



**NOTICE OF
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
to be held on Thursday, April 26, 2018**

TO: The Shareholders of Xtreme Drilling Corp.

TAKE NOTICE that an annual and special meeting (the “**Meeting**”) of the shareholders of Xtreme Drilling Corp. (“**Xtreme**” or the “**Corporation**”) will be held in the Columbia Boardroom at the offices of Stikeman Elliott LLP, 4300 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta, on April 26, 2018 at 3:00 p.m. (Calgary time) for the following purposes:

1. to receive and consider the consolidated financial statements of the Corporation for the year ended December 31, 2017, together with the report of the auditors thereon;
2. to fix the number of directors of the Corporation to be elected at the Meeting at six (6);
3. to elect directors of the Corporation for the ensuing year;
4. to consider and, if thought fit, pass an ordinary resolution appointing auditors for the ensuing year at a remuneration to be determined by the Board;
5. to consider and, if thought fit, pass an ordinary resolution approving the renewal of the unallocated entitlements under each of the Corporation’s (i) Stock Option Plan, and (ii) Incentive and Retention Plan, respectively; and
6. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The specific details of the matters proposed to be put before the Meeting are set forth under the heading “Business of the Meeting” and can be found on pages 4 through 12 of the Information Circular (as that term is defined below).

The notice of meeting and information circular in respect of the Meeting dated March 15, 2018 (the “**Notice of Meeting**” and the “**Information Circular**”) and the annual financial statements for the year ended December 31, 2017 along with the related management discussion & analysis (collectively, the “**Financial Statements and MD&A**”) have been posted and are available for review at www.xdcorp.com and also on the Corporation’s profile on SEDAR at www.sedar.com.

Shareholders are reminded to review the Information Circular carefully before voting as the Information Circular has been prepared to help you make an informed decision.

The Corporation has elected to use the “notice-and-access” provisions under National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations* (collectively, the “**Notice-and-Access Provisions**”) to send to beneficial holders and registered holders (collectively, the “**Shareholders**”) of common shares (the “**Common Shares**”) of the Corporation proxy-related materials for the Meeting, including without limitation the Information Circular and Financial Statements and MD&A. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing a reporting issuer to post an information circular in respect of a meeting of its shareholders and related materials online.

Shareholders who wish to receive a paper copy of the Information Circular and the Financial Statements and MD&A should contact the Corporation by calling Xtreme's investor relations at +1 (281) 994-4600, or by sending an email to ir@xdccorp.com.

Requests may be made up to one year from the date the Information Circular was filed on SEDAR. In order to allow Shareholders a reasonable amount of time to receive paper copies of the Information Circular and Financial Statements and MD&A, and to vote their Common Shares, Shareholders wishing to request paper copies should ensure that such request is received by 3:00 p.m. (Calgary time) on April 16, 2018.

Shareholders who are unable to attend the Meeting in person are requested to date and sign the enclosed Instrument of Proxy and deposit (including via the internet) or mail to the office of the Corporation's transfer agent, Computershare, 8th floor, 100 University Avenue, Toronto, ON M5J 2Y1, internet address: www.investorvote.com for registered shareholders and www.proxyvote.com for beneficial shareholders. In order to be valid and acted upon at the Meeting, Instruments of Proxy must be returned to the aforesaid address not later than 3:00 p.m. (Calgary time) on the second to last business day preceding the date of the Meeting or any adjournment thereof. Shareholders are cautioned that use of the mail to transmit proxies is at each shareholder's risk.

The Board of Directors has fixed the record date for the Meeting as the close of business on March 13, 2018 (the "**Record Date**"). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those Common Shares held as at the Record Date. If a shareholder transfers any Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not less than ten days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, such transferee shall be entitled to vote such Common Shares at the Meeting.

Calgary, Alberta
March 15, 2018

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Doug Dafoe"
Douglas A. Dafoe
Chairman



**INFORMATION CIRCULAR
dated March 15, 2018 for the
Annual and Special Meeting of Shareholders
to be held on Thursday, April 26, 2018**

SOLICITATION OF PROXIES

This information circular (“**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of Xtreme Drilling Corp. (“**Xtreme**” or the “**Corporation**”) for use at the annual and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of the common shares in the capital of Xtreme (the “**Common Shares**”) to be held in the Columbia Boardroom of the offices at Stikeman Elliott LLP, 4300 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta, on April 26, 2018 at 3:00 p.m. (Calgary time) and at any adjournment thereof, for the purposes set forth in the notice of meeting attached hereto (the “**Notice**”). Instruments of Proxy (as defined below) must be received by Xtreme, c/o Computershare, 8th floor, 100 University Avenue, Toronto, ON M5J 2Y1, or www.investorvote.com not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for the holding of the Meeting or any adjournment thereof. The Board of Directors (the “**Board**”) of Xtreme has fixed the record date for the Meeting as the close of business on March 13, 2018 (the “**Record Date**”). Only Shareholders of record as at the Record Date are entitled to receive Notice. Shareholders of record as at the Record Date will be entitled to vote those Common Shares held as at the Record Date, unless any such Shareholder transfers Common Shares after the Record Date and the transferee establishes ownership of such Common Shares and demands, not later than the close of business 10 days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote at the Meeting.

Unless otherwise stated, the information contained in this Information Circular is given as at the date set forth at the top of this Information Circular.

The instrument appointing a proxy (the “**Instrument of Proxy**”) shall be in writing and shall be executed by the Shareholder or the Shareholder’s attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

The persons named in the enclosed Instrument of Proxy are directors and/or officers of Xtreme. Each Shareholder has the right to appoint a proxy holder other than the persons designated in the enclosed Instrument of Proxy, who need not be a Shareholder, to attend and to act for the Shareholder at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the Shareholder’s appointee should be legibly printed in the blank space provided.

REVOCABILITY OF PROXY

A Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the shareholder or the shareholder’s attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized and deposited either at the registered office of Xtreme at any time up to and including the second last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked.

PERSONS MAKING THE SOLICITATION

The solicitation is made on behalf of the management of Xtreme. The costs incurred in the preparation and mailing of the Instrument of Proxy, the Notice and this Information Circular will be borne by Xtreme. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or other means of communication and by directors or officers of Xtreme, who will not be specifically remunerated therefor. While no arrangements have been made to date by Xtreme, it may contract for the distribution and solicitation of proxies for the Meeting. The costs incurred by Xtreme in soliciting proxies will be paid by Xtreme.

No person is authorized to give any information or make any representations other than as contained in this Information Circular, and if given or made, such information or representations must not be relied upon as having been authorized to be given or made.

EXERCISE OF DISCRETION BY PROXY

Common Shares represented by proxy in favor of management nominees shall be voted on any ballot at the Meeting and, where the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares shall be voted on any ballot in accordance with the specification so made.

In the absence of such specification, the Common Shares will be voted in favor of the matters to be acted upon. The persons appointed under the Instrument of Proxy furnished by Xtreme are conferred with discretionary authority with respect to amendments or variations of those matters specified in the Instrument of Proxy and the Notice. At the time of printing this Information Circular management of Xtreme knows of no such amendment, variation or other matter.

NOTICE-AND-ACCESS

The Corporation has elected to use the “notice-and-access” provisions under National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations* (collectively, the “**Notice-and-Access Provisions**”) to send to beneficial holders and registered holders of Shares proxy-related materials for the Meeting, including without limitation the Information Circular and the annual financial statements for the year ended December 31, 2017 along with the related management discussion & analysis (collectively, the “**Financial Statements**”).

The Notice-and-Access Provisions are a set of rules that allow issuers to post electronic versions of proxy-related materials (such as information circulars and annual financial statements) on-line, via the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) and one other website, rather than mailing paper copies of such materials to shareholders. Electronic copies of this Information Circular and the Financial Statements may therefore be found on the Corporation’s pages on SEDAR at www.sedar.com and also on the Corporation’s website at <http://www.xtremedrillingcorp.com/financial-reports>. **Shareholders are reminded to review the Information Circular before voting.**

Although this Information Circular and the Financial Statements will be posted electronically on-line as noted above, Shareholders will receive paper copies of a “notice package” via prepaid mail containing a Notice of Meeting with information prescribed by the Notice-and-Access Provisions and a form of proxy or voting instruction form.

The Corporation anticipates that notice-and-access will directly benefit the Corporation through a substantial reduction in both postage and material costs and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials.

Shareholders may obtain paper copies of this Information Circular and Financial Statements free of charge from the Corporation by calling +1 (281) 994-4600, sending an email to ir@xdccorp.com, or visiting our website at

<http://www.xtremedrillingcorp.com/financial-reports>. Requests may be made up to one year from the date the Information Circular was filed on SEDAR.

VOTING BY INTERNET

Registered shareholders may use the Internet site at www.investorvote.com to transmit their voting instructions. Beneficial shareholders may use the Internet site at www.proxyvote.com to transmit their voting instructions. Shareholders should have the Instrument of Proxy in hand when they access the respective website and will be prompted to enter their Control Number, which is located on the Instrument of Proxy. If Shareholders vote by Internet, their vote must be received not later than 3:00 p.m. (Calgary time) on April 24, 2018 or 48 hours prior to the time of any adjournment of the Meeting. **The website may be used to appoint a proxy holder to attend and vote on a Shareholder's behalf at the Meeting and to convey a Shareholder's voting instructions. Please note that if a Shareholder appoints a proxy holder and submits their voting instructions and subsequently wishes to change their appointment, a Shareholder may resubmit their proxy and/or voting direction, prior to the deadline noted above. When resubmitting a proxy, the most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.**

NOTICE TO BENEFICIAL HOLDERS OF SECURITIES

The information set forth in this section is of significant importance to many Shareholders of the Corporation, as a substantial number of the Shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to in this Information Circular as **"Beneficial Shareholders"**) should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting Common Shares for their clients. The directors and officers of the Corporation do not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the Instrument of Proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (**"Broadridge"**). Broadridge typically mails a scannable Voting Instruction Form in lieu of the Instrument of Proxy. The Beneficial Shareholder is asked to complete and return the Voting Instruction Form to them by mail. Alternatively the Beneficial Shareholder can call a toll free telephone number (1-800-474-7493 (English) or 1-800-474-7501 (French)) or access Broadridge's dedicated voting website at www.proxyvote.com to deliver their voting instructions and vote the Common Shares held by Beneficial Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Voting Instruction Form cannot use that Voting Instruction Form to vote Common Shares directly at the Meeting - the Voting Instruction Form must be returned to Broadridge well in advance of the Meeting to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting

as proxy holder for the registered Shareholder and vote Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxy holder for the registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

BUSINESS OF THE MEETING

Presentation of Financial Statements

At the Meeting, Shareholders will receive and consider the consolidated audited financial statements of Xtreme for the period ended December 31, 2017, and the auditor's report on such statements.

Fixing the Number of Directors

The Board currently consists of six (6) directors, of which Messrs. Charron, Dafoe, Franklin, Porter, Renfroe and Wehlmann were elected to office at the previous annual meeting of shareholders held on April 26, 2017. The Corporation's articles authorize a minimum of three and a maximum of eleven directors. It is proposed that the number of directors to be elected at the Meeting be six (6), as may be adjusted between shareholders meetings by way of resolution of the Board. Accordingly, unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favor of fixing the number of directors to be elected at the Meeting at six (6).

The full text of the resolution is as follows:

"Be it hereby resolved that the number of directors of Xtreme to be elected at the Meeting be set at six (6)."

Election of Directors

The term of office for each of the present directors is annual and will expire immediately prior to the Meeting. At the Meeting, Shareholders will be asked to elect directors to hold office until the next annual meeting of the Shareholders or until their successors are elected or appointed. All of the six (6) current directors, Messrs. Charron, Dafoe, Franklin, Porter, Renfroe and Wehlmann, will be standing for re-election at the Meeting.

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favor of the election as directors of the six (6) nominees hereinafter set forth.

The full text of the resolution is as follows:

"Be it hereby resolved that Messrs. Charron, Dafoe, Franklin, Porter, Renfroe and Wehlmann be elected to the Board to serve until the next annual meeting of the Shareholders."

<p>Nominee</p> <p>Randolph M. Charron Age: 63 Calgary, Alberta, Canada Founder May 24, 2005 Director since June 2005 Non-Independent</p>	<p>Background</p> <p>Randolph M. Charron is a founding director of Xtreme and the President of Characo Corporation, a private oil and gas investment firm. Presently, Mr. Charron is the acting President and Director of Star Valley Drilling Limited a private Canadian drilling contractor. Prior to his time at Characo Corporation, he was a founding director and Vice President of Artisan Corporation, a publicly traded Canadian oil field service provider. Presently, Mr. Charron is a director for PHX Technology Services Corp., a company which provides horizontal and directional drilling services to oil and gas exploration and development companies in Canada, the United States, Albania, and Russia. Mr. Charron was previously a member of the board of Wrangler West Energy Corp., a TSX-V junior oil and natural gas producer. As well Mr. Charron has served the industry as a director of the Canadian Association of Oil Well Drilling Contractors (CAODC), Chairman of the Petroleum Industry Annual Safety Seminar and Director of Program Committee of the Petroleum Industry Training Services (PITS).</p>		
<p>Education</p>	<p>Board Committee Memberships</p>	<p>Attendance Year 2017</p>	<p>Public Board Memberships During Last Five Years</p>
<p>Bachelor of Arts, McMaster University</p>	<p>Corporate Governance and Nominating Committee</p> <p>Compensation Committee (Chair)</p> <p>Health, Safety and Environmental Committee</p>	<p>16 of 17</p>	<p>Phoenix Energy Services Corp. Director, 2002 to present</p> <p>Wrangler West Energy Corp Director, 2001 to 2014</p>
<p>Nominee</p> <p>Douglas A. Dafoe Age: 63 Calgary, Alberta, Canada Chairman Director since May 2012 Independent</p>	<p>Background</p> <p>Douglas A. Dafoe has more than 30 years of industry experience in financial and operating positions of increasing responsibility. Mr. Dafoe is currently the President & Chief Executive Officer of Ember Resources Inc. (“Ember”), a private company focused on natural gas exploration and production primarily from coal bed methane in Alberta, Canada. Prior to joining Ember, Mr. Dafoe was President and Chief Executive Officer of Thunder Energy Inc., a company he co-founded in 1996 and the predecessor company to Ember. Mr. Dafoe has a Bachelor of Business Administration from the University of North Dakota, is a Chartered Accountant and holds the ICD.D certification from the Institute of Corporate Directors. Mr. Dafoe has served on the Board of Governors of the Canadian Association of Petroleum Producers (CAPP) and several TSX-listed companies. He currently serves as Chairperson of the Board for Xtreme and is also a director of Point Loma Resources Ltd., a TSX Venture-listed company.</p>		
<p>Education</p>	<p>Board Committee Memberships</p>	<p>Attendance Year 2017</p>	<p>Public Board Memberships During Last Five Years</p>
<p>Chartered Director The Directors College, JV of McMaster University / Conference Board of Canada</p> <p>Chartered Accountant Designation 1980</p> <p>Bachelor of Science, Business Administration University of North Dakota</p>	<p>Chairman of the Board</p> <p>Audit Committee</p>	<p>20 of 20</p>	<p>Point Loma Resources Ltd. Director, June 2016 to Present</p>

Nominee	Background		
<p>J. William Franklin, Jr. Age: 46</p> <p>Houston, Texas, USA</p> <p>Director since February 2014</p> <p>Independent</p>	<p>J. William Franklin Jr. is Managing Director of Lime Rock Partners (“Lime Rock”), a private investor of growth capital in global energy companies in the exploration and production, energy service, and oil service technology sectors. Mr. Franklin joined the Lime Rock team in 2003 and was named a Managing Director in 2008. Currently based in Houston, Mr. Franklin has worked in the firm’s Houston, Calgary, and Westport, Connecticut locations and has played a leadership role in the firm’s investment efforts in the oilfield service and E&P sectors in North America and internationally. Before joining Lime Rock, he had experience in private equity, energy company operations, and energy finance at Riverstone Holdings, Simmons & Company, and Parker & Parsley Petroleum Company. Mr. Franklin currently serves on the board of directors of AccessESP, HCperf Holdings B.V. (formerly GEODynamics B.V.), IDM Group, KSW Environmental and Shelf Drilling. He previously served on the board of directors of Hercules Offshore and was actively involved in Lime Rock’s investment in Patriot Drilling as well as IDM Group’s formation of Independence Contract Drilling.</p>		
Education	Board Committee Memberships	Attendance Year 2017	Public Board Memberships During Last Five Years
<p>Master of Business Administration Harvard University</p> <p>Bachelor of Arts, Business Administration University of Texas at Austin</p>	<p>Audit Committee</p> <p>Corporate Governance and Nominating Committee (Chair)</p> <p>Compensation Committee</p>	<p>20 of 20</p>	<p>Shelf Drilling Ltd. Director, 2012 to Present</p>

Nominee	Background		
<p>Matthew S. Porter</p> <p>Age: 41</p> <p>Houston, Texas</p> <p>Director since August 2016</p> <p>Non-Independent</p>	<p>Matthew S. Porter is the President and Chief Executive Officer of Xtreme. Mr. Porter has been with Xtreme since August 2011, starting as Chief Financial Officer. Mr. Porter was appointed President in May 2015 and was appointed Chief Executive Officer in August 2016. Prior to joining Xtreme, Mr. Porter was Chief Financial Officer at Nasdaq traded Bronco Drilling, a land based drilling contractor, prior to its sale to Chesapeake Energy in 2011. Mr. Porter began at Bronco Drilling in 2006 as Vice President of Corporate Finance. Mr. Porter was Vice President - Sr. Portfolio Manager with BOK Financial Group from 2001 to 2005 where he managed a portfolio of public and private assets in excess of \$250 million. During this time he earned his CFA Charter.</p>		
Education	Board Committee Memberships	Attendance Year 2017	Public Board Memberships During Last Five Years
<p>MBA, Price College of Business, University of Oklahoma</p>	<p>Health, Safety and Environment Committee</p>	<p>14 of 14</p>	<p>None</p>

Nominee	Background		
<p>James B. Renfroe, Jr.</p> <p>Age: 64</p> <p>Larue, Texas, USA</p> <p>Director since August 2013</p> <p>Independent</p>	<p>James B. Renfroe, Jr. is an independent businessman, and currently a Limited Partner of Rubicon Oilfield International Holdings, L.P., a Cayman Islands Exempted Limited Partnership (the “Partnership”) and Non-Executive Member of the Board of Directors of Rubicon Oilfield International Holdings GP, Ltd., a Cayman Islands Company Limited by Shares and General Partner of the Partnership. Mr. Renfroe is also Chairman of Expro Group, a UK based global oilfield services company focused on well flow management. Mr. Renfroe was previously the Senior Strategic Advisor to the CEO of GE Oil and Gas. Prior to his time at GE Oil and Gas, Mr. Renfroe was Executive Director and CEO of the Well Support Division of Wood Group, PLC, a multinational oil and gas services company. Mr. Renfroe has an extensive background in executive leadership, strategic planning, operations and business development having worked for Halliburton Company in various executive positions from 1974 to 2007. While working for Halliburton, Mr. Renfroe managed multiple product lines (globally) and participated in a number of structural changes and process improvements to enhance organizational effectiveness. He led acquisitions and divestitures, as well as strategy development.</p>		
Education	Board Committee Memberships	Attendance Year 2017	Public Board Memberships During Last Five Years
<p>Advanced Management Program Harvard University</p> <p>Business Administration University of North Texas</p>	<p>Corporate Governance and Nominating Committee</p> <p>Health, Safety and Environment Committee (Chair)</p>	<p>18 of 18</p>	<p>None</p>

Nominee	Background		
<p>David W. Wehlmann</p> <p>Age: 59</p> <p>Katy, Texas, USA</p> <p>Director since May 2013</p> <p>Independent</p>	<p>David W. Wehlmann is an independent business consultant. Mr. Wehlmann was previously Executive Vice President, Investor Relations with Precision Drilling Corporation. Prior to his time at Precision Drilling Corporation, Mr. Wehlmann was the Executive Vice President and Chief Financial Officer for Grey Wolf Inc. a publicly traded drilling contractor. Mr. Wehlmann also held executive positions with EnerVest Management Company, Convest Energy Corporation and Texas Meridian Resources. Mr. Wehlmann has an extensive background in finance and accounting. He has over 35 years of leadership experience, including board of director service, with an emphasis on strategic acquisitions/mergers, capital markets, capital structure, entrepreneurial growth initiative, market development, planning/forecasting, financial and project management and investor relations. Mr. Wehlmann previously held Board of Director positions with Paragon Offshore, PLC and Omega Protein Corporation.</p>		
Education	Board Committee Memberships	Attendance Year 2017	Public Board Memberships During Last Five Years
<p>Certified Public Accountant Designation 1981</p> <p>Bachelor of Business Administration in Accounting Texas A&M</p>	<p>Audit Committee (Chair)</p> <p>Compensation Committee</p> <p>Corporate Governance and Nominating Committee</p>	<p>23 of 23</p>	<p>Paragon Offshore plc, Director 2014 to 2016</p> <p>Omega Protein Corporation, Director 2012 to 2017</p>

The number of Common Shares, beneficially owned, or controlled or directed, directly or indirectly, by each proposed director as at the date of this Information Circular are as follows:

Name	Number of Common Shares Owned, Controlled or Directed Directly or Indirectly
Randolph M. Charron ¹	2,943,599
Douglas A. Dafoe ²	61,638
J. William Franklin, Jr. ³	14,896,815
Matthew S. Porter ⁴	332,504
James B. Renfroe, Jr. ⁵	47,032
David W. Wehlmann ⁶	26,032

Notes:

- Of these 2,943,599 Common Shares, 700,000 Common Shares are held by Characo Corporation and 321,420 Common Shares are held by E-Soft Inc., both of which are companies owned and controlled by Mr. Charron. Mr. Charron holds 17,928 RSUs which vest one third each year and expire in June 2019. Mr. Charron holds 19,481 RSUs which vest one third each year and expire in May 2020.
- All of these 61,638 Common Shares are held by Mr. Dafoe. Mr. Dafoe holds Options to purchase 70,000 Common Shares which, once vested, entitle the holder to acquire one (1) Common Share at \$1.12 per Common Share. Mr. Dafoe holds 17,928 RSUs which vest one third each year and expire in June 2019. Mr. Dafoe holds 19,481 RSUs which vest one third each year and expire in May 2020.
- Of these 14,896,815 Common Shares, 14,874,783 Common Shares are held by LRP V Luxembourg Holdings S.à.r.l. (“**LRP**”), a wholly-owned subsidiary of Lime Rock Partners V, L.P. and 22,032 Common Shares are held by Mr. Franklin. Mr. Franklin is employed and was nominated for election to the Board by LRP. Mr. Franklin holds 17,928 RSUs which vest one third each year and expire in June 2019. Mr. Franklin holds 19,481 RSUs which vest one third each year and expire in May 2020. The proceeds of the RSU’s held by Mr. Franklin will revert to Lime Rock when they are vested and sold.
- All of these 332,504 Common Shares are held by Mr. Porter. Mr. Porter hold Options to purchase 50,000 Common Shares which, once vested, entitle the holder to acquire one (1) Common Share at \$1.12 per Common Share; Options to purchase 28,000 Common Shares which, once vested, entitle the holder to acquire one (1) Common Share at \$3.10 per Common Share prior to November 4, 2019; and Options to purchase 60,000 Common Shares which, once vested, entitle the holder to acquire one (1) Common Share at \$2.41 per Common Share prior to August 9, 2021. Mr. Porter holds 250,000 RSUs which vest one third each year and expire in August 2019.
- All of these 47,032 Common Shares are held by Mr. Renfroe. Mr. Renfroe holds Options to purchase 60,000 Common Shares which, once vested, entitle the holder to acquire one (1) Common Share at \$3.65 per Common Share prior to October 03, 2018. Mr. Renfroe holds 17,928 RSUs which vest one third each year and expire in June 2019. Mr. Renfroe holds 19,481 RSUs which vest one third each year and expire in May 2020.
- All of these 26,032 shares are held by Mr. Wehlmann. Mr. Wehlmann holds Options to purchase 60,000 Common Shares which, once vested, entitle the holder to acquire one (1) Common Share at \$3.65 per Common Share prior to October 03, 2018. Mr. Wehlmann holds 17,928 RSUs which vest one third each year and expire in June 2019. Mr. Wehlmann holds 19,481 RSUs which vest one third each year and expire in May 2020.

As of the date of this Information Circular, except for Mr. J. William Franklin, Jr., who is Managing Director of Lime Rock Partners V, L.P., which entity’s wholly-owned subsidiary LRP, holds 14,874,783 Common Shares or 19.84% of the issued and outstanding Common Shares, no proposed director or his associates or affiliates, beneficially owned, controlled or directed, directly or indirectly, securities carrying more than 10 percent of the voting rights attached to all voting securities of Xtreme, or of a subsidiary of Xtreme.

As of the date of the Information Circular, the Corporation’s directors and executive officers, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 3,505,999 Common Shares, or approximately 4.68% of the issued and outstanding Common Shares (excluding those Common Shares held by LRP).

The information as to Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, is based upon information furnished to the Corporation by the respective nominees.

Cease Trade Orders or Bankruptcies

To the Corporation's knowledge, no proposed director is, or has been, within the ten years prior to the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including Xtreme) that:

1. was subject to a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, in each case in effect for a period of more than 30 consecutive days (an "**Order**") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
2. was subject to an Order that was issued after the proposed director 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.

Except as noted below, to the Corporation's knowledge, no proposed director is, or has been within the ten years prior to the date of this Information Circular, a director or officer of any company (including Xtreme) that, while acting within that capacity or, within a year of the person ceasing to act as a director or executive officer of the company became bankrupt or 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. Wehlmann previously served as a director of Paragon Offshore plc ("**Paragon**"), which, on February 12, 2016, announced that it had entered into a Plan Support Agreement (the "**Plan**") with (i) an ad hoc committee representing certain holders of Paragon's outstanding unsecured bonds, and (ii) certain lenders under Paragon's senior secured credit facilities, to support a restructuring of Paragon's balance sheet. In order to implement the Plan and preserve a substantial portion of the equity for the company's current shareholders, on February 15, 2016, Paragon announced that the company and certain of its subsidiaries had elected to commence proceedings under Chapter 11 of the United States Bankruptcy Code ("**Chapter 11**") in the United States Bankruptcy Court in the District of Delaware. The Chapter 11 proceedings are ongoing. Mr. Wehlmann resigned as a director from the Paragon Board in November 2016.

Mr. Renfroe currently serves as Chairman of Expro International Group Holdings Limited ("**Expro Group**"). On December 18, 2017, certain subsidiaries and affiliates of Expro Group, particularly Expro Holdings US Inc. (d/b/a Umbrellastream US Inc.) and certain of its affiliated entities (collectively, the "**Debtors**") filed Chapter 11 in the United States Bankruptcy Court for the Southern District of Texas. As of February 5, 2018, the Debtors emerged from Chapter 11. The only opposition in the bankruptcy case came from the US Trustee's office over proposed releases, an issue resolved before the confirmation hearing. The Chapter 11 plan was backed 100% by voting creditors. The Chapter 11 plan of reorganization was completed in 50 days, without any interruption to normal business operations or relationships with employees, customers, suppliers, or business partners.

In addition, no proposed director has, within the ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to hold such director's assets.

Penalties or Sanctions

No proposed director or any personal holding companies of a proposed director of Xtreme has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director of Xtreme.

Disclosure Regarding Diversity on the Board and in Executive Officer Positions

While the Corporation has not adopted a specific diversity policy, written or otherwise, relating to the identification and nomination of directors to the Board, the Board generally considers diversity of race, ethnicity, gender, age, cultural background and professional experience in evaluating candidates for board membership.

In identifying and nominating candidates for election or re-election to the Board, the Board does not specifically consider the level of representation of women on the board. In appointing executive officers to the management team, the Corporation does not specifically consider the level of representation of women in executive officer positions. In considering individuals as potential directors or members of senior management, the Corporation at all times seeks the most qualified persons, regardless of gender. The Corporation believes that this approach enables it to make decisions regarding the composition of the Board and senior management team based on what is in the best interests of the Corporation and its stakeholders.

The Corporation has not adopted a target regarding women on the Board or in executive officer positions, because the Corporation does not believe that any director nominee or any candidate for an executive officer position should be chosen nor excluded solely or largely because of gender. In selecting a director nominee or an executive officer candidate, the Corporation considers the skills, expertise and background that would complement the existing board or existing management team, as applicable. Directors and executive officers will be recruited based on their ability and contributions.

As of the date hereof, there are no (0%) women on the Corporation's board of directors and none (0%) of the Corporation's executive officers are female.

Majority Voting Policy

The Board has adopted a majority voting policy which provides that if a director receives more "withheld" votes than "for" votes at any Shareholders meeting where Shareholders vote on the uncontested election of directors, the director shall promptly tender a resignation for consideration by the Corporate Governance and Nominating Committee. The Governance and Nominating Committee shall, taking all material facts into consideration as they determine necessary, consider the resignation and determine the appropriate action to be taken with respect to such offered resignation. In making its recommendation to the Board, the committee will consider various matters including the results of the Shareholder vote, the contribution of the director to the Board and committee discussions, the expressed reasons (if any) for which the withhold votes have been given, the merits of such reasons, and the ability to address the underlying concerns. The Corporation will disclose the results of the vote after the applicable Shareholder meeting and the Board shall determine whether or not to accept the resignation within 90 days after the date of the applicable Shareholder meeting by way of a news release and will also provide a copy of such news release to the TSX. With the exception of special circumstances that would warrant the continued service of the applicable director on the Board, the Board shall be expected to accept the resignation by the director. The director under consideration will not participate in any Board or committee deliberations relating to his potential resignation. Subject to applicable law, the Board may: (i) leave a resultant vacancy unfilled until the next annual Shareholders meeting; (ii) fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the Shareholders; or (iii) call a special meeting of Shareholders at which there will be presented a management slate to fill the vacant position or positions. This policy does not apply in any case where the election involves a proxy battle, i.e., where proxy material is circulated in support of one or more nominees who are not part of the slate supported by the Board.

Appointment of Auditors

Unless otherwise directed, it is the Corporation's intention to vote proxies in favor of an ordinary resolution to appoint PricewaterhouseCoopers LLP, Chartered Accountants, to serve as auditors of Xtreme until the next annual meeting of the Shareholders and to authorize the directors to fix the auditor's remuneration. PricewaterhouseCoopers LLP has been the Corporation's auditors since May 2005.

The full text of the resolution is as follows:

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

Certain information regarding Xtreme’s Audit Committee, including the fees paid to Xtreme’s auditors in the last two fiscal years, that is required to be disclosed in accordance with National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators (“**NI 52-110**”) will be contained in Xtreme’s annual information form for the year ended December 31, 2017, an electronic copy of which is available on the internet on Xtreme’s SEDAR profile at www.sedar.com or, upon request, a copy will be provided by Xtreme free of charge to any of its security holders.

Approval of Unallocated Entitlements

The Corporation maintains a Stock Option Plan, pursuant to which the Board may grant options to purchase Common Shares (“**Options**”), and an Incentive and Retention Plan, pursuant to which the Board may grant bonus stock, restricted shares units (“**RSUs**”) or performance stock units (collectively, the “**Awards**”), in each case as a continuing form of long term compensation incentive for the Corporation’s directors, officers and key employees and consultants. Please refer to “*Compensation of Executive Officers and Directors – Compensation Discussion and Analysis*” in this Information Circular for a summary of the material provisions of the Stock Option Plan and the Incentive and Retention Plan, respectively.

As at the date of this Information Circular, 766,000 Options (representing approximately 1.02% of the total Common Shares outstanding) are currently issued and outstanding under the Stock Option Plan.

As at the date of this Information Circular, 548,261 RSUs (representing approximately 0.7% of the total Common Shares outstanding) are currently issued and outstanding under the Incentive and Retention Plan, and no other Awards are currently issued and outstanding under the Incentive and Retention Plan.

On a combined basis the maximum allocation for Options and Awards is 7,498,289. As a result, there are currently 6,184,028 unallocated entitlements among the programs.

Under the rules of the Toronto Stock Exchange (the “**TSX**”), listed issuers must seek renewal securityholder approval every three years for any unallocated entitlements that are issuable under “reloading” security based compensation arrangements that do not have a fixed maximum number of securities issuable pursuant to its terms. The Stock Option Plan and the Incentive and Retention Plan qualify as reloading security compensation arrangements, such that every three years the Corporation must obtain Shareholder approval of unallocated entitlements under such plans. As such, the Shareholders will be asked at the Meeting to consider and, if thought fit, adopt the resolution set out below.

The full text of the resolution is as follows:

“Be it hereby resolved that all unallocated Options under the Stock Option Plan and all unallocated Awards under the Incentive and Retention Plan are approved and are authorized to be issued until April 26, 2021.”

If the resolution approving all unallocated entitlements under the Stock Option Plan and the Incentive and Retention Plan is not approved by the Shareholders at the Meeting, all currently outstanding Options and RSUs will be unaffected, but no additional Options or Awards may be granted under the Stock Option Plan or the Incentive and Retention Plan. Furthermore, any currently outstanding Options or RSUs that are subsequently converted, cancelled or terminated will not automatically reload and be available for issuance under the Stock Option Plan or Incentive and Retention Plan, as applicable.

Other Business

As of the date of this Information Circular, management knows of no other matters to be acted upon at the Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the proxy.

INFORMATION CONCERNING THE CORPORATION

Voting Shares and Principal Holders Thereof

As of the date of this Information Circular, there were 74,982,894 issued and outstanding Common Shares, each such Common Share carrying the right to one vote per Common Share on a ballot at the Meeting. A quorum for the transaction of business at the Meeting is not less than two persons present in person, and representing not less than five percent of the Common Shares entitled to be voted at the Meeting. The Board has fixed the Record Date for the Meeting as the close of business on March 13, 2018.

To the knowledge of the directors and senior officers of Xtreme, as of the date of this Information Circular, no person or company beneficially owned, controlled or directed, directly or indirectly, voting securities of the Corporation carrying more than 10 percent of the voting rights attached to any class of voting securities of the Corporation, except as set out below.

Class of Securities	Name and Address of Securityholder	Beneficial Ownership	Total Number of Securities Held	Percentage of Issued Common Shares
Common Shares	LRP V Luxembourg Holdings S.à.r.l., 13-15 Avenue de la Liberté, L-1931 Luxembourg	LRP V Luxembourg Holdings S.à.r.l.	14,874,783	19.84%
Common Shares	Fidelity Management & Research Company, 82 Devonshire Street, Boston, Massachusetts, 02109	Fidelity Management & Research Company, Pyramis Global Advisors, LLC, Pyramis Global Advisors Trust Company, Strategic Advisers Incorporated, and/or FIL Limited	12,895,059	17.19%
Common Shares	Franklin Resources Inc. One Franklin Parkway San Mateo, California 94403	Franklin Resources Inc. "Franklin Templeton"	10,447,875	13.93%
Common Shares	Burgundy Asset Management Ltd. Brookfield Place, 181 Bay St, #4510, Toronto, ON M5J 2T3, Canada	Burgundy Asset Management Ltd.	8,796,215	11.73%

.COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Compensation Discussion and Analysis

Objectives of Compensation Program

The Corporation's compensation program is designed to attract and retain key members of the management team. The Corporation is committed to a compensation program that rewards and retains individuals of exceptional skill while encouraging those individuals to put forth maximum efforts for the success of the Corporation. The compensation program further attempts to focus management of the Corporation on financial and operating performance and long-term shareholder return.

What the Compensation Program is Designed to Reward

The design of the Corporation's compensation program is intended to provide adequate reward for services and incentive for the senior management team to implement both short-term and long-term strategies aimed at increasing value of the Common Shares and creating economic value. The Corporation's compensation strategy is therefore weighted towards pay-for-performance components. Actual rewards are directly linked to the Corporation's financial and operating results and to management's performance.

Remuneration potential, as well as the allocation of various remuneration and incentive components, has been established to compete with remuneration practices of companies similar to the Corporation. The Corporation identifies remuneration practices and remuneration levels of publicly-traded companies who, similarly to the Corporation, are involved in the energy services sector.

For 2017, the Compensation Committee compared the executive compensation to a peer group consisting of four Canadian and four US service sector publicly traded service companies with comparable service lines as follows:

<u>Canadian</u>	<u>US</u>
Akita Drilling	Pioneer Energy Services Corp.
Western Energy Services Corp.	Independence Contract Drilling
PHX Energy Services Corp.	Key Energy Services, Inc.
Trinidad Drilling Ltd.	Parker Drilling Company
Total Energy Services	

Elements of Compensation Program

The Corporation's current compensation program for its key executive officers consists of the following items:

- (a) base salary and annual bonus;
- (b) the Stock Option Plan;
- (c) the Incentive and Retention Plan; and
- (d) the Employee Stock Purchase Plan and the 401(k) Plan.

Base Salaries

The primary element of the Corporation's compensation program is annual base salary. Executive officers' salaries are reviewed annually and the intent is to establish annual base salaries taking into consideration salaries paid to executives of other companies of comparable size and stage of growth within the energy services sector. The executive salaries of Xtreme are intended to fall near the median range of competitive compensation in the energy services sector.

Bonus Plan

Effective since 2014, the Corporation's compensation program includes an updated bonus program providing for an annual performance-based bonus following determination of the Corporation's financial and operating results for the twelve months ended December 31. The updated bonus program places greater emphasis on performance-based compensation and consists of the following criteria:

- (a) EBITDA and total shareholder return compared to Xtreme's peer group along with return on invested capital;
- (b) adherence to capital budget;
- (c) Health, Safety and Environment (HSE) performance relative to the International Association of Drilling Contractors (IADC) Total Frequency Incident Rate (TFIR), Lost Time Incident Rate (LTIR) and Non Productive Time; and
- (d) the achievement of personal objectives.

The Board determines the objectives for the Named Executive Officers (as defined below). If the Corporation does not realize positive EBITDA for the fiscal year, no bonus is payable for any participant for that fiscal year. The program also allows for awards to be made at the sole discretion of the Board. Performance-based bonus awards are intended to occur during the first quarter following the end of the previous fiscal year after the Corporation's financial and operating results are completed and approved by the Board.

Named Executive Officer target awards expressed as a maximum percentage of annual base salary are listed below.

Position	Bonus as Maximum Percentage of Base
President & Chief Executive Officer	150%
Vice President, Finance and Corporate Development	100%
Vice President, Drilling Operations	100%

Performance-based bonuses related to 2017 performance had not been paid to the President & Chief Executive Officer, Vice President, Finance and Corporate Development and Vice President, Drilling Operations as of December 31, 2017.

Stock Option Plan

The grant of Options is part of the long-term incentive component of the Corporation's compensation program. As such, the formal Stock Option Plan was approved by shareholders on April 20, 2006 and re-approved as amended on April 22, 2009 and April 18, 2012. The Stock Option Plan provides for the granting of Options to officers, directors, key employees and consultants of Xtreme and its subsidiaries. The purpose of the Stock Option Plan is to align the interest of officers, directors, key employees and consultants of Xtreme and its subsidiaries in the growth and development of Xtreme and its subsidiaries by providing them with the opportunity, through Options, to acquire ownership interest in Xtreme.

The sale of the XSR division represented a sale of "all or substantially all" of the assets of the Corporation. As a result, the change of control provisions under Xtreme's Stock Option Plan and Incentive and Retention Plan were triggered by the completion of the transaction and the vesting of all outstanding Options and RSU's issued prior to June 22, 2016, were accelerated in full.

As of the date of this Information Circular, pursuant to the Stock Option Plan, Xtreme had outstanding 766,000 Options (approximately 1.02% of the total Common Shares outstanding) as disclosed in the “*Securities Authorized for Issuance Under Equity Compensation Plans*” table below. Below are some of the key features of the Stock Option Plan.

1. The Corporation’s directors, officers, key employees and consultants, or those of its subsidiaries, are eligible to receive Options under the Stock Option Plan;
2. The maximum number of Common Shares issuable pursuant to the Stock Option Plan, together with all other share-based compensation arrangements of the Corporation, is a “rolling” maximum equal to 10 percent of the total outstanding Common Shares on a non-diluted basis. Any increase in the issued and outstanding Common Shares will result in an increase in the available number of Common Shares issuable under the Stock Option Plan, and any exercises of Options will make new grants available under the Stock Option Plan;
3. Upon exercise, cancellation or expiration of any Options, the Common Shares subject to such Options shall be available for other Options to be granted from time to time;
4. “Market Price” per Common Share at any date shall mean the higher of: (i) the closing trading price per Common Share on the TSX on the last trading day preceding such date, and (ii) the closing trading price per Common Share on the TSX on the trading day following such date (or, if the Common Shares are not then listed and posted for trading on the TSX, such price as required by such stock exchange in Canada on which such Common Shares are listed and posted for trading as may be selected for such purpose by the Board). In the event that the Common Shares are not listed and posted for trading on any stock exchange in Canada, the Market Price shall be determined by the Board in its sole discretion, acting reasonably;
5. The option price is fixed by the Board and shall not, at the time of grant, be lower than the Market Price;
6. The Stock Option Plan provides that the aggregate number of Common Shares reserved for issuance to any one person under the Stock Option Plan, together with all other share-based compensation arrangements of the Corporation, must not exceed five (5) percent of the then outstanding Common Shares;
7. The Stock Option Plan provides that the aggregate number of Common Shares reserved for issuance to insiders under the Stock Option Plan, together with all other share-based compensation arrangements of the Corporation, must not exceed ten (10) percent of the then outstanding Common Shares;
8. The Stock Option Plan provides that the aggregate number of Common Shares issuable to insiders under the Stock Option Plan, together with all other share-based compensation arrangements of the Corporation, within a one-year period must not exceed ten (10) percent of the then outstanding Common Shares;
9. The vesting arrangements are within the discretion of the Board;
10. The term of option grants are within the discretion of the Board, but cannot be longer than ten (10) years;
11. Other than by reason of death, Options terminate on the earlier of (i) the close of business thirty (30) days after the option holder ceases to be at least one of a key employee, director, officer or consultant of Xtreme; (ii) the close of business thirty (30) days after the option holder has been provided with written notice of dismissal and (iii) the expiry date of the option;
12. In the event of death of an option holder, any unvested portion of such option holders Options shall immediately vest and may be exercised by such option holder’s legal representative up to ninety (90) days after the death of the option holder, unless extended by the Board;
13. Options granted under the Stock Option Plan are non-assignable;

14. The Board may amend the Stock Option Plan at any time without Shareholder approval, subject to applicable law and TSX rules, for the following types of amendments: (i) amendments of a “housekeeping” nature, (ii) amendments necessary to comply with the provisions of applicable law, (iii) amendments relating to the administration of the Stock Option Plan and vesting provisions of Options, (iv) amendments to the termination provisions which do not entail an extension beyond the original expiry date, (v) the addition of any form of financial assistance to participants under the Stock Option Plan, (vi) the addition or modification of a cashless exercise feature, and (vii) any other amendment not requiring Shareholder approval under applicable law. Specific Shareholder approval is required in order for the Corporation to: (i) modify or amend the terms of Options, including those previously granted, including the re-pricing of any Options and the extension of the exercise period for any Options except as otherwise permitted by the Stock Option Plan, (ii) make any change to the eligible participants under the Stock Option Plan which would have the potential of broadening or increasing insider participation, and (iii) make any other amendment required to be approved by Shareholders under applicable law or rules of the TSX, including reducing the exercise price of any Option held by an insider, extending the term of any Option held by an insider, increasing the maximum number of Common Shares that may be issuable pursuant to Options granted under the Stock Option Plan and amending the amending provisions of the Stock Option Plan; and
15. Options may be granted as part of the commencement of employment, achievement of performance goals, annual review of compensation, and are in part based on market data and input from any independent compensation consultants that are retained.

Incentive and Retention Plan

On April 8, 2012, the Corporation’s shareholders approved an Incentive and Retention Plan designed to provide the Corporation’s directors, officers, key employees and consultants with an opportunity to receive cash and/or equity-based incentives associated with Common Shares of the Corporation and to benefit from the appreciation of the Common Shares. Under the Incentive and Retention Plan, Awards granted to eligible individuals vest annually. Vested Awards may be settled in cash or equity, at the discretion of the Corporation, at a value determined by the fair market value of the Common Shares at the vesting date. The fair value of the services received in exchange for the grant of the Awards is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the Awards granted including any market performance conditions, excluding the impact of any service and non-market performance vesting conditions, and including the impact of any non-vesting conditions. Non-market performance and service conditions are included in assumptions about the number of Awards that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The sale of the XSR division represented a sale of “all or substantially all” of the assets of the Corporation. As a result, the change of control provisions under Xtreme’s Stock Option Plan and Incentive and Retention Plan were triggered by the completion of the transaction and the vesting of all outstanding Options and RSU’s issued prior to June 22, 2016, were accelerated in full.

As of the date of this Information Circular, Xtreme had outstanding 548,261 RSUs (approximately 0.7% of the total Common Shares outstanding) as disclosed in the “*Securities Authorized for Issuance Under Equity Compensation Plans*” table below. Below are some of the key features of the Incentive and Retention Plan.

1. The Corporation’s directors, officers, key employees and consultants, or those of its subsidiaries, are eligible to receive Awards under the Incentive and Retention Plan;
2. The maximum number of Common Shares issuable pursuant to the Incentive and Retention Plan, together with all other share-based compensation arrangements of the Corporation, is a “rolling” maximum equal to 10 percent of the total outstanding Common Shares on a non-diluted basis;
3. The Common Shares in respect of which Awards are not exercised shall be available for other Awards to be granted from time to time;

4. “Market Price” per Common Share at any date shall mean the higher of: (i) the closing trading price per Common Share on the TSX on the last trading day preceding such date, and (ii) the closing trading price per Common Share on the TSX on the trading day following such date (or, if the Common Shares are not then listed and posted for trading on the TSX, such price as required by such stock exchange in Canada on which such Common Shares are listed and posted for trading as may be selected for such purpose by the Board). In the event that the Common Shares are not listed and posted for trading on any stock exchange in Canada, the Market Price shall be determined by the Board in its sole discretion, acting reasonably;
5. The aggregate number of Common Shares reserved for issuance to any one person under the Incentive and Retention Plan, together with all other share-based compensation arrangements of the Corporation, must not exceed five (5) percent of the then outstanding Common Shares;
6. The aggregate number of Common Shares reserved for issuance to insiders under the Incentive and Retention Plan, together with all other share-based compensation arrangements of the Corporation, must not exceed ten (10) percent of the then outstanding Common Shares;
7. The aggregate number of Common Shares issuable to insiders under the Retention Plan, together with all other share-based compensation arrangements of the Corporation, within a one-year period, must not exceed ten (10) percent of the then outstanding Common Shares;
8. The vesting arrangements are within the discretion of the Board;
9. The term of any grants of Awards are within the discretion of the Board, but cannot be longer than ten (10) years;
10. In the event that the expiry date of an Award, as applicable, falls within a “black-out period” imposed by the Corporation, the expiry date of such Award, as applicable, shall be ten business days from the date such “black-out period” ends; in the event that the expiry date of an Award, as applicable, falls within five business days immediately after a “black-out period” ends, the ten business day extension of the Award, as applicable, shall be reduced by the number of days between the original expiry date and the date the “blackout period” ends;
11. Other than by reason of death, Awards terminate on the earlier of (i) the close of business thirty (30) days after the participant ceases to be at least one of a key employee, director, officer or consultant of Xtreme; (ii) the close of business thirty (30) days after the participant has been provided with written notice of dismissal, and (iii) the expiry date of the Award;
12. In the event of death of a participant, any unvested portion of such Awards shall immediately vest and may be exercised by such participant’s legal representative up to ninety (90) days after the death of the participant, unless extended by the Board;
13. Awards granted under the Incentive and Retention Plan are non-assignable;
14. The Board may amend the Incentive and Retention Plan at any time without Shareholder approval, subject to applicable law and TSX rules, for the following types of amendments: (i) amendments of a “housekeeping” nature, (ii) amendments necessary to comply with the provisions of applicable law, (iii) amendments relating to the administration of the Incentive and Retention Plan and vesting provisions of Awards, (iv) amendments to the termination provisions which do not entail an extension beyond the original expiry date, (v) the addition of any form of financial assistance to participants under the Incentive and Retention Plan, and (vi) any other amendment not requiring Shareholder approval under applicable law. Specific Shareholder approval is required in order for the Corporation to: (i) modify or amend the terms of Awards, including those previously granted, including the re-pricing of any Awards and the extension of the exercise period for any Awards except as otherwise permitted by the Incentive and Retention Plan, (ii) make any change to the eligible participants under the Incentive and Retention Plan which would have the potential of broadening or increasing insider participation, and (iii) make any other amendment required to

be approved by Shareholders under applicable law or rules of the TSX, including reducing the exercise price of any Award held by an insider, extending the term of any Award held by an insider, increasing the maximum number of Common Shares that may be issuable pursuant to Awards granted under the Incentive and Retention Plan and amending the amending provisions of the Incentive and Retention Plan; and

15. Upon the closing or completion of a change of control or deemed change of control (as defined in the Incentive and Retention Plan), the vesting of Awards shall be accelerated in full, and in the event of a potential change of control, the Board has the power to accelerate the date at which the Awards become exercisable.

Employee Stock Purchase Plan and 401(k) Plan

For employees residing in Canada, the Board approved the Employee Stock Purchase Plan (“**ESPP**”) for implementation effective January 1, 2007 whereby employees are eligible to allocate a percentage of their monthly base salary which percentage the Corporation matches up to a maximum of five percent. The ESPP employee contribution plus the Corporation’s contribution comprise a monthly aggregate used to purchase Common Shares in the Corporation.

For employees residing in the United States, the Board approved and implemented, on January 1, 2007, the 401(k) Plan wherein employees are eligible to allocate a percentage of their payroll period salary and the Corporation matches the employee allocation, up to a maximum of five percent. The Corporation suspended the five percent matching in April of 2015. In February of 2017, the Corporation reinstated its match of the employees allocation up to a maximum of three percent. The participating employee allocation comprises a payroll period aggregate for the purchase of investment(s) from a menu of market investment choices made available within the 401(k) Plan.

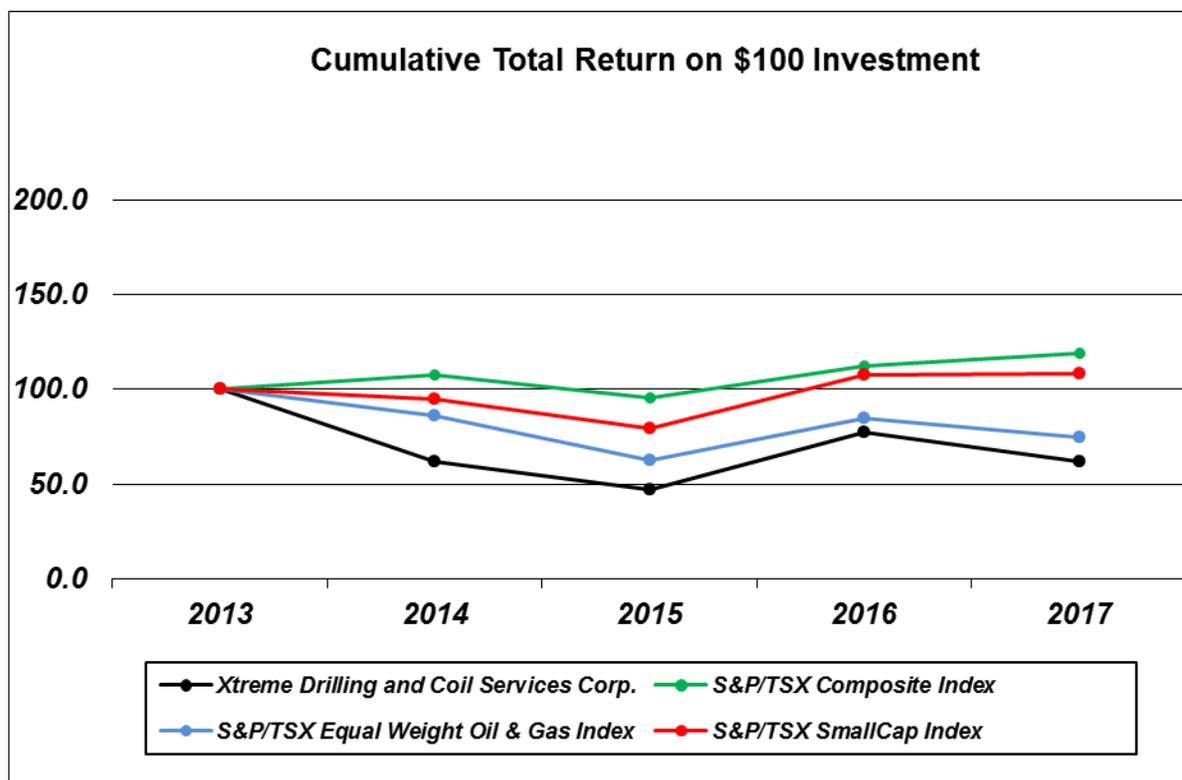
Risk Oversight

The Board oversees and uses its Committees (as defined below) to assist it in assessing and managing risk. Compensation plans are structured to reward an appropriate level of risk-taking and to ensure outcomes that are in the best interest of Xtreme and its Shareholders. This is achieved by ensuring the overall compensation framework aligns with short and long term strategic plans so that corporate objectives are a key factor in assessing performance. Short-term (bonus) and long-term (option and share-based awards) incentives are aligned to the median of the market and special awards may be paid where significant contributions are made.

The Corporation’s Named Executive Officers and directors are not permitted to purchase financial instruments designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director.

Performance Graph

The following graph compares the change in cumulative total shareholder return during the period from December 31, 2013 to December 31, 2017, of a \$100 investment in Common Shares with the cumulative total return of the S&P/TSX Composite Index, the S&P/TSX Equal Weight Oil & Gas Index and the S&P/TSX Small Cap Index.



	<u>31-Dec-13</u>	<u>31-Dec-14</u>	<u>31-Dec-15</u>	<u>31-Dec-16</u>	<u>31-Dec-17</u>
Xtreme Drilling Corp.	100.0	61.9	47.2	77.3	62.2
S&P/TSX Composite Index	100.0	107.4	95.5	112.2	119.0
S&P/TSX Equal Weight Oil & Gas Index	100.0	86.1	62.6	84.7	74.6
S&P/TSX SmallCap Index	100.0	94.8	79.8	107.9	108.2

The trend shown in the above graph does not necessarily correspond to the Corporation's compensation to its Named Executive Officers for the period ended December 31, 2017 or for any prior fiscal periods. The Corporation's executive compensation is reviewed annually and set by the Board which considers several factors in connection with its determination of appropriate levels of compensation, including, but not limited to, the demand for and supply of skilled professionals in the oil and gas and oil and gas services industries generally, individual performance, the Corporation's performance (which is not necessarily tied exclusively to the trading price of the Common Shares on the TSX) and other factors discussed under "Compensation Discussion and Analysis" above. The trading price of the Common Shares on the TSX is subject to fluctuation based on several factors, many of which are outside the control of the Corporation. These include, but are not limited to, fluctuations and volatility in commodity price markets for oil, natural gas and natural gas liquids, input costs relating to products used in connection with the Corporation's services, global economic conditions, changes in government, environmental policies, legislation and royalty regimes, and other factors. The Corporation also examines and considers executive compensation levels relative to its industry peer groups, many of which do not necessarily correspond to the market or trading price of such industry peer groups' securities.

Option Based and Share Based Awards

The annual grants of Options under the Stock Option Plan and Awards under the Incentive and Retention Plan are part of the annual review of executive compensation by the Compensation Committee. This review may be more or less extensive depending on the circumstances. The President and CEO provides a detailed presentation and a recommendation of the executive long-term incentive grants to the Compensation Committee. The recommendations

are based on an analysis of the achievements of the Named Executive Officers in respect of the goals set by the Board for the particular year as well as previous grants awarded to the individual, and are further supported by market data and input from any independent compensation consultants that are retained. The Compensation Committee then reports to the Board for approval.

Summary Compensation Table

The following table sets forth information concerning the compensation to Xtreme's President and Chief Executive Officer, Vice President, Finance and Corporate Development and each of the three most highly compensated executive officers of the Corporation at the end of the most recently completed financial year whose total compensation was individually more than \$150,000 for that financial year (collectively, the "Named Executive Officers" or "NEO's"), for the three most recently completed financial years.

Name and Principal Position	Year	Salary (\$)	Share-Based Awards ¹ (\$)	Option-Based Awards ² (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation ⁴ (\$)	Total Compensation (\$)
					Annual Incentive Plans ³ (\$)	Long-Term Incentive Plans (\$)			
Matthew S. Porter, ⁵ President and Chief Executive Officer	2017	519,440	-	-	-	-	-	38,696	558,136
	2016	432,498	602,500	144,600	398,000	-	-	1,319,507 ⁸	2,897,105
	2015	383,613	411,789	-	508,927	-	-	35,932	1,340,261
Martin Ramirez, ⁶ Vice President, Finance and Corporate Development	2017	282,320	-	-	-	-	-	35,337	317,656
	2016	273,114	122,910	30,728	177,000	-	-	257,455 ⁸	861,207
	2015	255,742	-	-	226,332	-	-	26,853	508,927
John Wray, ⁷ Vice President, Drilling Operations	2017	298,677	-	-	142,846	-	-	27,271	468,794
	2016	258,231	122,910	30,728	-	-	-	247,500 ⁸	659,369
	2015	306,731	-	-	55,000	-	-	-	361,731

Notes:

- The fair value of the RSUs granted was calculated using the following formula: number of RSUs granted times the market value of the Common Shares, being the lower of the closing price on the TSX on the date of grant or immediately preceding. RSUs vest over three years with 1/3 of the RSUs issued at each vesting date.
- This amount is based on the grant date fair value of the award. Xtreme uses the fair value method of accounting for stock-based compensation. The fair value of Options granted was estimated on the date of grant using the Black-Scholes option pricing model with weighted average assumptions for grants assuming: (i) no dividends are paid on Common Shares; (ii) a risk-free interest rate ranging from 5.7 to 6.2 percent; (iii) an average life of 3.0 years and expiry of 5.0 years; (iv) an expected volatility ranging from 53.6 percent to 62.3 percent; and (v) a forfeiture rate of 27.27 percent. The amounts computed according to the Black-Scholes pricing model may not be indicative of the actual values realized upon the exercise of these Options by the holders. The amount of the fair value is charged to earnings over the period of vesting of the Options, with a corresponding credit to share option reserve.
- For the year ended December 31, 2017, performance-based bonus amounts were not payable to Mr. Porter and Mr. Ramirez as they received retention bonuses in 2016. Bonus amounts approved for Mr. Wray for the period ending December 31, 2016, were paid in the first and second quarters of 2017.
- The type and amount of each perquisite, the value of which exceeds 25 percent of the total value of perquisites reported for the NEO for the 2017 financial year, are as follows:
 - Matthew Porter: vehicle allowance \$27,271 and 401(k) corporate contributions \$11,425.
 - Martin Ramirez: vehicle allowance \$27,271 and 401(k) corporate contributions \$8,066.
 - John Wray: vehicle allowance \$27,271.

5. Matthew Porter was appointed Chief Financial Officer on August 25, 2011, and appointed President on May 5, 2015. Mr. Porter was appointed Chief Executive Officer on August 4, 2016.
6. Mr. Ramirez was appointed Vice President, Finance and Corporate Development on August 4, 2016.
7. Mr. Wray was appointed Vice President, Drilling Operations on August 4, 2016.
8. The 2016 amount includes a retention bonus relating to the sale of the XSR division.

Amounts for NEOs paid in United States dollars (“USD”) have been translated into Canadian dollars (“CAD”) using: an average exchange rate of: \$1.00 USD = \$1.2986 CAD for 2017; an average exchange rate of \$1.00 USD = \$1.32480640 CAD for 2016; and an average exchange rate of \$1.00 USD = \$1.278711080 CAD for 2015.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards Table – Named Executive Officers

The following table sets forth for each NEO all option-based and share-based awards outstanding at the end of the most recently completed financial year.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ¹ (\$)	Number of shares or units of shares that have not vested ² (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Matthew Porter ³ , President and Chief Executive Officer	50,000	1.12	Oct 3, 2017	75,968	166,666	495,630	n/a
	28,000	3.10	Nov 4, 2019	Nil			
	60,000	2.41	Aug 8, 2021	n/a			
Martin Ramirez ⁴ , Vice President, Finance and Corporate Development	30,000	1.12	Oct 3, 2017	45,580	34,000	101,109	n/a
	8,500	3.10	Nov 4, 2019	Nil			
	12,750	2.41	Aug 8, 2021	n/a			
John Wray, Vice President Drilling Operations	12,750	2.41	Aug 8, 2021	n/a	34,000	101,109	n/a

Notes:

1. This amount is based on the difference between the market value of the Common Shares underlying the Options at the end of the most recently completed financial year, and the exercise price of the Option. Due to blackout period in 2017, Mr. Porter and Mr. Ramirez were unable to exercise the options with expiration date of October 3, 2017. Once the blackout period is lifted, it is anticipated the options will be exercised.
2. The value of all unvested RSU grants is based on the number of RSUs multiplied by the closing stock price on December 31, 2017 of \$2.29.
3. Matthew Porter was appointed Chief Financial Officer on August 25, 2011 and appointed President on May 5, 2015. Mr. Porter was appointed Chief Executive Officer on August 4, 2016.
4. Mr. Ramirez was appointed Vice President, Finance and Corporate Development on August 4, 2016.

5. Mr. Wray was appointed Vice President, Drilling Operations on August 4, 2016.

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

Name	Option-based awards – Value vested during the year ¹ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Matthew S. Porter, President and Chief Executive Officer ²	-	197,745	-
Martin Ramirez, Vice President, Finance and Corporate Development ³	-	40,399	-
John Wray, Vice President, Drilling Operations ⁴	-	40,399	-

Notes:

1. This value was determined by calculating the difference between the market price of the underlying Common Shares if the Option would have been exercised on the vesting date and the exercise price of the Option on that vesting date.
2. Matthew Porter was appointed Chief Financial Officer on August 25, 2011 and appointed President on May 5, 2015. Mr. Porter was appointed Chief Executive Officer on August 4, 2016.
3. Mr. Ramirez was appointed Vice President, Finance and Corporate Development on August 4, 2016.
4. Mr. Wray was appointed Vice President, Drilling Operations on August 4, 2016.

Termination and Change of Control Benefits

Porter Agreement

Xtreme currently has an employment agreement effective August 4, 2016 (the “**Porter Agreement**”) in place with Matthew S. Porter, the President and Chief Executive Officer. Pursuant to the Porter Agreement, Mr. Porter receives an annual base salary of USD \$400,000. Mr. Porter is eligible to participate in any bonus plan which may be approved by the Board.

The Corporation may terminate the Porter Agreement and Mr. Porter’s employment at any time for just cause without notice and without payment of any compensation or severance in lieu of notice. Upon termination of employment for just cause, Mr. Porter shall only be entitled to any base salary due and owing up to the date of termination, all expenses properly incurred up to the date of termination in the carrying out of his duties and any accrued but unused vacation pay due and outstanding.

If Mr. Porter’s employment is terminated by the Corporation as a result of a constructive dismissal or for any reason other than just cause, death or disability, the Corporation will provide, less any required withholdings: (a) all base salary earned, but not yet paid up to the termination date; (b) all accrued but unused vacation pay; (c) if the termination date occurs during a period with respect to which a bonus was to be paid in the future pursuant to an existing bonus plan, a pro-rata portion of such bonus earned up to the termination date; (d) a lump sum amount equal to the cost of continuation of group health coverage under the U.S. Consolidated Omnibus Budget Reconciliation Act (“**COBRA**”) for a period of 12 months; and (e) a lump sum 12 months base salary, provided Mr. Porter: (i) provides his written resignation from all director and officer positions then held in the Corporation or its affiliates or subsidiaries, and (ii) delivers to the Corporation a duly executed full and final release in favor of the Corporation, in a form reasonably satisfactory to the Corporation. Additionally, all Options that would otherwise vest within 12 months of the termination date would immediately vest. The payments are inclusive of any termination and/or severance payments that may be required under employment standards legislation and shall not be reduced by any income earned in mitigation by Mr. Porter. The Porter Agreement also provides that in the event the Corporation makes a uniform, company-wide rollback of base salary for all employees due to economic conditions imposed by general industry or

economic downturn, then so long as in equivalent proportion to the reduction of base salary for all other employees, any resulting reduction in Mr. Porter's base salary shall not itself trigger a constructive dismissal.

The Porter Agreement defines a change of control to mean: (a) any transaction or series of transactions, whether by way of consolidation, amalgamation or merger of the Corporation, with or into any other corporation, or any transfer, conveyance, sale, lease, exchange or otherwise, of all or substantially all of the assets of the Corporation to any person; or (b) any acquisition or series of acquisitions, directly or indirectly, and by any means whatsoever by any person or by a group of persons, acting jointly or in concert, of that number of voting shares of the Corporation which is greater than 50% of the total issued and outstanding voting shares immediately after such acquisition. If within a six month period immediately following any event causing a change of control, Mr. Porter is terminated by the Corporation without "just cause" (as such term is defined in the Porter Agreement) or Mr. Porter terminates his employment for "good reason" (as such term is defined in the Porter Agreement), the Corporation will provide, less any required withholdings: (a) all base salary earned, but not yet paid up to the termination date; (b) all accrued but unused vacation pay; (c) a lump sum amount equal to the cost of continuation of group health coverage under COBRA for a period of 12 months; and (d) a lump sum payment of 2 times the sum of Mr. Porter's base salary and highest annual bonus, provided Mr. Porter: (i) provides his written resignation from all director and officer positions then held in the Corporation or its affiliates or subsidiaries, and (ii) delivers to the Corporation a duly executed full and final release in favor of the Corporation, in a form reasonably satisfactory to the Corporation. Additionally, provided Mr. Porter has remained employed under the Porter Agreement through the date of the change of control, all unvested Options, RSUs or other equity awards granted under the Corporation's incentive plans would immediately vest. The Porter Agreement defines the highest annual bonus as the greater of (i) the average of annual bonuses paid over the three years preceding the year in which the change of control occurs, (ii) the annual bonus paid in the year preceding the year in which the change of control occurs, or (iii) the maximum target bonus determined in accordance with the Corporation's bonus plan for the year in which the change of control occurs.

Additionally, the Porter Agreement contains restrictive covenants that continue after termination of employment relating to the use and disclosure of the Corporation's confidential information, and that continue for 12 months after termination of employment relating to participation in activities competitive to the Corporation and solicitation of customers or employees of the Corporation.

Ramirez Agreement

Xtreme currently has an employment agreement effective August 4, 2016 (the "**Ramirez Agreement**") in place with Martin Ramirez, the Vice President, Finance and Corporate Development. Pursuant to the Ramirez Agreement, Mr. Ramirez receives an annual base salary of USD\$215,000. Mr. Ramirez is eligible to participate in any bonus plan which may be approved by the Board.

The Corporation may terminate the Ramirez Agreement and Mr. Ramirez's employment at any time for just cause without notice and without payment of any compensation or severance in lieu of notice. Upon termination of employment for just cause, Mr. Ramirez shall only be entitled to any base salary due and owing up to the date of termination, all expenses properly incurred up to the date of termination in the carrying out of his duties and any accrued but unused vacation pay due and outstanding.

If Mr. Ramirez's employment is terminated by the Corporation as a result of a constructive dismissal or for any reason other than just cause, death or disability, the Corporation will provide, less any required withholdings: (a) all base salary earned, but not yet paid up to the termination date; (b) all accrued but unused vacation pay; (c) if the termination date occurs during a period with respect to which a bonus was to be paid in the future pursuant to an existing bonus plan, a pro-rata portion of such bonus earned up to the termination date; (d) a lump sum amount equal to the cost of continuation of group health coverage under the COBRA for a period of 12 months; and (e) a lump sum payment of 3 months base salary if before the first year anniversary; 6 months base salary if on or after the first year anniversary and before the second year anniversary; or 12 months base salary if on or after the second year anniversary, provided Mr. Ramirez: (i) provides his written resignation from all director and officer positions then held in the Corporation or its affiliates or subsidiaries, and (ii) delivers to the Corporation a duly executed full and final release in favor of the Corporation, in a form reasonably satisfactory to the Corporation. Additionally, all Options, RSUs or other equity

awards granted under the Corporation's incentive plans that would otherwise vest within 12 months of the termination date would immediately vest. The payments are inclusive of any termination and/or severance payments that may be required under employment standards legislation and shall not be reduced by any income earned in mitigation by Mr. Ramirez. The Ramirez Agreement also provides that in the event the Corporation makes a uniform, company-wide rollback of base salary for all employees due to economic conditions imposed by general industry or economic downturn, then so long as in equivalent proportion to the reduction of base salary for all other employees, any resulting reduction in Mr. Ramirez's base salary shall not itself trigger a constructive dismissal.

The Ramirez Agreement defines a change of control to mean: (a) any transaction or series of transactions, whether by way of consolidation, amalgamation or merger of the Corporation, with or into any other corporation, or any transfer, conveyance, sale, lease, exchange or otherwise, of all or substantially all of the assets of the Corporation to any person; (b) any acquisition or series of acquisitions, directly or indirectly, and by any means whatsoever by any person or by a group of persons, acting jointly or in concert, of that number of voting shares of the Corporation which is greater than 50% of the total issued and outstanding voting shares immediately after such acquisition; or (c) an event where the Board, in circumstances where a change of control is in their view, acting reasonably, a certainty, by resolution deems that a change of control of the Corporation has occurred or is about to occur. Following any event causing a change of control, Mr. Ramirez shall have the right for a period of six months, to terminate the Ramirez Agreement and his employment with the Corporation by providing notice to the Corporation, following which notice period, the Corporation will provide, less any required withholdings: (a) all base salary earned, but not yet paid up to the termination date; (b) all accrued but unused vacation pay; (c) a lump sum amount equal to the cost of continuation of group health coverage under COBRA for a period of 12 months; and (d) a lump sum payment of 12 months base salary plus an amount equal to Mr. Ramirez's highest annual bonus, provided Mr. Ramirez: (i) provides his written resignation from all director and officer positions then held in the Corporation or its affiliates or subsidiaries, and (ii) delivers to the Corporation a duly executed full and final release in favor of the Corporation, in a form reasonably satisfactory to the Corporation. Additionally, provided Mr. Ramirez has remained employed under the Ramirez Agreement through the date of the change of control, all unvested Options, RSUs or other equity awards granted under the Corporation's incentive plans would immediately vest. The Ramirez Agreement defines the highest annual bonus as the greater of (i) the average of annual bonuses paid over the three years preceding the year in which the change of control occurs, (ii) the annual bonus paid in the year preceding the year in which the change of control occurs, or (iii) the maximum target bonus determined in accordance with the Corporation's bonus plan for the year in which the change of control occurs.

Additionally, the Ramirez Agreement contains restrictive covenants that continue after termination of employment relating to the use and disclosure of the Corporation's confidential information, and that continue for 12 months after termination of employment relating to participation in activities competitive to the Corporation and 18 months after termination of employment relating to solicitation of customers or employees of the Corporation.

Wray Agreement

Xtreme currently has an employment agreement dated December 09, 2016 (the "**Wray Agreement**") in place with John Wray, the Vice President of Drilling Operations. Pursuant to the Wray Agreement, Mr. Wray receives an annual base salary of USD\$230,000. Mr. Wray is eligible to participate in any bonus plan which may be approved by the Board.

The Corporation may terminate the Wray Agreement and Mr. Wray's employment at any time for just cause without notice and without payment of any compensation or severance in lieu of notice. Upon termination of employment for just cause, Mr. Wray shall only be entitled to any base salary due and owing up to the date of termination, all expenses properly incurred up to the date of termination in the carrying out of his duties and any accrued but unused vacation pay due and outstanding.

If Mr. Wray's employment is terminated by the Corporation as a result of a constructive dismissal or for any reason other than just cause, death or disability, the Corporation will provide, less any required withholdings: (a) all base salary earned, but not yet paid up to the termination date; (b) all accrued but unused vacation pay; (c) if the termination date occurs during a period with respect to which a bonus was to be paid in the future pursuant to an existing bonus

plan, a pro-rata portion of such bonus earned up to the termination date; (d) a lump sum amount equal to the cost of continuation of group health coverage under the COBRA for a period of 12 months; and (e) a lump sum payment of 3 months base salary if before the first year anniversary; 6 months base salary if on or after the first year anniversary and before the second year anniversary; or 12 months base salary if on or after the second year anniversary, provided Mr. Wray: (i) provides his written resignation from all director and officer positions then held in the Corporation or its affiliates or subsidiaries, and (ii) delivers to the Corporation a duly executed full and final release in favor of the Corporation, in a form reasonably satisfactory to the Corporation. Additionally, all Options, RSUs or other equity awards granted under the Corporation's incentive plans that would otherwise vest within 12 months of the termination date would immediately vest. The payments are inclusive of any termination and/or severance payments that may be required under employment standards legislation and shall not be reduced by any income earned in mitigation by Mr. Wray. The Wray Agreement also provides that in the event the Corporation makes a uniform, company-wide rollback of base salary for all employees due to economic conditions imposed by general industry or economic downturn, then so long as in equivalent proportion to the reduction of base salary for all other employees, any resulting reduction in Mr. Wray's base salary shall not itself trigger a constructive dismissal.

The Wray Agreement defines a change of control to mean: (a) any transaction or series of transactions, whether by way of consolidation, amalgamation or merger of the Corporation, with or into any other corporation, or any transfer, conveyance, sale, lease, exchange or otherwise, of all or substantially all of the assets of the Corporation to any person; (b) any acquisition or series of acquisitions, directly or indirectly, and by any means whatsoever by any person or by a group of persons, acting jointly or in concert, of that number of voting shares of the Corporation which is greater than 50% of the total issued and outstanding voting shares immediately after such acquisition; or (c) an event where the Board, in circumstances where a change of control is in their view, acting reasonably, a certainty, by resolution deems that a change of control of the Corporation has occurred or is about to occur. Following any event causing a change of control, Mr. Wray shall have the right for a period of six months, to terminate the Wray Agreement and his employment with the Corporation by providing notice to the Corporation, following which notice period, the Corporation will provide, less any required withholdings: (a) all base salary earned, but not yet paid up to the termination date; (b) all accrued but unused vacation pay; (c) a lump sum amount equal to the cost of continuation of group health coverage under COBRA for a period of 12 months; and (d) a lump sum payment of 12 months base salary plus an amount equal to Mr. Wray's highest annual bonus, provided Mr. Wray: (i) provides his written resignation from all director and officer positions then held in the Corporation or its affiliates or subsidiaries, and (ii) delivers to the Corporation a duly executed full and final release in favor of the Corporation, in a form reasonably satisfactory to the Corporation. Additionally, provided Mr. Wray has remained employed under the Wray Agreement through the date of the change of control, all unvested Options, RSUs or other equity awards granted under the Corporation's incentive plans would immediately vest. The Wray Agreement defines the highest annual bonus as the greater of (i) the average of annual bonuses paid over the three years preceding the year in which the change of control occurs, (ii) the annual bonus paid in the year preceding the year in which the change of control occurs, or (iii) the maximum target bonus determined in accordance with the Corporation's bonus plan for the year in which the change of control occurs.

Additionally, the Wray Agreement contains restrictive covenants that continue after termination of employment relating to the use and disclosure of the Corporation's confidential information, and that continue for 12 months after termination of employment relating to participation in activities competitive to the Corporation and 18 months after termination of employment relating to solicitation of customers or employees of the Corporation.

The following table estimates the amount each NEO with an executive employment agreement would receive if the NEO were entitled to a lump sum payment under their employment agreement on December 31, 2017.

	Termination for just cause	Termination without just cause	Termination as a result of change in control
Matthew S. Porter, President and Chief Executive Officer			
Cash severance component	\$ 39,957	\$ 519,440	\$ 1,038,880
Annual bonus component	-	-	1,558,320
Unpaid and accrued component	43,953	108,735	108,735
Accelerated vesting of unvested equity	-	247,815	495,630
Total	\$ 83,910	\$ 875,990	\$ 3,201,565
Martin Ramirez, Vice President, Finance and Corporate Development			
Cash severance component	\$ 10,738	\$ 279,199	\$ 279,199
Annual bonus component	-	-	279,199
Unpaid and accrued component	19,978	55,541	55,541
Accelerated vesting of unvested equity	-	101,109	101,109
Total	\$ 30,716	\$ 435,849	\$ 715,048
John Wray, Vice President, Operations			
Cash severance component	\$ 11,488	\$ 298,678	\$ 298,678
Annual bonus component	-	-	298,678
Unpaid and accrued component	9,190	45,503	45,503
Accelerated vesting of unvested equity	-	101,109	101,109
Total	\$ 20,678	\$ 445,290	\$ 743,968

Director Compensation

Prior to October 1, 2008, Xtreme paid no retainer fees to directors. On December 4, 2008, the Board approved a recommendation from the Compensation Committee to institute director compensation beginning in the period of the three months ending December 31, 2008 and payable in the future on a quarterly basis. On November 23, 2011, the Board approved a *per diem* for directors engaged in certain business activities on behalf of the Corporation. Directors are also compensated by the grant of Options under the Stock Option Plan and by the grant of RSUs under the Incentive and Retention Plan. On December 8, 2016, the Board voted to increase the director's compensation to be more in line with peer groups. The Board may elect to participate in Xtreme's group health benefit plan. The non-executive directors of the Corporation were issued an aggregate of 116,886 RSU's in 2017.

Director Compensation Table

The following table sets forth information concerning the compensation of Xtreme's directors for the most recently completed financial year.

Name	Fees earned (\$)	Share-based awards ¹ (\$)	Option-based awards ² (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Colin W. Burnett ³	51,500	45,000	Nil	n/a	n/a	Nil	96,500
Randolph M. Charron ⁴	59,000	45,000	Nil	n/a	n/a	Nil	104,000
Douglas A. Dafeo ⁵	103,000	45,000	Nil	n/a	n/a	Nil	148,000
J. William Franklin, Jr ⁶	65,000	45,000	Nil	n/a	n/a	Nil	110,000
Matthew S. Porter ⁷ President and Chief Executive Officer	n/a	n/a	n/a	n/a	n/a	n/a	n/a
James B. Renfroe, Jr ⁸	60,000	45,000	Nil	n/a	n/a	Nil	105,000
David W. Wehlmann ⁹	71,500	45,000	Nil	n/a	n/a	Nil	116,500

Notes:

1. The fair value of the RSUs granted was calculated using the following formula: number of RSUs granted times the market value of the Common Shares, being the lower of the closing price on the TSX on the date of grant or immediately preceding. RSUs vest over three years with 1/3 of the RSUs issued at each vesting date.
2. This amount is based on the grant date fair value of the award.
3. Mr. Burnett was appointed to the board on May 2, 2016. Mr. Burnett's fees and RSU's are submitted to STV Fund 1. As of February 5, 2018, Mr. Burnett is no longer a director.
4. Mr. Charron's director fees are paid to Characo Corporation.
5. Mr. Dafoe joined the board on May 23, 2012. Mr. Dafoe was appointed Chairman of the Audit Committee on August 7, 2012. Mr. Dafoe was appointed Chairman of the Board on November 6, 2012.
6. Mr. Franklin was appointed to the Board on February 6, 2014. Mr. Franklin's fees are submitted to Lime Rock Partners and RSU's are submitted to Mr. Franklin with an obligation on his part to direct any ultimate proceeds to Lime Rock Partners.
7. Mr. Porter became Chief Executive Officer on August 4, 2016 and does not receive director compensation. All awards and other amounts paid to Mr. Porter are disclosed in the "NEO Compensation Table".
8. Mr. Renfroe joined the Board on August 2, 2013.
9. Mr. Wehlmann was appointed the Board on May 23, 2013.

Outstanding Share-Based Awards and Option-Based Awards Table – Directors

The following table sets forth for each director all option-based and share-based awards outstanding as at the end of the most recently completed financial year.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ¹ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ² (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Colin W. Burnett ³	Nil	n/a	n/a	Nil	31,433	93,475	n/a
Randolph M. Charron	Nil	n/a	n/a	Nil	31,433	93,475	n/a
Douglas A. Dafoe	70,000	1.12	October 3, 2017	106,355	31,433	93,475	n/a
J. William Franklin, Jr	Nil	n/a	n/a	n/a	31,433	93,475	n/a
James B. Renfroe, Jr	60,000	3.65	August 6, 2018	Nil	31,433	93,475	n/a
David W. Wehlmann ⁵	60,000	3.65	August 6, 2018	Nil	31,433	93,475	n/a

Notes:

1. This amount is based on the difference between the market value of the Common Shares underlying the Options at the end of the most recently completed financial year and the exercise price of the option. Due to a blackout period in 2017, Mr. Dafoe was unable to exercise the options with an expiration date of October 3, 2017. Once the blackout period is lifted, it is anticipated that these options will be exercised.
2. The value of all unvested RSU grants is based on the number of RSUs multiplied by the closing stock price on December 31, 2017 of \$2.29.
3. Mr. Burnett was appointed to the board on May 2, 2016. Mr. Burnett's fees and RSU's are submitted to STV Fund 1. As of February 5, 2018, Mr. Burnett is no longer a director.

4. Mr. Renfroe joined the Board on August 2, 2013. Mr. Renfroe was issued 60,000 Options at \$3.65.
5. Mr. Wehlmann was appointed to the Board on May 23, 2013. Mr. Wehlmann was issued 60,000 Options at \$3.65.

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

Name	Option-based awards – Value vested during the year ¹ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Colin W. Burnett	n/a	15,753	n/a
Randolph M. Charron	Nil	15,753	n/a
Douglas A. Dafoe	Nil	15,753	n/a
J. William Franklin, Jr	Nil	15,753	n/a
James Renfroe, Jr	Nil	15,753	n/a
David W. Wehlmann	Nil	15,753	n/a

Notes:

1. This amount was determined by calculating the difference between the market price of the underlying Common Shares if the option would have been exercised on the vesting date and the exercise price of the option on the vesting date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following sets forth information in respect of securities authorized for issuance under Xtreme’s equity compensation plans as at the date of this Information Circular.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	1,314,261	\$1.44	6,184,028
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	1,314,261	\$1.44	6,184,028

Burn Rate - 2017

Number of share options granted in 2017 (Nil)/issued and outstanding as of December 31, 2017 (74,982,894)	Nil
Weighted average remaining term of share options	2.47

Number of RSUs granted in 2017 (131,886)/issued and outstanding as of December 31, 2017 (74,982,894)	0.18%
Weighted average remaining term of share options	2.40

Burn Rate - 2016

Number of share options granted in 2016 (169,500)/issued and outstanding as of December 31, 2016 (85,091,367)	0.20%
Weighted average remaining term of share options	2.33

Number of RSUs granted in 2016 (1,014,549)/issued and outstanding as of December 31, 2017 (85,091,367)	1.19%
Weighted average remaining term of share options	2.43

Burn Rate - 2015

Number of share options granted in 2015 (Nil)/issued and outstanding as of December 31, 2015 (83,134,204)	Nil
Weighted average remaining term of share options	3.21

Number of RSUs granted in 2015 (638,454)/issued and outstanding as of December 31, 2015 (83,131,204)	0.77%
Weighted average remaining term of share options	3.17

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No person who is, or at any time during the most recently completed financial year was, a director, nominee for election as a director or executive officer of Xtreme, or any associate of any such director, nominee or executive officer, (i) is, or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation or any of its subsidiaries, or (ii) has any indebtedness to another entity that is, or at any time since the beginning of the most recently completed financial year of the Corporation has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Xtreme or any of its subsidiaries.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Xtreme's Board has overall responsibility for the management of the business and affairs of Xtreme. At scheduled meetings, the Board and the Audit, Corporate Governance and Nominating, Compensation and Health, Safety and Environment Committees (collectively, the "**Committees**") of the Board receive and discuss reports prepared by management which address strategic and operating issues, assess actual performance against planned performance, and assess the overall financial position of Xtreme. The Board and the Committee meetings are convened as necessary.

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**") of the Canadian Securities Administrators requires reporting issuers to disclose their corporate governance practices with reference to a series of guidelines for effective corporate governance (the "**Corporate Governance Guidelines**") adopted by the TSX. The Corporation's alignment to the Corporate Governance Guidelines is discussed below.

Members of Board

Xtreme's Board currently consists of six directors. The Board will review its size and, as permitted under applicable corporate law, may appoint an additional independent director between shareholder meetings by way of resolution of the Board. NI 58-101 suggests that the board of directors should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director that has no material relationship, direct or indirect, with the issuer, which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment. Five of Xtreme's current directors: Randolph Charron;

Douglas Dafoe; J. William Franklin, Jr.; James Renfroe, Jr.; and David Wehlmann, are independent based upon the tests for independence set forth in NI 52-110. There is one director that is not considered to be “independent”. Matt Porter is not independent as he is the President and Chief Executive Officer of Xtreme.

To further facilitate the Board’s exercise of independent judgment in carrying out its responsibilities, the independent directors of Xtreme hold meetings comprised of just the independent directors of the Corporation. The independent directors of the Corporation meet privately in conjunction with regularly scheduled Board meetings and from time to time as required. The total number of meetings comprised entirely of independent directors in the issuer’s most recently completed financial year was four.

Except for the Health, Safety and Environment Committee, which includes Mr. Porter, each of the standing committees of the Board is comprised entirely of independent directors. The independent members of the Board are encouraged to speak freely during all Board meetings and independent directors are encouraged to have meetings independent of management at their discretion and are also free to retain, at the expense of the Corporation, any advisors or consultants as they deem necessary.

Board Committees and Composition

The standing committees of the Board are an integral part of the governance structure of Xtreme as they facilitate effective board decision-making by providing recommendations on matters within their respective responsibilities. The Board currently has four committees: the Audit Committee; the Health, Safety and Environment Committee; the Corporate Governance and Nominating Committee; and the Compensation Committee. Members of Xtreme management are frequently invited to participate in meetings of the Committees to provide management insight and information to committee deliberations. As a matter of practice, the Committees conduct a portion of their meetings without management present to facilitate their functioning independently of management.

All Committees consist of a minimum of three directors. All members of the Audit Committee are required to be independent. The Board requires that a majority of Committee members on each other Committee be independent. The Board of Directors appoints one member of each Committee as its chair. Each member of the Audit Committee is required to be “financially literate” as that term is defined in NI 52-110. An individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer’s financial statements. As of the date of this Information Circular, the Committees and their members are outlined below.

Audit Committee

David W. Wehlmann (Chair)
J. William Franklin, Jr.
Douglas A. Dafoe

Corporate Governance & Nominating Committee

J. William Franklin, Jr. (Chair)
James B. Renfroe, Jr.
Randolph M. Charron
David W. Wehlmann

Compensation Committee

Randolph M. Charron (Chair)
J. William Franklin, Jr.
David W. Wehlmann

Health, Safety and Environment Committee

James B. Renfroe, Jr. (Chair)
Randolph M. Charron
Matthew S. Porter

Participation of Directors in Board Meetings

For the year ended December 31, 2017, 13 board meetings were held. The attendance record of each director for Board and Committee meetings is as follows:

Director	Board of Directors	Audit Committee	Compensation Committee	Health, Safety and Environment Committee	Corporate Governance & Nominating Committee	Other Meetings	Total Meetings Attended
	(13 meetings)	(4 meetings)	(2 meetings)	(1 meetings)	(1 meetings)	(3 meetings)	
Colin W. Burnett ¹	13/13	4/4	n/a	n/a	n/a	n/a	17/17
Randolph M. Charron	13/13	n/a	2/2	0/1	1/1	n/a	16/17
Douglas A. Dafeo	13/13	4/4	n/a	n/a	n/a	3/3	20/20
J. William Franklin, Jr	13/13	4/4	2/2	n/a	1/1	n/a	20/20
Matthew S. Porter	13/13	n/a	n/a	1/1	n/a	n/a	14/14
James B. Renfroe, Jr	13/13	n/a	n/a	1/1	1/1	3/3	18/18
David W. Wehlmann	13/13	4/4	2/2	n/a	1/1	3/3	23/23

Notes:

1. Mr. Burnett's resignation from the Board was effective February 5, 2018.

Responsibilities of the Board

The Board has the statutory responsibility to oversee the conduct of the business of Xtreme and to supervise management, which is responsible for the day-to-day conduct of the business of Xtreme. The Board's fundamental objectives are to enhance and preserve long-term shareholder value and to ensure the Corporation meets its obligations on an ongoing basis. While the Board has delegated the responsibility for day-to-day management of Xtreme among the Chief Executive Officer, Chief Financial Officer and the President and Chief Technology Officer, the Board has acknowledged its responsibility for the stewardship of Xtreme, including the responsibility for:

- (a) the appointment of the Chief Executive Officer and succession planning;
- (b) in consultation with the Chief Executive Officer and Chief Financial Officer, the identification of the principal risks of the Corporation's business and review of management's implementation of appropriate systems to manage these risks;
- (c) the approval of all financings and significant acquisitions or dispositions by the Corporation;
- (d) reviewing the implementation and integrity of the Corporation's internal control and management information systems;
- (e) in consultation with the Chief Executive Officer and Chief Financial Officer, developing and monitoring the Corporation's strategic planning; and
- (f) reviewing the Corporation's system for timely and accurate reporting to shareholders regarding financial and other matters in accordance with applicable law, including the approval of all of Xtreme's major compliance and communication documents, including annual and quarterly reports, financial documents, press releases and other significant disclosure documents.

Participation of Directors in Other Reporting Issuers

The participation of the directors in other reporting issuers is described in the table provided under "Election of Directors" in this Information Circular.

Board Mandate

The Board has adopted a Board Mandate, the text of which is attached as Schedule “A” to this Information Circular.

Position Descriptions

The Board has developed written descriptions for the chairman of the Board as well as for the chair of each Committee. The Board and the Chief Executive Officer have developed a written position description for the Chief Executive Officer and the Chief Financial Officer.

Orientation and Continuing Education

There is no specific education and orientation program for new Board members. Regular Board meetings include meetings with management, where new Board members are made familiar with Xtreme’s operations. All of the members of the Board have extensive experience in directorship, and in some cases, senior managerial levels and most in the oil and gas industry. The Board will ensure that any new directors are provided with suitable materials and training to assist in their orientation to the Corporation and to their roles within the Board.

Directors are provided with information about their duties and obligations, the contribution individual directors are expected to make (including, in particular, the commitment of time and resources that is expected), the role and responsibilities of the Board and its Committees, the business and operations of Xtreme, documents from recent Board meetings and opportunities for meetings and discussion with senior management and other directors. Directors may at the expense of the Corporation participate in continuing education programs that are designed to maintain or enhance their skills and abilities as directors or to enhance their knowledge and understanding of Xtreme’s business and operations.

Corporate Governance & Nominating Committee

Xtreme has a Corporate Governance and Nominating Committee, which in 2017 was composed of J. William Franklin Jr., Randolph Charron, James Renfroe and David Wehlmann, all of which are independent directors. The Corporate Governance and Nominating Committee has been appointed to, among other matters, review, monitor and make recommendations regarding the orientation and ongoing development programs for directors, such programs to be designed to ensure that new directors fully understand the role of the Board and its Committees, the contribution individual directors are expected to make (including, in particular, the commitment of time and resources that Xtreme expects from its directors) and the nature and operations of Xtreme’s business. Continuing education opportunities focus on enhancing individual director’s skills and abilities as directors and maintaining the currency of their knowledge and understanding of Xtreme’s business affairs.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of Xtreme. The Board has adopted a written Code of Business Conduct and Ethics (the “Code”). A copy of the Code can be found under Xtreme’s profile on SEDAR at www.sedar.com.

The mandate of the Corporate Governance and Nominating Committee, with respect to corporate governance, is to generally assume responsibility for developing the approach of the Corporation to matters concerning corporate governance and to review and make recommendations to the Board as to such matters. Specifically, to fulfill this responsibility, the Corporate Governance and Nominating Committee endeavors to, among other things:

- (a) review periodically the Corporation’s approach to governance issues;
- (b) review annually the mandate for the Board and the position description for the Board Chair;

- (c) review annually the mandates and/or terms of reference for the duties of the Board and, where appropriate, make recommendations thereon including changes in the role, size, composition and structure of the Committees;
- (d) evaluate regularly the effectiveness and contribution of the Board, the Board Chair and the Chair of each Committee and the effectiveness and contribution of individual directors, having regard for the mandate of the Board and position description, the results of surveys of the directors, attendance at Board Committee meetings, overall contribution and, in the case of individual directors, the competencies and skills the individual director is expected to bring to the Board;
- (e) review and approve the annual corporate governance report in the management proxy circular prepared in connection with the Corporation's annual meeting describing the governance practices of the Corporation with reference to the reporting requirements of applicable securities laws and, as applicable, any stock exchange requirements;
- (f) review periodically the Corporation's disclosure guidelines;
- (g) review annually, for Board approval, any update to the Board Manual outlining the policies and procedures by which the Board will operate and the mandates and/or terms of reference for the Board, the Board Chair, the Chief Executive Officer, individual directors, Committees and Committee Chairs;
- (h) assess the needs of the Board in terms of the frequency and location of Board and Committee meetings, meeting agendas, discussion papers, reports and information, and the conduct of meetings and make recommendations to the Board as required;
- (i) to review the Corporate Governance and Nominating Committee's terms of reference;
- (j) review and consider the engagement of professionals and other advisors;
- (k) as required, to establish and update the Code; and
- (l) review management's monitoring of the Corporation's compliance with the Code.

A copy of the Code is provided to, and reviewed by, each director and each such person is required to acknowledge annually that he or she has read the Code and has provided necessary disclosure on transactions or matters of potential conflict.

There were no material change reports filed pertaining to any departures from the Code.

It is a requirement of applicable corporate law that directors who have an interest in a transaction or an agreement with Xtreme, promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and abstain from discussions and voting in respect to same if the director's interest is material. The Code imposes a similar disclosure requirement on all non-director representatives of the Corporation and requires such persons to report such conflicts to the executive officer to whom that person reports in the course of his employment responsibilities, or, in the case of a senior executive officer, to the Corporate Governance and Nominating Committee and fully inform such person or the committee, as applicable, of the facts and circumstances related to the conflict or potential conflict. The representative is prohibited from taking any further action in respect of the matter or transaction giving rise to such conflict or potential conflict unless and until authorized to do so by the reporting officer, or the Corporate Governance and Nominating Committee. The Board encourages and promotes a culture of ethical business conduct through the guidance it provides to officers and management. The Corporation has in place a Whistle Blower Policy to which all directors, officers and employees must adhere. The Whistle Blower Policy is filed on www.sedar.com.

Nomination of Directors

The mandate of the Corporate Governance and Nominating Committee, with respect to nomination functions, is to evaluate the Board and to nominate the appropriate candidates to serve the Board as directors, chairpersons, committee members and chairpersons for committees. Specifically to fulfill this responsibility, the Corporate Governance and Nominating Committee endeavors to, among other things:

- (a) develop, and annually update, a long-term plan for Board composition that takes into consideration the current strengths, skills and experience on the Board, retirement dates and the strategic direction of the Corporation;
- (b) develop recommendations regarding the essential and desired experiences and skills for potential directors, taking into consideration the Board’s short-term needs and long-term succession plans including considering the competencies and skills the Board, as a whole, should possess and the competencies and skills each existing director possesses;
- (c) recommend to the Board nominees for election as members of the Board taking into consideration such matters as is relevant including the matters referred to above, and the competencies and skills each new nominee will bring to the Board and the ability of any such new nominee to devote sufficient time and resources to his or her duties as a member of the Board; and
- (d) review, monitor and make recommendations regarding the orientation and ongoing education and development programs for directors. The Committee conducts its business on the basis of majority approval which encourages an objective nomination process. Should a conflict be identified, the conflicted member would excuse himself from the meeting and abstain from voting.

Compensation of Directors and the Chief Executive Officer

Compensation levels are reviewed annually by the Board and the Compensation Committee, which committee makes recommendations to the Board based on performance and industry conditions. In 2017, the Compensation Committee was composed of Randolph Charron, J. William Franklin, Jr. and David Wehlmann, all of which are independent directors.

The following chart sets out the assessment of each Compensation Committee member’s independence and relevant educational background and experience.

Name and Place of Residence	Independent	Relevant Education and Experience
David W. Wehlmann Houston, Texas United States	Yes.	Mr. Wehlmann’s background information is contained in the “Election of Directors” section of this Information Circular.
J. William Franklin, Jr. Houston, Texas United States	Yes.	Mr. Franklin’s background information is contained in the “Election of Directors” section of this Information Circular.
Randolph M. Charron Calgary, Alberta Canada	Yes.	Mr. Charron’s background information is contained in the “Election of Directors” section of this Information Circular.

The mandate of the Compensation Committee is to, among other things:

- (a) recommend a performance evaluation process for the Chief Executive Officer, including reviewing and approving corporate goals and objectives relevant to Chief Executive Officer compensation and, when approved, ensure the process is implemented, including the evaluation of the Chief Executive Officer’s performance in light of those goals and objectives;
- (b) review and approve the Chief Executive Officer’s compensation based on the evaluation of the Chief Executive Officer including share award and share option plans, if any, incentives and bonuses and benefit plans;
- (c) review and recommend the compensation philosophy, guidelines and plans for Xtreme’s employees and executives;

- (d) in consultation with the Chief Executive Officer, review the appointment and approve the compensation, including share award and share option plans, if any, incentives and bonuses and benefit plans for the executive team other than the Chief Executive Officer;
- (e) review the share award, share option or similar plans, if any, with the Chief Executive Officer including:
 - (i) designation of the employees who will participate;
 - (ii) share, share award and share option availability; and
 - (iii) administration of share purchases for distribution;
- (f) review with the Chief Executive Officer existing management resources and plans, including recruitment and training programs, to ensure that qualified personnel will be available for succession to executive positions of the Corporation and key officer positions in its major subsidiaries, and report on this matter to the Board at least once each year;
- (g) review and endorse major changes in the organizational structure of management as proposed by the Chief Executive Officer;
- (h) review and recommend for approval the executive compensation disclosure;
- (i) review annually director compensation and recommend compensation terms that adequately reflect the responsibilities being assumed by directors, the Board Chair and Committee Chairs and members; and
- (j) annually review and recommend changes to the Compensation Committee's mandate.

In December 2008, the Board approved a recommendation from the Compensation Committee to institute director compensation beginning in the period of the three months ending December 31, 2008 and forward. Directors are also compensated by the grant of Options under the Stock Option Plan, the grant of RSUs under the Incentive and Retention Plan and participation in Xtreme's group health benefit plan. Directors' liability insurance is provided.

In November 2011, as recommended by the Compensation Committee, the Board approved a *per diem* for the provision of certain services provided by directors to the Corporation. On March 4, 2013, the Compensation Committee recommended and the Board approved an increase in director compensation based on the material provided by Pearl Meyer in its survey of director compensation. On March 9, 2016, the Compensation Committee recommended and the Board approved a 10% reduction in annual fees. On December 8, 2016, the Compensation Committee recommended and the Board approved an increase in annual fees effective January 1, 2017. The following table provides information pursuant to the director compensation plan.

Directors Fees and Retainers (CAD)

Annual retainer	\$35,000 (\$8,750 per quarter)
Annual fee payable to Chairman of the Board	\$50,000 (\$12,500 per quarter)
Annual fee payable to Chair of Audit Committee	\$15,000 (\$3,750 per quarter)
Annual fee payable to Chair of Compensation Committee	\$10,000 (\$2,500 per quarter)
Annual fee payable to Chair of other Committees	\$10,000 (\$2,500 per quarter)
Fee for attendance at each Board meeting, Committee meeting and conference call	\$1,500
Fee for attendance at each Board conference call meeting, Committee conference call meeting and conference call less than 4 hours	\$500
Annual Restricted Stock Unit grant (number of RSU's based on share price at grant)	\$45,000 per annum

Eligibility

All directors of the Corporation who do not receive compensation for services as officers or employees of the Corporation or who have not otherwise informed the Board that they are ineligible to receive compensation hereunder, are eligible to receive compensation pursuant to the director compensation plan above.

Payment

The Corporation shall pay eligible directors all amounts owing hereunder on a quarterly basis and within 10 days of the end of each fiscal quarter of the Corporation. In the event a director ceases to be an eligible director, such director shall be entitled to a pro rata share of the annual fees and retainers described above plus the applicable attendance fees.

Other Committees of the Board

The Board presently has four committees. In addition to the Corporate Governance and Nominating Committee and Compensation Committee, the Board has a Health, Safety and Environment Committee and an Audit Committee. The number of committees and the composition of such committees are currently under review by the Board and it is anticipated that the committees will be reworked following the reconstitution of the Board after the Meeting.

Health, Safety and Environment Committee

Xtreme has formed a Health, Safety and Environment Committee, which is comprised of Matthew Porter, Randy Charron and James Renfro, two of which are independent directors.

The mandate of the Health, Safety and Environment Committee is to, among other things:

- (a) review and monitor the environmental policies and activities of Xtreme on behalf of the Board to ensure that the Corporation is in compliance with environmental laws and legislation;
- (b) recommend actions for developing policies, programs and procedures to ensure that the Corporation's environmental policies and procedures are being adhered to and achieved;
- (c) review and report to the Board on the sufficiency of resources available for carrying out the actions and activities recommended; and
- (d) recommend actions for developing policies, programs and procedures to ensure that the principles set out in the Corporation's policies related to the health and safety of its employees in the workplace are being adhered to and achieved.

The Health, Safety and Environment Committee conducts an annual review and assessment of its performance and its mandate, including compliance with its mandate, and its role, duties and responsibilities, and submits such report, including recommending changes to such mandate, to the Board.

Audit Committee

Disclosure with respect to the composition of Xtreme's Audit Committee, the Corporation's Audit Committee Charter and other disclosure required by NI 52-110 is contained in Appendix "A" of Xtreme's annual information form a copy of which can be found under Xtreme's profile at www.sedar.com or, upon request, a copy will be provided by Xtreme free of charge to any of its security holders.

The Audit Committee has developed a policy and procedures for:

- (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters. A copy of this policy is filed under Xtreme's corporate profile at www.sedar.com. The independent directors who comprise the Audit Committee hold quarterly *in-camera* meetings with the auditor.

Assessments

As part of its mandate, the Board is responsible for reviewing annually the composition of the Board and its Committees and assessing the performance of the directors on an ongoing basis. See also “Ethical Business Conduct” above.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of any Informed Person (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators) of the Corporation, any proposed director of the Corporation or any associate or affiliate of any Informed Person or proposed director of the Corporation, in any transaction since the commencement of Xtreme’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

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

Management of Xtreme is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or nominee for director, senior officer, or anyone who has been a director or senior officer of Xtreme at any time since January 1, 2018, or of any associate or affiliate of any of the foregoing individuals, in any matter to be acted on at the Meeting, other than the election of directors or the appointment of auditors, except for as set forth in this Information Circular.

MANAGEMENT CONTRACTS

Management functions of Xtreme and its subsidiaries are not, to any substantial degree, performed by a person or company other than the directors or executive officers of Xtreme and its subsidiaries.

OTHER MATTERS

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

ADDITIONAL INFORMATION

Additional information relating to Xtreme is available on SEDAR at www.sedar.com. Financial information in respect of Xtreme and its business activities is provided in Xtreme’s Financial Statements. Copies of Xtreme’s Financial Statements are available upon request by contacting Xtreme Drilling Corp. by telephone at (281) 994-4600, on the internet at www.xtremedrillingcorp.com, or by e-mail request to ir@xdccorp.com.

SCHEDULE “A”
MANDATE OF THE BOARD OF DIRECTORS

Introduction to Stewardship Duties

The purposes and responsibilities outlined in this Mandate and accompanying Board materials are meant to serve as guidelines rather than inflexible rules and the Board may adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

The Board is responsible to shareholders and others for the stewardship of the Company. The Board is responsible to oversee management of the business affairs of the Company, as described, and to act with a view to the best interests of the Company, growing value and maximizing return to shareholders.

The Board has plenary power with respect to the Company. Any responsibility not delegated to management or a Committee of the Board remains with the Board.

General Legal Obligations of the Board

1. The Board is responsible for the following legal matters oversight:
 - (a) overseeing management to ensure legal requirements have been met, and documents and records have been properly prepared, approved and maintained;
 - (b) approving changes in the By-laws, Articles of Incorporation, matters requiring shareholder approval, and agendas for shareholder meetings; and
 - (c) approving Xtreme’s legal structure, names and brands, mission statement and vision statement, and any amendments thereto.
2. The following business matters are the responsibility of the Board generally:
 - (a) the nomination for election, on recommendation of the Nomination and Corporate Governance Committee, Directors who will represent the best interests of Xtreme, and also reflect the best interests of shareholders;
 - (b) the acquisition of subsequent investments by the Company and the negotiation of management agreements respecting subsequent investments; and
 - (c) any offering of securities of the Company including:
 - (i) the determination of any borrowing, issuing any guarantee, and granting any security and subordination; and
 - (ii) the determination of the manner in which the Company shall exercise voting rights in respect of any securities owned by the Company;
 - (d) to oversee all required administrative services of the Company, including, without limitation:
 - (i) the retention and monitoring of the transfer agent and other organizations serving the Company;
 - (ii) the authorization and payment of operation expenses incurred by Company;
 - (iii) the preparation of accounting, management and other reports (including quarterly and annual reports to shareholders of the Company, financial statements, tax reporting to shareholders of the Company and income tax returns);
 - (iv) keeping and maintaining the books and records of the Company and the supervision of compliance by the Company with record keeping requirements under applicable regulatory regimes;
 - (v) the calculation of the amount, and the determination of the frequency, of dividends or distributions by the Company, if any;
 - (vi) the handling of communications and correspondence with shareholders of the Company;
 - (vii) responding to investors’ enquiries and general investor relations in respect of the Company;
 - (viii) dealing with banks and other institutional lenders, including in respect of the maintenance of bank records and the negotiation and securing of bank financing or refinancing of one or more credit or debt facilities, hedging or swap facilities or other ancillary facilities;
 - (ix) the preparation of the Company’s reports to relevant securities regulatory authorities and any similar organization of any government or the committee of any stock exchange to

- which the Company is obligated to report and to otherwise deal with any such regulatory authorities;
- (x) the organization of meetings of shareholders of the Company; and
 - (xi) the provision of such other administrative services as may be reasonably required for the ongoing business and administration of the Company;
- (e) to oversee the management of the business and affairs of Xtreme including the relationships among the Company and their respective affiliates with their executives, affiliates, shareholders, Directors and Officers;
 - (f) to act honestly and in good faith with a view to the best interests of Xtreme;
 - (g) to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
 - (h) to act in accordance with its obligations contained in the *Business Corporations Act* (Alberta), the *Securities Act* of each province and territory of Canada, other relevant legislation, regulations and policies, and the Company's Articles and By-laws;
 - (i) in particular, it should be noted that the following matters must be considered by the Board as a whole:
 - (i) submit to the shareholders of the Company any question or matter requiring the approval of the shareholders of the Company;
 - (ii) fill a vacancy on the Board or in the office of auditor;
 - (iii) issue securities except in the manner and on the terms permitted by law and authorized by the Board;
 - (iv) declare dividends or distributions, if any;
 - (v) purchase, redeem or otherwise acquire shares issued by the Company;
 - (vi) the payment of a commission to any person in consideration of that person purchasing or agreeing to purchase shares of the Company;
 - (vii) approve management proxy circulars;
 - (viii) approve take-over bid circulars or Directors' circulars;
 - (ix) approve any financial statements; or
 - (x) adopt, amend or repeal By-laws of the Company.

Composition and Board Organization

Nominees for the Board are initially considered and recommended by the Corporate Governance and Nominating Committee of the Board, approved by the entire Board and appointed annually by vote of the shareholders of the Company.

The Board shall consist of a majority of independent Directors to perform their duties and responsibilities. A majority of Directors comprising the Board must qualify as "independent" Directors in accordance with the definition of "independent" Director from time to time under the requirements or guidelines for Board service under applicable securities laws and the rules of any stock exchange on which the Company's shares are listed for trading. On at least an annual basis, the Board will conduct an analysis and make a determination as to the "independence" of each Board member. The independent Directors should hold regularly scheduled sessions at each Board meeting or at separately called meetings that non-independent Directors and management do not attend.

The appropriate number of Directors from time to time will be determined to fairly reflect the investment in Xtreme by those shareholders other than a significant shareholder or significant group of shareholders.

Certain of the responsibilities of the Board referred to herein may be delegated to Committees of the Board. The responsibilities of those Committees will be as set forth in their respective mandates, as amended from time to time.

The Board's set of criteria for addressing composition of the Board will include the present and anticipated skill set needed by the Board, experience, ethics, education, time availability, involvement in activities that conflict with Xtreme business, term and the number of other directorships held. Other matters may be included that vary from time to time.

Duties and Responsibilities

1. Managing the Affairs of the Board and Governance

The Board operates by delegating certain of its authorities, including spending authorizations, to management and by reserving certain powers to itself. The legal obligations of the Board are described under the heading “General Legal Obligations of the Board”. Subject to these legal obligations and to the Articles and By-laws of the Company, the Board retains the responsibility for managing its own affairs, including:

- (a) developing the Board’s approach to governance, including the development and maintenance of the Board Manual and the Governance Guidelines, which may be delegated to the Corporate Governance and Nominating Committee;
- (b) planning its composition and size;
- (c) selecting the Board Chair or “Lead Director”;
- (d) nominating candidates for election to the Board;
- (e) appointing Committees;
- (f) determining Director compensation;
- (g) developing position descriptions or terms of reference for the Board Chair and the Chair of each Committee of the Board, as well as for the President, Chief Executive Officer (“CEO”) and for individual Directors; and
- (h) assessing the effectiveness of the Board itself, Committees and individual Directors in fulfilling their responsibilities at least annually.

2. Management and Human Resources

The Board has oversight responsibility for:

- (a) the appointment and succession of the CEO and evaluating the CEO performance, approving CEO compensation and providing advice and counsel to the CEO in the execution of the CEO duties;
- (b) satisfying itself as to the integrity of the CEO and that the CEO and other Executive Officers create a culture of integrity throughout the organization;
- (c) approving a position description or terms of reference for the CEO;
- (d) reviewing CEO performance at least annually against agreed upon written goals and objectives that the CEO is responsible for meeting and that have been approved by the Board;
- (e) approving decisions relating to senior management, including appointment and discharge of Executive Officers, compensation and benefits for Executive Officers, acceptance of outside directorships on public companies by Executive Officers (other than not-for-profit organizations), and special arrangements with Executive Officers, or other employee groups;
- (f) ensuring succession planning programs are in place, including programs to train and develop management; and
- (g) approving certain matters relating to all employees, including:
 - (i) the annual salary policy/program for employees;
 - (ii) new benefit programs or material changes to existing programs; and
 - (iii) material benefits granted to retiring employees outside of benefits received under any approved pension and other benefit programs.

3. Strategy and Plans

The Board has oversight responsibility to:

- (a) participate with management in the development of, and ultimately approve, Xtreme’s strategic plan, which strategic plan will take into account, among other things, the opportunities and risks of the business;
- (b) approve the annual business plans that enable Xtreme to realize its objectives;

- (c) approve annual capital and operating budgets that support Xtreme's ability to meet its strategic objectives;
- (d) approve any political or charitable donations policy or budget;
- (e) approve the entering into, or withdrawing from, lines of business or geographic markets that are, or are likely to be, material to Xtreme;
- (f) approve financial and operating objectives used in determining compensation if they are different from the strategic, capital or operating plans referred to above;
- (g) approve material divestitures and acquisitions;
- (h) approve major leases; and
- (i) monitor Xtreme's progress towards its goals, and to revise and alter its direction through management in light of changing circumstances.

4. Financial and Corporate Issues

The Board has oversight responsibility to:

- (a) take reasonable steps to ensure the implementation and integrity of Xtreme's internal control and management information systems;
- (b) monitor operational and financial results;
- (c) approve the Audit Committee recommendation to recommend appointment of external auditors and approve auditors' fees;
- (d) approve annual and quarterly financial results as approved by the Audit Committee and to approve release thereof by management;
- (e) approve any management proxy circular, annual information form and any documents incorporated by reference therein;
- (f) approve dividends or distributions on or in respect of the Company's shares, if any;
- (g) approve financings, changes in authorized capital, issue and repurchase of shares, issue of debt securities, listing of shares and other securities, issue of commercial paper, and related prospectuses;
- (h) approve banking resolutions and significant changes in banking relationships;
- (i) review coverage, deductibles and key issues regarding corporate insurance policies;
- (j) approve contracts, arrangements or commitments that may have a material impact on Xtreme; and
- (k) approve the commencement or settlement of litigation that may have a material impact on Xtreme.

5. Business and Risk Management

The Board has oversight responsibility for the following functions, which may be delegated to one or more Committees of the Board:

- (a) ensure management identifies the principal business and financial risks and implements appropriate systems to manage these risks;
- (b) review operating and financial performance relative to budgets or objectives;
- (c) receive reports from management on matters relating to, among others, ethical conduct, environmental management, employee health and safety, human rights, and related party transactions;
- (d) to the extent the same have not been delegated to the Audit Committee, to assess and monitor management control systems:
 - (i) assess information provided by management and others (e.g., internal and external auditors) about the effectiveness of management control systems; and
 - (ii) understand principal risks and review whether Xtreme achieves a proper balance between risk and returns, and that management ensures that systems are in place to address the risks identified.

6. Policies and Procedures

The Board has oversight responsibility to:

- (a) approve and monitor compliance with all significant policies and procedures by which Xtreme is operated;
- (b) direct management to ensure Xtreme operates at all times within applicable laws and regulations and according to the Code of Conduct adopted by Xtreme; and
- (c) review significant new corporate policies or material amendments to existing policies.

7. Compliance Reporting and Communications

The Board has oversight responsibility to:

- (a) ensure Xtreme has in place effective communication processes with shareholders of the Company and other stakeholders and financial, regulatory and other recipients and ensure that such communication processes accommodate feedback from shareholders;
- (b) approve interaction with shareholders of the Company on all items requiring shareholder response or approval;
- (c) ensure that the financial performance of the Company is reported to shareholders, other securityholders and regulators in compliance with applicable law and regulations on a timely and regular basis, fairly and in accordance with generally accepted accounting principles;
- (d) ensure the timely reporting of any other developments that have a significant and material impact on the value of the Company; and
- (e) report annually to shareholders of the Company on the Board governance for the preceding year.

8. Role of Directors

As a member of the Board, each Director will:

- (a) fulfill the legal requirements and obligations of a Director, which includes a comprehensive understanding of the statutory and fiduciary roles;
- (b) review and sign the Code of Conduct and Conflict of Interest Guidelines for Directors annually; and
- (c) always ensure that the best overall interests of Xtreme are paramount in all matters of oversight and embrace the leadership role as an Xtreme Director.

9. Preparation for and Attendance at Board Meetings

The Board meets a minimum of four (4) times per year, usually every quarter. To enhance the effectiveness of Board and Committee meetings, each Director will:

- (a) prepare for each Board and Committee meeting by reading the reports and background materials provided for the meeting; and
- (b) maintain an excellent Board and Committee meeting attendance record.

Directors may participate in Board or Committee meeting by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other. A Director participating in such a meeting by any such means is deemed to be present at the meeting.

10. Communication

Communication is fundamental to Board effectiveness and therefore each Director will:

- (a) participate fully and frankly in the deliberations and discussions of the Board;
- (b) encourage free and open discussion of Xtreme's affairs by the Board;
- (c) establish an effective, independent and respected presence and a collegial relationship with other Directors;

- (d) focus inquiries on issues related to strategy, policy, and results rather than issues relating to the day-to-day management of Xtreme; and
- (e) respect the fact that the CEO is the chief spokesperson for Xtreme and individual Directors are only involved in external communications at the request of, and/or with the approval of, and in coordination with, the CEO.

11. Committee Work

In order to assist Board Committees in being effective and productive each Director will:

- (a) participate on Committees and become knowledgeable about the purpose of each Committee; and
- (b) understand the process of Committee work, and the role of management and staff supporting the Committee.

12. Industry and Corporate Knowledge

Recognizing that decisions can only be made by well-informed Directors, each Director will:

- (a) become generally knowledgeable of the business of Xtreme and its industry;
- (b) participate in Director orientation and development programs developed by Xtreme from time to time;
- (c) maintain an understanding of the regulatory, legislative, business, social and political environments within which Xtreme operates; and
- (d) become acquainted with Xtreme's senior managers.

13. Board Contact with Senior Management

- (a) All Directors have open access to the Company's senior management. It is expected that Directors will exercise judgment to ensure that their contacts will not distract from the Company's business operations.
- (b) Written communications from Directors to members of management will be copied to the CEO and to the Board Chair.
- (c) The Board encourages individual Directors to make themselves available for consultation with management outside Board meetings in order to provide specific advice and counsel on subjects where such Directors have special knowledge and experience.

14. Director Orientation and Continuing Education

- (a) New Directors will be provided with an orientation that will include information about the duties and obligations of Directors, and the contribution individual Directors are expected to make (including, in particular, the commitment of time and resources that the Company expects from its Directors), the role and responsibilities of the Board and its Committees, the business and operations of Xtreme, documents from recent Board meetings and opportunities for meetings and discussion with senior management and other Directors. The details of the orientation of each new Director will be tailored to that Director's individual needs and areas of interest.
- (b) With the approval of the Corporate Governance and Nominating Committee or its designee, Directors may at the expense of the Company participate in continuing education programs that are designed to maintain or enhance their skills and abilities as Directors or to enhance their knowledge and understanding of Xtreme's business and operations.

15. Share Ownership by Directors

- (a) During their tenure, ownership of shares of the Company is expected from Directors as an incentive to align their interests with those of shareholders.

- (b) The Board encourages Directors to allocate a portion of their cash compensation, if any, towards the purchase of shares of the Company.

16. Disclosure

- (a) Each individual being considered for nomination as a Director of the Company must disclose to the Corporate Governance and Nominating Committee all interests and relationships of which the Director is aware of at the time of consideration which will or may give rise to a conflict of interest. If such an interest or relationship should arise while the individual is a Director, the individual shall make immediate disclosure of all relevant facts to the Corporate Secretary or the Board Chair.
- (b) If the Board is making decisions that may provide a benefit to a Director's private interests, the Director shall withdraw from the deliberations altogether.
- (c) Disclosure may cure a conflict of interest or allow Xtreme to appropriately avoid a potential conflict. However, a conflict may be so severe as to only be resolved by the Director's resignation from one or both of the conflicting positions. Each Director agrees that if the Board determines a potential conflict cannot be cured, the Director will resign from the Board.

17. Standards of Liability

Nothing contained in this Mandate is intended to expand applicable standards of liability under statutory, regulatory, common law or any other legal requirements for the Board or members of its Committees. The purposes and responsibilities outlined in this Mandate and accompanying Board materials are meant to serve as guidelines rather than inflexible rules and the Board may adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

[end]