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Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the issuer at its head office, 550, 333 - 11th Avenue S.W., Calgary, Alberta, T2R 1L9, telephone (403) 237-7102, and are also available electronically at www.sedar.com.

SHORT FORM PROSPECTUS

New Issue

May 14, 2010



51,100,000 Common Shares issuable on exercise of outstanding Special Warrants

PanWestern Energy Inc. ("PanWestern" or the "Corporation") is hereby qualifying for distribution 51,100,000 Common Shares (as defined herein) issuable upon the exercise of 51,100,000 issued and outstanding Special Warrants (as defined herein). On April 16, 2010, the Corporation issued 51,100,000 Special Warrants at a price of \$0.47 per Special Warrant to purchasers in the provinces of Alberta, British Columbia, Saskatchewan and Ontario and certain jurisdictions outside of Canada on a private placement basis pursuant to prospectus exemptions under applicable securities legislation through National Bank Financial Inc. and Cormark Securities Inc., as co-lead underwriters, together with GMP Securities L.P., Canaccord Genuity Corp. (formerly Canaccord Financial Ltd.) and FirstEnergy Capital Corp. (collectively, the "Underwriters"). Each of the Special Warrants has been issued pursuant to the Special Warrant Indenture (as defined herein).

The Special Warrants are not available for purchase pursuant to this short form prospectus and no additional funds are to be received by the Corporation from the distribution of the Qualified Shares (as defined herein) upon exercise of the Special Warrants. The issue price of \$0.47 per Special Warrant and the other terms of the Offering (as defined herein) were determined by negotiation between the Corporation and the Underwriters. See "Plan of Distribution".

Each Special Warrant entitles the holder to acquire one Qualified Share, subject to adjustment in certain circumstances, for no additional consideration at any time before the Expiry Time (as defined herein). Any Special Warrants that have not been exercised prior to the Expiry Time will be deemed to have been exercised at the Expiry Time in accordance with the terms of the Special Warrant Indenture. In the event that the Final Receipt Date (as defined herein) does not occur on or before May 31, 2010, each Special Warrant shall thereafter entitle the holder to acquire, for no additional consideration, 1.1 Common Shares (in lieu of one Common Share). The additional 0.1 Common Shares are collectively referred to herein as the "Additional Qualified Shares". This short form prospectus also qualifies the distribution of any Additional Qualified Shares issuable upon exercise of the Special Warrants.

	Issue Price	Underwriters' Fee ⁽¹⁾	Net Proceeds to the Corporation ⁽²⁾
Per Special Warrant	\$0.47	\$0.0235	\$0.4465
Total	\$24,017,000	\$1,200,850	\$22,816,150

Notes:

- (1) The Corporation paid the Underwriters a fee of 5.0% of the gross proceeds from the sale of the Special Warrants and reimbursed the Underwriters for certain expenses in connection with the Offering. No commission or fee is payable to the Underwriters in connection with the distribution of the Qualified Shares (or the Additional Qualified Shares, if any) upon the exercise of the Special Warrants.
- (2) Before deducting expenses in connection with the Offering and qualification for distribution of the Qualified Shares (and Additional Qualified Shares, if any), estimated to be approximately \$300,000.

Any Common Shares issued upon the exercise of Special Warrants prior to the Final Receipt Date will be subject to relevant hold periods under applicable securities legislation.

The Common Shares are listed and posted for trading on the TSX Venture Exchange (the "TSXV") under the trading symbol "PW". The TSXV has approved the listing of the Qualified Shares. On March 24, 2010 and March 25, 2010, the last trading day before the announcement of the Offering and the last trading day before the announcement of the increase to the size of the Offering, the closing prices of the Common Shares on the TSXV were \$0.59 and \$0.58, respectively. On May 13, 2010, the last day on which the Common Shares traded prior to the date of this short form prospectus, the closing price of the Common Shares on the TSXV was \$0.45. See "Trading Price and Volume". **There is no market through which the Special Warrants may be sold.**

The Corporation has issued a Global Certificate (as defined herein) registered in the name of CDS Clearing and Depository Services Inc. ("CDS") or its nominee and deposited the Global Certificate with CDS. No certificates representing Special Warrants were issued to subscribers for Special Warrants and registration of such Special Warrants was made through the depository services of CDS. Upon exercise of the Special Warrants, it is anticipated that certificates representing the Qualified Shares will be issued in book-entry only form and registered to CDS or its nominee and deposited with CDS on the day following the Expiry Time. No certificates evidencing Qualified Shares issued on exercise of such Special Warrants will be issued to subscribers, except in certain limited circumstances, and registration will be made through the depository services of CDS. Holders of Qualified Shares will receive only a customer confirmation from the Underwriter or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Qualified Shares is acquired.

Certain legal matters in connection with the Special Warrant Offering have been or will be reviewed on behalf of the Corporation by Macleod Dixon LLP and on behalf of the Underwriters by Heenan Blaikie LLP.

In the opinion of Macleod Dixon LLP, counsel to the Corporation, and Heenan Blaikie LLP, counsel to the Underwriters, provided the Common Shares remain listed on a designated stock exchange (including the TSXV), the Common Shares issuable on the exercise of the Special Warrants will generally be qualified investments, under the Tax Act (as defined herein), for trusts governed by registered retirement savings plans, registered education savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans and tax free savings accounts. See "Eligibility for Investment".

Investors should rely only on the information contained in or incorporated by reference in this short form prospectus. The Corporation has not authorized anyone to provide investors with different information. The Corporation is not offering the Qualified Shares in any jurisdiction in which the offer is not permitted. Investors should not assume that the information contained in this short form prospectus is accurate as of any date other than the date of this short form prospectus.

The head office of the Corporation is located at 550, 333 - 11th Avenue S.W., Calgary, Alberta, T2R 1L9. The registered office of the Corporation is located at 3700, 400 - 3rd Avenue S.W., Calgary, Alberta, T2P 4H2.

An investment in the Common Shares is subject to certain risks. See "Risk Factors".

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DEFINITIONS

Unless the context indicates otherwise, the following terms shall have the meanings set out below when used in this short form prospectus.

"**ABCA**" means the *Business Corporations Act* (Alberta), including the regulations promulgated thereunder;

"**AcquisitionCo**" means 1519335 Alberta Ltd., a corporation incorporated under the ABCA;

"**Additional Qualified Shares**" means up to 5,110,000 additional Common Shares issuable upon exercise of outstanding Special Warrants in the event that the Final Receipt Date does not occur on or before May 31, 2010;

"**Arrangement**" means the arrangement of the Corporation and Northern Hunter under the provisions of Section 193 of the ABCA, completed on April 9, 2010 and described under the heading "Recent Developments - Arrangement";

"**Arrangement Agreement**" means the amended and restated reorganization and arrangement agreement effective February 18, 2010;

"**Board of Directors**" or "**Board**" means the board of directors of the Corporation or its successors;

"**BOE**" means barrel of oil equivalent on the basis of 1 BOE to 6 Mcf of natural gas. BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 1 BOE for 6 Mcf is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead;

"**BOE/d**" means barrel of oil equivalent per day;

"**Business Day**" means any day which is not a Saturday, Sunday, or a statutory holiday in the City of Calgary, Alberta;

"**CDS**" means CDS Clearing and Depository Services Inc.;

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

"**Corporation**" means PanWestern Energy Inc.;

"**CRA**" means the Canada Revenue Agency;

"**Expiry Time**" means 5:00 p.m. (Toronto time) on the earlier of the fifth Business Day following the Final Receipt Date and August 17, 2010;

"**Filing Provinces**" means Alberta, British Columbia, Saskatchewan and Ontario;

"**Final Receipt Date**" means the date on which a receipt for a (final) short form prospectus qualifying the distribution of the Qualified Shares has been issued by the Alberta Securities Commission, as principal regulator of the Corporation, confirming that a receipt has been issued or is deemed to have been issued by the securities regulatory authorities in the Filing Provinces;

"**Global Certificate**" means a book-entry only certificate representing the Special Warrants;

"**Offering**" means the private placement of 51,100,000 Special Warrants at a price of \$0.47 per Special Warrant completed by the Corporation through the Underwriters pursuant to the Underwriting Agreement on April 16, 2010;

"**Northern Hunter**" means Northern Hunter Energy Inc., a corporation incorporated under the ABCA;

"**Northern Hunter Shares**" means common shares in the capital of Northern Hunter preceding the Arrangement;

"**Qualified Shares**" means the 51,100,000 Common Shares issuable upon the exercise of the outstanding Special Warrants;

"**Recapitalization**" means the private placement of the Corporation conducted in connection with the Arrangement and described under the heading "Recent Developments – Recapitalization";

"**Shareholder**" means a holder of Common Shares of the Corporation;

"**Special Warrant Indenture**" means the special warrant indenture dated April 16, 2010 between the Corporation and the Trustee governing the terms and conditions of the Special Warrants;

"**Special Warrants**" means the 51,100,000 special warrants of the Corporation issued pursuant to the Special Warrant Indenture on April 16, 2010.

"**Tax Act**" means the *Income Tax Act* (Canada), including the regulations promulgated thereunder;

"**Trustee**" means Valiant Trust Company in its capacity as trustee under the Special Warrant Indenture;

"**TSXV**" means the TSX Venture Exchange Inc.;

"**Underwriters**" means, collectively, National Bank Financial Inc., Cormark Securities Inc., GMP Securities L.P., Canaccord Genuity Corp. (formerly Canaccord Financial Ltd.) and FirstEnergy Capital Corp.;

"**Underwriting Agreement**" means the underwriting agreement dated effective March 24, 2010 among the Corporation and the Underwriters in respect of the Offering;

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia; and

Words importing the singular number only include the plural, and vice versa, and words importing any gender include all genders. All dollar amounts set forth in this short form prospectus are in Canadian dollars, except where otherwise indicated.

FORWARD-LOOKING STATEMENTS

This short form prospectus and certain of the documents incorporated by reference herein, including management's discussion and analysis of financial condition and operating results, contain or may contain certain statements or disclosures that constitute forward-looking information under applicable securities laws. Forward-looking information includes, but is not limited to, information with respect to prospective results of operations, financial position or cash flows. All statements and disclosures, other than those of historical fact, about possible events, conditions, results of operations, activities, events, outcomes, results or developments based on assumptions about future economic conditions and courses of action that the Corporation anticipates or expects may or will occur in the future (in whole or in part) should be considered forward-looking information. In some cases, forward-looking information can be identified by terms such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should" or "believe". In particular, this short form prospectus, and the documents incorporated by reference herein, contain or may contain forward-looking information pertaining to the following:

- volumes and estimated value of PanWestern's and Northern Hunter's oil and gas reserves;
- the life of each of PanWestern's and Northern Hunter's reserves;
- volume and product mix of PanWestern's and Northern Hunter's oil and gas production;
- the amount and timing of future asset retirement obligations;
- future liquidity, creditworthiness and financial capacity;
- future interest rates;
- future results from operations and operating metrics;
- future growth strategy;
- future development, exploration and other expenditures; and
- future costs, expenses and royalty rates.

Various factors or assumptions are typically applied by the Corporation in drawing conclusions or making the forecasts, projections, predictions or estimations set out in forward-looking information based on information currently available to the Corporation. These factors and assumptions include, but are not limited to:

- field production rates and decline rates;
- the ability of the Corporation to secure adequate product transportation;
- the impact of increasing competition in or near the Corporation's plays;
- the timely receipt of any required regulatory approvals;
- the ability of the Corporation to obtain qualified staff, equipment and services in a timely and cost efficient manner to develop its business;
- PanWestern's ability to operate the properties in a safe, efficient and effective manner;
- the ability of the Corporation to obtain financing on acceptable terms;
- the ability to replace and expand oil and natural gas reserves through acquisition, development of exploration;
- the timing and costs of pipeline, storage and facility construction and expansion;
- future oil and natural gas prices;
- currency, exchange and interest rates;
- the regulatory framework regarding royalties, taxes and environmental matters;
- the ability of the Corporation to successfully market its oil and natural gas products; and
- the ability to successfully manage the political and economic risks inherent in pursuing oil and gas opportunities in foreign countries.

Actual results, performance or achievements of the Corporation may differ materially from those contemplated in the forward-looking information. Factors and risks that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information include, among other things:

- volatility in market prices for oil and natural gas;
- liabilities inherent in oil and natural gas operations;
- uncertainties associated with estimating oil and natural gas reserves and production;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value of acquisitions and exploration and development programs;
- geological, technical, drilling and processing problems;
- failure to realize the anticipated benefits of acquisitions;
- changes in tax laws, royalty programs or incentive programs relating to the oil and gas industry; and
- the other factors set out under "Risk Factors" herein, in the AIF and in the management's discussion and analysis of financial condition and results of operations accompanying the financial statements of the Corporation, both of which are incorporated by reference herein.

Readers are cautioned that the foregoing lists of factors and risks are not exhaustive. The forward-looking information contained in this short form prospectus and the documents incorporated by reference herein is expressly qualified by this cautionary statement. The Corporation does not undertake any obligation to publicly update or revise any forward-looking information except as required under applicable securities laws and does not have any policies or procedures in place concerning the updating of forward-looking information other than those required under applicable securities laws.

NON-GAAP MEASURES

In certain of the documents incorporated by reference into this short form prospectus, the Corporation uses the terms "net petroleum and natural gas revenue" and "funds flow from operations". These measures are not recognized by Canadian generally accepted accounting principles ("**GAAP**") and do not have a standardized meaning prescribed by GAAP. Therefore, they may not be comparable to performance measures presented by others. Funds flow from operations represents cash flow from operating activities prior to changes in non-cash working capital. Net petroleum and natural gas revenue represents revenue less royalties, realized hedging gains and losses, operating expenses and transportation expenses. Management of the Corporation believes that, in addition to net income, funds flow from operations and net petroleum and natural gas revenue are useful supplemental measures as they provide an indication of the Corporation's operating performance and liquidity. Readers should be cautioned, however, that these measures should not be construed as an alternative to net income determined in accordance with GAAP as an indication of the Corporation's performance.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the Corporation at 550, 333 - 11th Avenue S.W., Calgary, Alberta, T2R 1L9, telephone (403) 237-7102. In addition, copies of documents incorporated by reference may be obtained from the securities commissions or similar authorities in Canada through the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR**") website at www.sedar.com.

The following documents of the Corporation, and as specified of Northern Hunter, are specifically incorporated by reference in this short form prospectus and form an integral part of this short form prospectus:

1. the Annual Information Form of the Corporation dated May 7, 2010 for the year ended December 31, 2009 (the "**AIF**");
2. the Form 51-101F3 - Report of Management and Directors on Oil and Gas Disclosure of the Corporation refiled on May 13, 2010;
3. the audited consolidated financial statements of the Corporation as at and for the years ended December 31, 2009 and 2008, together with the accompanying notes to the financial statements and the report of the auditors thereon;
4. management's discussion and analysis of the financial position and results of operations of the Corporation for the years ended December 31, 2009 and 2008;
5. the audited financial statements of Northern Hunter as at and for the three months ended December 31, 2009 and for the year ended September 30, 2009, together with the accompanying notes to the financial statements and the report of the auditors thereon;
6. management's discussion and analysis of the financial position and results of operations of Northern Hunter for the three months ended December 31, 2009 and for the year ended September 30, 2009;
7. the audited financial statements of Northern Hunter as at and for the years ended September 30, 2009, 2008 and 2007 and the period from incorporation on September 1, 2006 to September 30, 2006, together with the accompanying notes to the financial statements and the report of the auditors thereon, contained in pages 148 to 231 of Part VI to the filing statement of the Corporation dated March 26, 2010 (the "**Filing Statement**");
8. management's discussion and analysis of the financial position and results of operations of Northern Hunter for the years ended September 30, 2009 and 2008 contained in pages 148 to 231 of Part VI of the Filing Statement;
9. information concerning Northern Hunter contained in Part III of the Filing Statement;
10. the material change report dated February 19, 2010 concerning the restatement of the Corporation's interim financial statements for the period ending September 30, 2009;
11. the material change report dated February 22, 2010 concerning the Arrangement and the Recapitalization;
12. the material change report dated April 5, 2010 concerning the Offering; and
13. the material change report dated April 19, 2010 concerning the closing of the Arrangement and the Recapitalization and the Offering.

Any documents of the type required by National Instrument 44-101 *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, including any annual financial statements and the auditors' report thereon, interim financial statements, management's discussion and analysis of financial conditions and results of operations, material change report (except a confidential material change report), business acquisition report and information circular, filed by the Corporation after the date of this short form prospectus and before the termination of the distribution are deemed to be incorporated by reference in this short form prospectus.

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

THE CORPORATION

General

The Corporation is the resulting entity following the Corporation's acquisition of all of the issued and outstanding Northern Hunter Shares on April 9, 2010 pursuant to the Arrangement. See "Recent Developments - The Arrangement" below.

The Corporation was incorporated under the ABCA on June 7, 2000 as "Sasha Corp." and changed its name to "PanWestern Energy Inc." by Articles of Amendment dated June 22, 2004. The Corporation presently intends to change its name to "Valeura Energy Inc.", subject to the approval of Shareholders at the Corporation's next annual meeting.

The head office of the Corporation is located at 550, 333 - 11th Avenue S.W., Calgary, Alberta, T2R 1L9. The registered office of the Corporation is located at 3700, 400 - 3rd Avenue S.W., Calgary, Alberta, T2P 4H2. The Common Shares of the Corporation trade on the TSXV under the symbol "PW".

Inter Corporate Relationships

The Corporation owns 100% of the voting securities of Northern Hunter which was amalgamated pursuant to the laws of the Province of Alberta in connection with the Arrangement. The Corporation has no other subsidiaries.

RECENT DEVELOPMENTS

The Arrangement

On April 9, 2010, the Corporation, Northern Hunter and certain other parties completed the Arrangement, which resulted in the Corporation's acquisition of all of the issued and outstanding common shares of Northern Hunter. Pursuant to the completion of the Arrangement, Northern Hunter shareholders received 4.5 Common Shares for each Northern Hunter Share held. In addition, each issued and outstanding Northern Hunter performance warrant was cancelled, and in consideration therefor, the holder received 4.5 performance warrants to acquire Common Shares of the Corporation at an exercise price of \$0.20 per Common Share, and each issued and outstanding Northern Hunter option was cancelled, and in consideration therefor, the holder received 4.5 options to acquire Common Shares of the Corporation at an exercise price of \$0.20 per Common Share under the Corporation's stock option plan. The Northern Hunter performance warrants and the Northern Hunter options were held by directors, officers, employees and consultants of Northern Hunter who, following the completion of the Arrangement, became directors, officers, employees and consultants of the Corporation.

As a result of the Arrangement, 67,285,829 Common Shares of the Corporation were issued to Northern Hunter shareholders at a deemed price of \$0.20 per share. In addition, 27,967,500 performance warrants and 9,585,000 options of the Corporation were issued to holders of Northern Hunter warrants and Northern Hunter options, respectively, and 646,128 Common Shares were issued at a deemed price of \$0.20 per share for financial advisory services provided to the Corporation in connection with the Arrangement.

The acquisition of all of the issued and outstanding Northern Hunter Shares by the Corporation pursuant to the Arrangement was accounted for under GAAP as a reverse take-over of the Corporation by Northern Hunter. As a result, the Corporation has incorporated by reference herein information in respect of Northern Hunter as required by applicable securities legislation. In addition to information in respect of Northern Hunter contained in the AIF, further details concerning Northern Hunter are provided in the financial statements and related management discussion and analysis of Northern Hunter incorporated by reference into this short form prospectus, as well as information concerning Northern Hunter contained in Part III of the Filing Statement which is incorporated by reference into this short form prospectus.

Recapitalization

As a condition of the completion of the Arrangement, the Corporation completed a private placement of 30,000,000 Common Shares of the Corporation to the current directors, officers, employees and certain consultants of the Corporation and its wholly owned subsidiary, Northern Hunter, their business associates and certain other accredited investors at a price of \$0.20 per share. The price per share was calculated based on the closing price for the Common Shares on the TSXV on November 10, 2009, the last day on which the Common Shares traded prior to the date on which the Corporation entered into a non-binding letter of intent proposing terms for a business combination of the Corporation and Northern Hunter. The Recapitalization was completed on April 9, 2010 for gross proceeds of \$6.0 million. The Common Shares issued pursuant to the private placement are subject to certain escrow conditions which regulate the release of such Common Shares. For details on the escrow conditions of such Common Shares, please see the Corporation's AIF which is incorporated by reference into this short form prospectus.

Management Team and Board of Directors

Immediately following the completion of the Arrangement, a new management team and board of directors was appointed consisting of Abdel F. Badwi, Claudio A. Ghersinich, William T. Fanagan, Kenneth D. McKay and Johannes J. Kingma as directors and James D. McFarland as President and Chief Executive Officer, Stephen E. Bjornson as Chief Financial Officer, Donald W. Shepherd as Vice President, Engineering and Lyle A. Martinson as Vice President, Operations. For details of the experience of the new management team and board of directors, please see the AIF which is incorporated by reference into this short form prospectus.

In addition, at the next annual general meeting of the Shareholders, it is proposed that James D. McFarland and Ronald W. Royal be nominated for election as additional directors of the Corporation.

Business and Corporate Strategy

The objectives of the recently completed Arrangement, Recapitalization and Offering are to create a publicly traded platform with sufficient seed capital to aggressively pursue a new international oil and gas exploitation and development growth strategy, underpinned by the limited expansion of the Canadian operations to provide a base level of domestic cash flow. With the closing of the Arrangement, Recapitalization and Offering, the Corporation is debt-free with a cash balance of approximately \$28.0 million.

The Corporation's growth strategy will be led by the new management team and board of directors, members of which have worked together closely and successfully in the past and is expected to have the following elements:

- Build a full-cycle oil and gas company with a portfolio that includes a limited cash-flow base in Canada and larger international operations in at least two other regions of the world;
- Pursue international acquisition and development opportunities in selected regions where management and directors have had experience and success including South America, MENA (Middle East and North Africa) and the Mediterranean Basin;
- Focus the development of the international portfolio on large productive basins in countries with attractive fiscal regimes, limited political and contract risk, established infrastructure and significant deal flow; and
- Target operated, high working interest, long life onshore assets that are underexploited, underdeveloped and undercapitalized with significant potential to grow reserves and production through exploitation, development, enhanced oil recovery operations and step-out exploration.

The Corporation expects to have a gross G&A budget of approximately \$2.0 million in 2010 to pursue business development opportunities both internationally and domestically, and to support the ongoing productions operations in Canada.

In Canada, the Corporation is currently producing approximately 250 to 300 BOE/d (approximately 30% to 40% light oil and natural gas liquids), primarily in the Grand Forks/Hays area of southeast Alberta. These production operations are generating approximately \$1.4 million in annual operating cash flow (before G&A). The Corporation

is evaluating the drilling inventory on its existing lands in southern Alberta. These opportunities are currently being evaluated to develop a planned capital expenditure plan for 2010 and 2011.

Further details concerning the Corporation, including information with respect to the Corporation's key properties are provided in the AIF. The contents of the AIF are incorporated by reference into this short form prospectus. Readers are encouraged to thoroughly review the AIF as it contains important information concerning the Corporation.

CAPITALIZATION OF THE CORPORATION

The following table sets forth the consolidated capitalization of the Corporation, effective December 31, 2009: (i) prior to giving effect to the Arrangement, the Recapitalization and the Offering (collectively, the "Transactions"), (ii) after giving effect to each of the Transactions, and (iii) after giving effect to each of the Transactions and the exercise of the Special Warrants.

Designation	Authorized	Outstanding as at December 31, 2009 prior to giving effect to the Transactions	Outstanding as at April 30, 2010 after giving effect to the Transactions, other than the exercise of the Special Warrants ⁽¹⁾⁽³⁾⁽⁴⁾	Outstanding as at April 30, 2010 after giving effect to the Transactions and the exercise of the Special Warrants ⁽¹⁾⁽³⁾⁽⁴⁾
Common Shares	Unlimited	\$16,087,289 (47,447,384 Common Shares)	\$27,445,647 (147,227,621 Common Shares)	\$49,961,797 (198,327,621 Common Shares)
Preferred Shares	Unlimited	\$nil (nil shares)	\$nil (nil shares)	\$nil (nil shares)
Special Warrants	51,100,000	-	\$22,516,150 (51,100,000 Special Warrants)	\$nil (nil Special Warrants)
Bank Debt ⁽²⁾	4,000,000	-	\$nil	\$nil

Notes:

- (1) Based on the issuance of 51,100,000 Special Warrants pursuant to the Offering for gross proceeds of \$24,017,000 less the Underwriters' fee of \$1,200,850 and the expenses of the Offering, estimated to be approximately \$300,000. Assumes no Additional Qualified Shares are issued.
- (2) Following the Arrangement and the Offering, the Corporation has entered into new credit facilities, administered by a Canadian chartered bank, which are comprised of a \$3.0 million revolving operating demand loan and a \$1.0 million development demand loan. The revolving operating demand loan and the development demand loan bear interest at the bank's Canadian prime lending rate, plus applicable margins. The credit facilities are secured by a \$3.0 million revolving demand credit agreement, a \$10,000,000 floating charge debenture, pledge of such debenture, a general assignment of book debts, an assignment of revenues, and, in the case of the development demand loan, a variable rate demand promissory note. In addition, Northern Hunter has guaranteed the Corporation's new credit facilities in favour of the bank which guarantee is secured through an existing \$10.0 million floating charge debenture. As of the date of this short form prospectus, there are no amounts drawn under the credit facilities.
- (3) See "Description of Share Capital" for further information concerning the Common Shares and outstanding warrants and options to acquire Common Shares.
- (4) As of December 31, 2009, there were 22,812,560 warrants and broker warrants outstanding which had expired or been exercised as of April 30, 2010.

DESCRIPTION OF SHARE CAPITAL

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares. The holders of the Common Shares are entitled to dividends, if, as and when declared by the Board of Directors, to one vote per share at meetings of the shareholders and, upon liquidation, to receive such assets of the Corporation as are distributable to the holders of the

Common Shares. As at April 30, 2010, there were 147,227,621 Common Shares issued and outstanding. In addition, as at April 30, 2010, 12,880,000 options to acquire Common Shares at exercise prices ranging from \$0.20 to \$0.80, 27,967,500 performance warrants to acquire Common Shares at an exercise price of \$0.20 and 51,100,000 Special Warrants were issued and outstanding.

Preferred Shares

The Corporation is authorized to issue an unlimited number of preferred shares, issuable in series. Each series of preferred shares will have such designations, rights, privileges, restrictions and conditions as the Corporation's board of directors may from time to time determine before issuance. The holders of each series of preferred shares will be entitled, in priority to holders of Common Shares, to be paid rateably with holders of each other series of preferred shares the amount of dividends, if any, specified as being payable preferentially to the holders of such series and, upon liquidation, dissolution or winding-up of the Corporation, in priority to holders of Common Shares, to be paid rateably with holders of each other series of preferred shares the amount, if any, specified as being payable preferentially to holders of such series. As at April 30, 2010 there were no preferred shares issued and outstanding.

TRADING PRICE AND VOLUME

The Common Shares are listed and posted for trading on the TSXV and trade under the symbol "PW". The following sets forth the price range and trading volume of the Common Shares on the TSXV for the twelve months preceding the date of this short form prospectus as reported by the TSXV.

Period	Price Range (\$)		Trading Volume
	High	Low	
2009			
March	\$0.21	\$0.15	146,000
April	\$0.25	\$0.17	111,000
May	\$0.30	\$0.21	143,000
June	\$0.27	\$0.15	2,432,361
July	\$0.22	\$0.16	233,000
August	\$0.22	\$0.16	323,775
September	\$0.21	\$0.17	285,750
October	\$0.23	\$0.20	203,350
November ⁽¹⁾⁽²⁾	\$0.20	\$0.20	103,900
December ⁽²⁾	-	-	-
2010			
January ⁽²⁾	-	-	-
February ⁽²⁾⁽³⁾	\$0.48	\$0.33	2,486,850
March	\$0.75	\$0.34	14,562,676
April 1 to 30	\$0.95	\$0.50	9,189,000
May 1 - 13	\$0.52	\$0.45	3,162,100

Notes:

- (1) The Corporation's Common Shares were halted from trading at the request of the Corporation on November 11, 2009 following the Corporation and Northern Hunter entering into a non-binding letter of intent proposing terms of a business combination of Northern Hunter and the Corporation.
- (2) The Corporation's Common Shares remained halted from trading during the period of November 11, 2009 to February 23, 2010.
- (3) Trading of the Corporation's Common Shares resumed on February 24, 2010 following the announcement of the Arrangement.

On March 24, 2010 and March 25, 2010, the last trading day before the announcement of the Offering and the last trading day before the announcement of the increase to the size of the Offering, the closing prices of the Common Shares on the TSXV were \$0.59 and \$0.58, respectively. On May 13, 2010, being the last day on which the

Common Shares traded prior to the date of this short form prospectus, the closing price of the Common Shares on the TSXV was \$0.45.

PRIOR SALES

During the 12 month period preceding the date of this short form prospectus, no Common Shares or securities exchangeable or convertible into Common Shares have been issued by the Corporation, except as follows:

<u>Date of Issuance</u>	<u>Description of Transaction</u>	<u>Number of Securities Issued</u>	<u>Price per Security</u>
April 9, 2010	Common Shares issued pursuant to the Recapitalization	30,000,000	\$0.20
April 9, 2010	Common Shares issued pursuant to the Arrangement in exchange for Northern Hunter Shares	67,285,829	\$0.20 ⁽¹⁾
April 9, 2010	Common Shares issued for financial advisory services provided to the Corporation in connection with the Arrangement	646,128	\$0.20 ⁽¹⁾
April 9, 2010	Options issued pursuant to the Arrangement	9,585,000	\$0.20 ⁽²⁾
April 9, 2010	Performance warrants issued pursuant to the Arrangement	27,967,500	\$0.20 ⁽³⁾
April 16, 2010	Special Warrants issued pursuant to the Offering	51,100,000	\$0.47
April 2010	Common Shares issued on exercise of stock options	125,000	\$0.40
April 2010	Common Shares issued on exercise of stock options	150,000	\$0.52
April 2010	Common Shares and warrants issued on exercise of broker warrants ⁽⁴⁾	1,573,280	\$0.50

Notes:

- (1) Deemed value of Common Shares.
- (2) Represents exercise price by which the holder can acquire one Common Share in respect of each option held.
- (3) Represents exercise price by which the holder can acquire one Common Share in respect of each performance warrant held.
- (4) The underlying warrants issued upon exercise of the broker warrants have all expired unexercised.

THE OFFERING AND USE OF PROCEEDS

The Corporation completed the Offering on April 16, 2010 pursuant to the Underwriting Agreement. Pursuant to the Offering, the Corporation, through the Underwriters, issued 51,100,000 Special Warrants at a price of \$0.47 per Special Warrant to purchasers in the Filing Provinces and certain jurisdictions outside of Canada on a private placement basis pursuant to prospectus exemptions under applicable securities legislation. Special Warrants are not available for purchase pursuant to this prospectus.

The gross proceeds payable to the Corporation from the sale of the Special Warrants pursuant to the Offering were \$24,017,000. The net proceeds to the Corporation are estimated to be \$22,516,150, after deducting the Underwriters' fees of \$1,200,850, and the estimated expenses of the Offering and the qualification for distribution of the Qualified Shares (and Additional Qualified Shares, if any) estimated to be approximately \$300,000. The Corporation will not receive any cash proceeds upon the exercise of the Special Warrants.

Initially, the Corporation will utilize the proceeds of the Offering to fund a \$2.0 million general and administrative (G&A) budget for 2010, including \$1.0 million of business development expenses, as the Corporation does not have sufficient funds flow from operations to fund the G&A expenses for 2010. In addition, any drilling and exploitation projects in the Corporation's assets in Canada will be funded from the proceeds of the Offering to a maximum of approximately \$3.0 million. In the year ended December 31, 2009, the Corporation had negative operating cash flow. To the extent required, the net proceeds from the Offering will also be used to fund negative operating cash flow in future periods. The remainder of the proceeds of the Offering will be used by the Corporation to initiate negotiations to pursue the acquisition of international assets and/or companies. Such proceeds may be used to conduct due diligence on potential assets and/or companies, engage legal counsel and other advisors both in Canada and in international jurisdictions to assist with such due diligence activities and potential negotiations, to fund a portion of any cash consideration to be paid by the Corporation in connection with any such acquisition or towards initial capital expenditures on any properties which are acquired.

The use of proceeds is consistent with the Corporation's stated business plan of an international oil and gas exploitation and development growth strategy and as such growth strategy is an ongoing process, there is no one particular significant event or milestone that must occur for the Corporation's business objectives to be accomplished.

PLAN OF DISTRIBUTION

This short form prospectus is being filed in the Filing Provinces to qualify the distribution of 51,100,000 Qualified Shares issuable upon exercise of the 51,100,000 outstanding Special Warrants and up to an additional 5,110,000 Additional Qualified Shares in the event that the Final Receipt Date does not occur on or before May 31, 2010.

Pursuant to the Underwriting Agreement, the Underwriters agreed to purchase for resale or arrange substitute purchasers for the Special Warrants in the Filing Provinces and certain jurisdictions outside of Canada on a private placement basis at a price of \$0.47 per Special Warrant. The offering price of the Special Warrants and the other terms of the Offering were determined by negotiation between the Corporation and the Underwriters. Pursuant to the Underwriting Agreement, the Corporation has paid a fee of \$1,200,850 to the Underwriters (excluding reimbursement for certain expenses incurred in connection with the Offering by the Underwriters). The Underwriters will receive no other fees in connection with the distribution of the Qualified Shares (or the Additional Qualified Shares, if any) under this short form prospectus.

The Corporation has agreed under the Underwriting Agreement to indemnify each of the Underwriters and each of their respective directors, officers, employees and agents against certain liabilities and expenses.

The Corporation has also agreed under the Underwriting Agreement that it will not issue or announce the issuance of any Common Shares or any securities convertible into or exchangeable for or exercisable to acquire Common Shares for a period of 90 days following April 16, 2010 without the written consent of the Underwriters, such consent not to be unreasonably withheld, other than the Common Shares issuable pursuant to the exercise of the Special Warrants, any Common Shares issuable pursuant to outstanding rights or agreements, including options, warrants and other convertible securities, or the grant or exercise of employee stock options or performance share units.

The TSXV has approved the listing of the Qualified Shares and the Additional Qualified Shares, if applicable.

The Special Warrants were created and issued pursuant to the provisions of the Special Warrant Indenture. Since April 16, 2010, no Special Warrants have been exercised. Each Special Warrant entitles the holder to acquire, for no additional consideration, one Qualified Share at any time prior to the Expiry Time, subject to adjustment.

Any Common Shares issued upon exercise of Special Warrants prior to the Final Receipt Date will be subject to relevant hold periods under applicable securities legislation.

Under the Underwriting Agreement, the Corporation has agreed to prepare and file this short form prospectus under the applicable securities laws of the Filing Provinces, to satisfy all comments from the regulators in each of the

Filing Provinces with respect to this short form prospectus and to use its reasonable commercial efforts to obtain a receipt for a final short form prospectus qualifying the distribution of the Qualified Shares in each of the Filing Provinces by no later than May 31, 2010, provided that if the Corporation has not obtained a receipt for a final short form prospectus qualifying the distribution of the Qualified Shares by such date it will continue to use its reasonable commercial efforts to obtain such receipt until the Expiry Time. In the event that the Final Receipt Date does not occur on or before May 31, 2010, any Special Warrants that have not been exercised prior to May 31, 2010 and for the remaining period up to and including the Expiry Time, may be exercised, for no additional consideration and without further action, into 1.1 Common Shares in lieu of the one Common Share. All Special Warrants that have not been exercised prior to the Expiry Time will be deemed to have been exercised at the Expiry Time in accordance with the terms of the Special Warrant Indenture.

The Corporation has issued one Global Certificate registered in the name of CDS & Co. and deposited with CDS. No certificates representing Special Warrants will be issued to subscribers and registration will be made through the depository services of CDS. All transfers or exercises of Special Warrants represented by Global Certificates shall occur in accordance with CDS' rules and procedures. The rights of a holder of Special Warrants shall be exercised only through CDS and the CDS participants and shall be limited to those established by law and agreements between such holders and CDS and the CDS participants upon instructions from the CDS participants. Each of the Trustee and the Corporation may deal with CDS for all purposes as the authorized representative of the respective holders of Special Warrants and such dealing with CDS shall constitute satisfaction or performance, as applicable, of their respective obligations under the Special Warrant Indenture.

The Special Warrant Indenture provides that in the event of certain alterations of the Common Shares, including any subdivision, consolidation or reclassification, and in the event of any form of capital reorganization of the Corporation, including any amalgamation, merger or arrangement or a sale or conveyance of the property or assets of the Corporation, an adjustment shall be made to the terms of the Special Warrants such that the holders shall, upon exercise of the Special Warrants following the occurrence of any of those events, be entitled to receive the same number and kind of securities that they would have been entitled to receive had they exercised their Special Warrants prior to the occurrence of those events. No fractional Common Shares will be issued upon the exercise of the Special Warrants. The holding of Special Warrants does not make the holder thereof a shareholder of the Corporation or entitle the holder to any right or interest in respect thereof except as expressly provided in the Special Warrant Indenture.

The Special Warrant Indenture provides that all holders of Special Warrants shall be bound by any resolution passed at a meeting of the holders of Special Warrants held in accordance with the provisions of the Special Warrant Indenture and resolutions signed by the holders of Special Warrants entitled to acquire a specified majority of the Common Shares which may be acquired pursuant to all the then outstanding Special Warrants.

It is anticipated that certificates for the Qualified Shares and Additional Qualified Shares, if applicable, will be issued in book-entry only form to CDS or its nominee and will be deposited with CDS on the day following the Expiry Time. No certificates evidencing Qualified Shares and Additional Qualified Shares, if applicable, will be issued to subscribers, except in certain limited circumstances, and registration will be made through the depository services of CDS. Holders of Qualified Shares and Additional Qualified Shares, if applicable, will receive only a customer confirmation from the Underwriter or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Qualified Shares or Additional Qualified Shares, if applicable, is acquired.

The Qualified Shares and Additional Qualified Shares, if applicable, offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended, (the "**U.S. Securities Act**") or any state securities laws. Accordingly, the Qualified Shares and Additional Qualified Shares, if applicable, may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Macleod Dixon LLP, counsel to the Corporation, and Heenan Blaikie LLP, counsel to the Underwriters, the following summary fairly describes, as of the date hereof, the principal Canadian federal income tax consequences under the Tax Act generally applicable to persons who have acquired Special Warrants pursuant to

the Special Warrant Indenture and who will acquire and dispose of Common Shares issuable on the exercise of the Special Warrants and who, for the purposes of the Tax Act and at all relevant times, are individuals (other than trusts) or corporations resident in Canada, hold such Special Warrants and Common Shares as capital property, and deal at arm's length and are not affiliated with the Corporation. Generally, the Special Warrants and Common Shares will be considered capital property to a holder unless such securities are held in the course of carrying on a business of trading or dealing in securities or otherwise as part of a business of buying and selling securities or such securities are acquired in a transaction or transactions considered to be an adventure in the nature of trade. Certain holders who might not otherwise be considered to hold their Common Shares as capital property may in certain circumstances be entitled to have them treated as capital property by making an irrevocable election permitted by subsection 39(4) of the Tax Act to have every "Canadian security" owned by them in the taxation year of the election and in all subsequent taxation years deemed to be capital property. **Any holders contemplating making such an election should consult their own tax advisors for advice with respect to making the election.**

This summary is not applicable to a holder that is a "financial institution", a "specified financial institution" or to a holder an interest in which would be a "tax shelter investment", all as defined in the Tax Act, or to a holder whose "functional currency" for purposes of the Tax Act is the currency of a country other than Canada.

This summary is based upon the current provisions of the Tax Act, counsel's understanding of the current published administrative and assessing practices of the Canada Revenue Agency and proposed amendments to the Tax Act publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**"). This summary assumes that the Proposed Amendments will be enacted as proposed, but otherwise does not take into account or anticipate any other changes in law, whether by way of judicial, legislative or governmental decision or action, nor does it take into account provincial, territorial or foreign income tax considerations. No assurances can be given that such Proposed Amendments will be enacted as proposed, or at all.

The following discussion of the income tax consequences is of a general nature only and is not exhaustive of all income tax consequences and is not intended to constitute legal or income tax advice to any particular holder. Accordingly, holders should consult their own income tax advisors with respect to the tax consequences which will result from holding Special Warrants and acquiring, holding and disposing of Common Shares issuable on the exercise of the Special Warrants.

Exercise or Disposition of Special Warrants

A holder will not realize a gain or loss upon the exercise or deemed exercise of Special Warrants to acquire Common Shares. The cost for tax purposes to a holder of a Common Share acquired pursuant to the exercise of a Special Warrant will generally be equal to the tax cost to the holder of such Special Warrant immediately prior to the exercise. In computing the adjusted cost base of a holder's Common Shares acquired pursuant to the exercise of the Special Warrants, the cost of such Common Shares must be averaged with the cost of any other Common Shares of the Corporation held by the holder as capital property at that time.

A disposition or deemed disposition of Special Warrants by a holder (other than on the exercise of such Special Warrants) will result in the realization of a capital gain (or capital loss) in the taxation year of the disposition to the extent the proceeds of disposition received by the holder exceed (or are exceeded by) the adjusted cost base to the holder of such Special Warrants, net of any reasonable disposition costs.

Dividends on Shares

Dividends received or deemed to be received on Common Shares by an individual (other than certain trusts) will be included in computing the individual's income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received by an individual from a taxable Canadian corporation. The Corporation may designate all or a portion of such dividends as "eligible dividends" that are entitled to the enhanced dividend tax credit. Counsel to the Corporation is advised that the Corporation will notify its shareholders of any such designations at the appropriate times.

Dividends received or deemed to be received on Common Shares by a corporation will be included in computing the taxable income of the corporation and will generally be deductible in computing such corporation's taxable income. A holder of Common Shares that is a "private corporation" or a "subject corporation" (as defined in the Tax Act) may be liable to pay a refundable tax under Part IV of the Tax Act equal to 33 1/3 % of the amount of the dividends received on Common Shares to the extent that such dividends are deductible in computing the corporation's taxable income. Holders to whom these rules may be relevant should consult their own tax advisors.

Disposition of Common Shares

Any disposition or deemed disposition by a holder (other than to the Corporation) of Common Shares acquired on the exercise of Special Warrants will result in the realization of a capital gain (or capital loss) in the taxation year of the disposition to the extent the proceeds of disposition received by the holder exceed (or are exceeded by) the adjusted cost base to the holder of such Common Shares, net of any reasonable disposition costs.

Taxation of Capital Gains (Capital Losses)

Generally, one half of any capital gain (a "taxable capital gain") realized by a holder on a disposition of a Special Warrant or a Common Share acquired on the exercise of a Special Warrant will be included in the holder's income under the Tax Act for the year of the disposition as a taxable capital gain. Subject to certain detailed rules in the Tax Act, one half of any capital loss (an "allowable capital loss") realized on a disposition of a Special Warrant or a Common Share acquired on the exercise of a Special Warrant may be deducted against taxable capital gains realized by the holder in the year of the disposition and allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or in any subsequent taxation year against net taxable capital gains realized in such years (but not against other income) to the extent and under the circumstances described in the Tax Act.

In the case of a holder that is a corporation, the amount of any capital loss otherwise determined resulting from the disposition of Common Shares may be reduced by the amount of certain dividends previously received or deemed to have been received on such shares or other shares for which such shares were exchanged, to the extent and under the circumstances prescribed in the Tax Act. Similar rules may apply where shares are owned by a trust or partnership of which a corporation is a beneficiary or member.

A holder that is, throughout the relevant year, a "Canadian-controlled private corporation" as defined in the Tax Act may be liable to pay a refundable tax of 6 2/3% on certain investment income including capital gains.

ELIGIBILITY FOR INVESTMENT

In the opinion of Macleod Dixon LLP, counsel to the Corporation, and Heenan Blaikie LLP, counsel to the Underwriters, provided the Common Shares remain listed on a designated stock exchange (including the TSXV), the Common Shares issuable on the exercise of the Special Warrants will generally be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts. However, the holder of a tax-free savings account that governs a trust which holds any of the Common Shares will be subject to a penalty tax if the holder does not deal at arm's-length with the Corporation for the purposes of the Tax Act or if the holder has a "significant interest" (within the meaning of the Tax Act) in the Corporation or a corporation, partnership or trust with which the Corporation does not deal at arm's-length for the purposes of the Tax Act.

RISK FACTORS

An investment in the Common Shares should be considered highly speculative due to various factors, including the nature of the Corporation's involvement in the exploration for, and the acquisition, development and production of, oil and natural gas reserves and resources. The Corporation's business is subject to the risks normally encountered in the oil and gas industry such as the marketability of oil and natural gas, competition with companies having greater resources, acquisition, exploration and production risks, need for capital, fluctuations in the market price and

demand for oil and natural gas and the regulation of the oil and natural gas industry by various levels of government. The oil and natural gas reserves and recovery information incorporated by reference in this short form prospectus are estimates only and the actual production and ultimate reserves recovered from the Corporation's properties and acquisitions may be greater or less than the estimates contained in this short form prospectus. The success of acquisitions and further exploration or development projects cannot be assured. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Corporation. The Corporation has a small management team and the loss of a key individual or its ability to attract suitably qualified personnel in the future could materially and adversely affect the Corporation's business.

Risk factors relating to the Corporation are discussed in the AIF, each of which are incorporated by reference in this short form prospectus. These risk factors, together with all of the other information included by reference in this short form prospectus, should be carefully reviewed and considered before a decision is made to invest in the securities offered hereunder. Such risks may not be the only risks facing the Corporation. Additional risks not currently known may also negatively impact the Corporation's business operations and results of operation.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The auditors of the Corporation are KPMG LLP. KPMG LLP were appointed auditors of the Corporation on April 9, 2010 in connection with the Arrangement, having been the auditors of Northern Hunter since 2006. The previous auditors of the Corporation, DNTW Chartered Accountants LLP, resigned in connection with the Arrangement on April 9, 2010.

Valiant Trust Company, at its principal offices in Calgary, Alberta, is the registrar and transfer agent for the Common Shares of the Corporation.

LEGAL MATTERS

Certain legal matters relating to the Offering and the qualification for distribution of the Qualified Shares will be passed upon by Macleod Dixon LLP on behalf of the Corporation and Heenan Blaikie LLP on behalf of the Underwriters.

INTERESTS OF EXPERTS

Each of Macleod Dixon LLP and Heenan Blaikie LLP and its designated professionals, as a group, beneficially own, directly or indirectly, less than 1% of the outstanding Common Shares. Ms. Stephanie Stimpson, the corporate secretary of the Corporation, is a partner of Macleod Dixon LLP.

Certain reserve estimates contained in the documents incorporated by reference herein have been prepared by Sproule Associates Limited. As of the date hereof, the principals, directors, officers and associates of Sproule Associates Limited as a group, own, directly or indirectly, less than 1% of the outstanding Common Shares.

Certain reserve estimates contained in the documents incorporated by reference herein have been prepared by GLJ Petroleum Consultants Ltd. As of the date hereof, the principals, directors, officers and associates of GLJ Petroleum Consultants Ltd. as a group, own, directly or indirectly, less than 1% of the outstanding Common Shares.

Certain audit reports contained in the documents incorporated by reference herein have been prepared by each of DNTW Chartered Accountants LLP and KPMG LLP. As previous auditors of the Corporation, DNTW Chartered Accountants LLP were independent of the Corporation pursuant to the rules of professional conduct of the Institute of Chartered Accountants of Alberta for the period during which they were the auditors of the Corporation. KPMG LLP were appointed auditors of the Corporation on April 9, 2010 and have been the auditors of Northern Hunter since 2006. KPMG LLP are independent of the Corporation and Northern Hunter pursuant to the rules of professional conduct of the Institute of Chartered Accountants of Alberta.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

CONTRACTUAL RIGHT OF ACTION FOR RESCISSION

The Corporation has granted to each holder of a Special Warrant a contractual right of rescission pursuant to the Special Warrant Indenture. The contractual right of rescission provides that if a holder of a Special Warrant who acquires a Common Share on exercise of the Special Warrant as provided for in this short form prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the short form prospectus or an amendment to the short form prospectus containing a misrepresentation: (a) the holder is entitled to rescission of both the holder's exercise of its Special Warrant and the private placement transaction under which the Special Warrant was initially acquired; (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Corporation or the Underwriters, as the case may be, on the acquisition of the Special Warrant; and (c) if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

AUDITORS' CONSENTS

Consent of DNTW Chartered Accountants LLP

We have read the short form prospectus of PanWestern Energy Inc. (the Corporation) dated May 14, 2010 relating to the distribution of 51,100,000 common shares of the Corporation. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the Shareholders of PanWestern Energy Inc. on the consolidated balance sheets as at December 31, 2009 and 2008, and the consolidated statements of income (loss), comprehensive income (loss) and deficit and cash flows for each of the years then ended. Our report is dated March 26, 2010.

(signed) "*DNTW Chartered Accountants LLP*"

Chartered Accountants

Calgary, Canada
May 14, 2010

Consent of KPMG LLP, Chartered Accountants

We have read the short form prospectus dated May 14, 2010 relating to the qualification for distribution of 51,100,000 common shares of PanWestern Energy Inc. upon the deemed exercise of \$0.47 issued and outstanding special warrants of PanWestern Energy Inc. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the directors of Northern Hunter Energy Inc. on the balance sheets of Northern Hunter Energy Inc. as at December 31, 2009 and September 30, 2009 and the statements of operations, comprehensive loss and deficit and cash flows for the three months ended December 31, 2009 and the year ended September 30, 2009. Our report is dated April 26, 2010.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the directors of Northern Hunter Energy Inc. on the balance sheets of Northern Hunter Energy Inc. as at September 30, 2009 and 2008 and the statements of operations, comprehensive loss and deficit and cash flows for the years then ended. Our report is dated March 2, 2010.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the directors of Northern Hunter Energy Inc. on the balance sheet as at September 30, 2008 and the statements of operations, comprehensive income and deficit and cash flows for the year then ended. Our report is dated February 18, 2009.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the directors of Northern Hunter Energy Inc. on the balance sheets of Northern Hunter Energy Inc. as at September 30, 2007 and 2006 and the statements of loss and deficit and cash flows for the year ended September 30, 2007 and the period from incorporation on September 1, 2006 to September 30, 2006. Our report is dated December 19, 2007.

(signed) "*KPMG LLP*"

Chartered Accountants

Calgary, Canada

May 14, 2010

CERTIFICATE OF THE CORPORATION

Dated: May 14, 2010

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation in the provinces of Alberta, British Columbia, Saskatchewan and Ontario.

(Signed) "James D. McFarland"
President and Chief Executive Officer

(Signed) "Stephen E. Bjornson"
Chief Financial Officer

On behalf of the Board of Directors

(Signed) "William T. Fanagan"
Director

(Signed) "Claudio A. Ghersinich"
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: May 14, 2010

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation in the provinces of Alberta, British Columbia, Saskatchewan and Ontario.

NATIONAL BANK FINANCIAL INC.

(signed) "Tom MacInnis"

CORMARK SECURITIES INC.

(signed) "Dion Degrand"

GMP SECURITIES L.P.

(signed) "Christopher T. Graham"

CANACCORD GENUITY CORP.

(signed) "Bruce McDonald"

FIRSTENERGY CAPITAL CORP.

(signed) "Nicholas J. Johnson"