attend the offices of FairWest without appointment. This open-door policy provides both the employees and directors with ongoing feedback and support.

6. Nomination of Directors

(a) Describe the process by which the board identifies new candidates for board nomination.

New nominees for election at the board are put forth by any one of the directors of the Corporation to the Chairman of the Board or the Chief Executive Officer, both of whom will meet with the nominee. If agreed, a curriculum vitae is distributed to the board and if requested, a personal introduction will be made. Following necessary review, a nominee will be appointed to the Board by unanimous resolution of the Board, such appointment to be in effect until the next shareholder meeting.

(b) Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.

The Board does not have a nominating committee.

(c) If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.

Not applicable.

7. Compensation

(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.

The Compensation Committee reviews industry compensation information and compares its level of overall compensation with those of comparable sized oil and gas exploration companies. The Compensation Committee targets base salaries at levels approximating those at similar production levels in the oil and gas industry.

The philosophy of the Compensation Committee is that if the Corporation does well the employees will also do well and will be rewarded through additional cash bonuses, equity based awards or combinations of the foregoing.

(b) Disclose whether or not the board has a compensation committee comprised entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation

The Compensation Committee is comprised of 3 independent directors. Any resolution put forth must be approved by all of the committee members.

(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee

The overall purpose of the Compensation Committee is to recommend, implement and oversee human resources and compensation policies as approved by the Board of Directors for FairWest.

The terms of reference and mandate of the Committee are as follows:

PURPOSE

The overall purpose of the Compensation Committee (the "Committee") is to evaluate the human resources and compensation policies approved by the Board of Directors (the "Board") for FairWest Energy Corporation (the "Corporation") and to oversee the implementation thereof by management.

COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Committee shall consist of at least three members of the Board, the majority of whom shall be independent Directors (as such term is defined in Multilateral Instrument 52-110 – Audit Committee).
2. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
3. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair from amongst their number.
4. The Committee shall meet regularly each year on such dates and at such locations as the chair of the Committee shall determine and may also meet at any other time or times on the call of the chair of the Committee or any two of the other members.
5. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
6. The Chief Executive Officer, if not a member of the Committee shall be available to advise the Committee, shall receive notice of all meetings of the Committee and may attend meetings at the invitation of the chair of the Committee.
7. The Committee shall have access to such officers and employees of the Corporation and to such information respecting the Corporation and to engage independent compensation consultants, at the expense of the Corporation, all as it considers to be necessary or advisable in order to perform its duties and responsibilities.

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee shall be as follows:

1. to review and if thought appropriate, approve the recommendations of management to the Committee respecting the human resources and compensation policies and guidelines for application to the Corporation and recommend same to the full board for approval;
2. to set general and specific guidelines for the President & Chief Executive Officer of the Corporation and present same to the Board for its approval;
3. to ensure that the Corporation has in place programs to attract and develop management of the highest caliber and a process to provide for the orderly succession of management;
4. to set the annual salary, bonus and other benefits, both direct and indirect, of the President and to approve compensation for all other designated officers in the Corporation after considering the recommendations of the President, all within the human resources and compensation policies and guidelines approved by the Board;
5. to review the Share Option Plan on a regular basis and make recommendations to the Board concerning any changes thereto;
6. to review and if thought appropriate, approve management's recommendations to grant stock options to officers, directors, employees and consultants and recommend same to the Board for its approval;
7. to annually review the effectiveness of human resources and compensation policies previously approved by the Board including:
 - (i) executive compensation, contracts, stock plans or other incentive plans; and
 - (ii) proposed personnel changes involving officers reporting to the President;
8. to annually receive from the President recommendations concerning annual compensation policies and accountability agreements for all employees.
9. to periodically review the adequacy and form of the compensation of Directors and to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective Director, and to report and make recommendations to the Board accordingly;
10. to report regularly to the Board on all of the Committee's activities and findings during that year; and
11. to develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors within a reasonable period of time following each annual general meeting of shareholders.

(d) If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.

No consultant or advisor was retained to assist in determining the compensation of FairWest employees or consultants. FairWest participated in the Mercer Total Compensation Survey for the Petroleum Industry during 2007.

8. Other Board Committees

If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

During 2008, the board had an Audit Committee and a Compensation Committee. No standing committee of the Board has autonomous authority and all must seek Board approval prior to the implementation of any proposed action or recommendation.

9. Assessments

Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.

The Board of Directors review their effectiveness on a regular basis.

ADDITIONAL INFORMATION

The Corporation's comparative financial statements, management's discussion and analysis, and annual information form for the year ended December 31, 2008 and other information is available under the Corporation's profile at the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com or at FairWest's website at www.fairwestenergy.com. Copies of information may also be obtained by contacting the offices of FairWest at FairWest Energy Corporation, #800, 407 – 2 Street SW, Calgary, Alberta T2P 2Y3 (403) 264-4949).

The contents and sending of this Circular have been approved by the Board of Directors.

(signed) James G. Gettis

James G. Gettis
President and Chief Executive Officer