

**BENCHMARK ENERGY CORP.**  
**Suite 2410 – 650 West Georgia Street**  
**P.O. Box 11524**  
**Vancouver, British Columbia V6B 4N7**  
**Phone: 604-689-8336 - Fax: 604-682-5564**

**MANAGEMENT PROXY CIRCULAR**  
as at November 1, 2005

**This Management Proxy Circular is furnished in connection with the solicitation of proxies by the management of Benchmark Energy Corp. (the “Corporation”) for use at the annual meeting (the “Meeting”) of its shareholders to be held on December 15, 2005 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.**

In this Management Proxy Circular, references to “the Corporation”, “we” and “our” refer to Benchmark Energy Corp. “Common Shares” means common shares in the capital of the Corporation. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. The Corporation will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

**Appointment of Proxyholders**

The individuals named in the accompanying form of proxy (the “Proxy”) are officers and directors of the Corporation. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the Proxy, who need not be a shareholder, to attend and act for you on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

The only methods by which you may appoint a person as proxy are submitting a proxy by mail, hand delivery or fax.

**Voting by Proxyholder**

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.**

## **Registered Shareholders**

If you are a registered shareholder, you may wish to vote by proxy whether or not you attend the Meeting in person. If you submit a Proxy, you must complete, date and sign the Proxy and return it to the Corporation's transfer agent, Computershare Trust Company of Canada, by fax within North America at 1-866-249-7775, outside North America at 416-263-9524, or by mail or by hand at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

## **Beneficial Shareholders**

The following information is of significant importance to many shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Corporation as the registered holders of Common Shares).

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 names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

### ***If you are a Beneficial Shareholder:***

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the Proxy provided to registered shareholders by the Corporation. However, its purpose is limited to instructing the intermediaries on how to vote on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to ADP Investor Communication Services ("ADP") in the United States and in Canada. ADP mails a voting instruction form in lieu of a Proxy provided by the Corporation. The voting instruction form will name the same persons as the Corporation's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Corporation), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to ADP by mail or facsimile or given to ADP by phone or over the internet, in accordance with ADP's instructions. ADP then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a voting instruction form from ADP, you cannot use it to vote Common Shares directly at the Meeting - the voting instruction form must be completed and returned to ADP, in accordance with its instructions, well in advance of the Meeting in order to have the Common Shares voted.**

Although, as a Beneficial Shareholder, you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on your voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your Common Shares.

## **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the registered shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare Trust Company or at the address of the registered office of the Corporation at 1500 – 1055 West Georgia Street, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law, or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

No director or executive officer of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year end of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor and as set out herein.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Board of Directors (the "Board") of the Corporation has fixed November 7, 2005 as the record date (the "Record Date") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting

As of November 1, 2005, there were 6,847,831 Common Shares without par value issued and outstanding, each carrying the right to one vote.

The Corporation is also authorized to issue an unlimited number of Class A Preferred Shares without par value and an unlimited number of Class B Preferred Shares without par value. The Class A Preferred Shares are non-voting and the Class B Preferred Shares are voting. As at November 1, 2005, there was no Class A Preferred Shares or Class B Preferred Shares issued or outstanding.

To the knowledge of the directors and executive officers of the Corporation, no persons or corporations beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Corporation as at November 1, 2005.

## **FINANCIAL STATEMENTS**

The audited financial statements of the Corporation for the year ended June 30, 2005 and the report of the auditor thereof will be placed before the Meeting. The audited financial statements, the report of the auditor, together with related management's discussion and analysis, were mailed to shareholders with the Notice of Meeting and the Management Proxy Circular. Additional copies may be obtained from the Secretary of the Corporation upon request and will be available at the Meeting.

## VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors or appointment of the Corporation's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

## ELECTION OF DIRECTORS

The Articles of the Corporation provide that the number of directors of the Corporation will be a minimum of three and a maximum of 21. The term of office of each of the four current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Canada Business Corporations Act* ("CBCA"), each director elected will hold office until the conclusion of the next annual meeting of the Corporation, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's four nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment (for the five preceding years for new director nominees), the period of time during which each has been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at November 1, 2005.

<b>Nominee Position with the Corporation and Country of Residence</b>	<b>Occupation, Business or Employment<sup>(1)</sup></b>	<b>Period as a Director of the Corporation</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
Jean-Claude B. Boubee President, Chief Executive Officer and Director London, England	President and Chief Executive Officer of the Corporation. Managing Director, Berkeley Energy Partners Ltd., a private company engaged in oil and gas consulting. Former Vice-President, Hemisphere Energy Associates Ltd.	Since January 25, 2005	Nil
Christopher R. Cooper Secretary, Chief Financial Officer and Director Delta, British Columbia, Canada	President, Styles Management Inc. (a private business management company). President and Chief Executive Officer, Northern Sun Exploration Company Inc. (a public company listed on the TSX Venture Exchange). Secretary and Chief Financial Officer of the Corporation.	Since February 6, 2002	20,384 <sup>(2)</sup>
D. Barry Lee Director Vancouver, British Columbia, Canada	President of PIL Productions Ltd. (a private business management company). President, Watch Resources Ltd. and Banks Ventures Ltd., (public companies listed on the TSX Venture Exchange).	Since February 6, 2002	20,000 <sup>(3)</sup>
Larry W. Youell Director Kelowna, British Columbia, Canada	Chairman of Forum Energy Corporation, a public international oil and gas exploration company.	Since February 17, 2005	45,000

Notes

- (1) The information as to principal occupation, business or employment and number of Common Shares beneficially owned by the above nominees for directors, directly or indirectly, is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees.
- (2) 2,616 of these Common Shares are held by Styles Management Inc., a private company wholly-owned by Mr. Cooper.
- (3) These Common Shares are held by P.I.L. Productions Ltd., a private company wholly-owned by Barry Lee.

### **APPOINTMENT OF AUDITOR**

Tony M. Ricci Inc., Chartered Accountants, 1304 – 925 West Georgia Street, Vancouver, British Columbia, will be nominated at the Meeting for reappointment as auditor of the Corporation at a remuneration to be fixed by the directors. Tony M. Ricci Inc. was first appointed auditor of the Corporation on October 25, 2003.

### **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

Multilateral Instrument 52-110 of the Canadian Securities Administrators (“MI52-110”) requires the Corporation, as a venture issuer, to disclose annually in its Management Proxy Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

#### **The Audit Committee’s Charter**

The audit committee has a charter. A copy of the audit committee charter is attached as Schedule “A” hereto.

#### **Composition of the Audit Committee**

The members of the audit committee are Christopher R. Cooper, D. Barry Lee and Larry W. Youell. Larry W. Youell and D. Barry Lee are independent members of the audit committee. All members are considered to be financially literate.

A member of the audit committee is independent if the member has no direct or indirect material relationship with the Corporation. A material relationship means a relationship which could, in the view of the Corporation’s board of directors, reasonably interfere with the exercise of a member’s independent judgement.

A member of the audit committee is considered 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 Corporation.

#### **Relevant Education and Experience**

All members of the audit company are aware of the internal controls and financial reporting requirements of the Corporation. Each member has a very good understanding of the accounting principles used by the Corporation to prepare its financial statements and has the ability to assess the general application of those principles in connection with estimates, accruals and reserves of the Corporation.

Mr. Cooper holds a Bachelor of Business Administration Degree and a Masters of Business Administration Degree. Mr. Cooper has served as a member of the audit committee for several public companies. He has also set up and managed several public companies. His duties included preparation of the financial statements and monitoring the financial reporting requirements of the companies.

Mr. Lee holds a Bachelor of Arts Degree. He has served as a member of the audit committee of several public companies and has been instrumental in the preparation of financial statements and reporting requirements for the companies. He has attended numerous workshops with respect to financial reporting of public companies.

Mr. Youell holds a Masters of Business Administration Degree and a Bachelor of Administration Degree (Hons. Bus.) (University of Western Ontario) and has served as comptroller and Vice-President, Operations, Enbridge Inc. and Consumers Gas Company Ltd. He is currently the Chairman of Forum Energy Corporation.

### **Audit Committee Oversight**

The audit committee has not made any recommendations to the board of directors to nominate or compensate any external auditor.

### **Reliance on Certain Exemptions**

The Corporation's auditors, Tony M. Ricci Inc., have not provided any material non-audited services.

### **Pre-Approval Policies and Procedures**

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

### **External Auditor Service Fees**

The audit committee has reviewed the nature and amount of the non-audited services provided by Tony M. Ricci Inc. to the Corporation to ensure auditor independence. Fees incurred with Tony M. Ricci Inc. for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table.

<b>Nature of Services</b>	<b>Fees Paid to Auditor in Year Ended June 30, 2004.</b>	<b>Fees Paid to Auditor in Year Ended June 30, 2005.</b>
Audit Fees <sup>(1)</sup>	\$5,500	\$5,500
Audit-Related Fees <sup>(2)</sup>	\$1,000	\$1,000
Tax Fees <sup>(3)</sup>	\$500	\$500
All Other Fees <sup>(4)</sup>	\$500	\$500
<b>Total</b>	<b>\$7,500</b>	<b>\$7,500</b>

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Corporation's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

### **Exemption**

The Corporation is relying upon the exemption in section 6.1 of MI 52-110 in respect of the composition of its audit committee and in respect of its reporting obligations under MI 52-110.

## **CORPORATE GOVERNANCE**

### **General**

Effective June 30, 2005, National Instrument 58-101 Disclosure of Corporate Governance Practices ("NI 58-101") and National Policy 58-201 Corporate Governance Guidelines ("NP 58-201") were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices.

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. This section sets out the Corporation's approach to corporate governance and addresses the Corporation's compliance with NI 58-101.

## **1. Board of Directors**

Directors are considered to be independent if they have no direct or indirect material relationship with the Corporation. A “material relationship” is a relationship which could, in the view of the Corporation’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The board facilitates its independent supervision over management by reviewing monthly reports prepared by management as well as regularly scheduled board meetings.

The independent members of the Board of Directors of the Corporation are D. Barry Lee and Larry W. Youell.

The non-independent directors are Jean-Claude B. Boubée (President and Chief Executive Officer) and Christopher R. Cooper (Secretary and Chief Financial Officer).

Half of the Board is independent and two are officers of the Corporation.

## **2. Directorships**

Mr. Cooper is a director of Northern Sun Exploration Company Inc., Watch Resources Ltd., Healthscreen Solutions Incorporated, Lagasco Corp. and Copacabana Capital Corporation, all reporting issuers.

Mr. Lee is a director of Arapahoe Energy Corporation, Watch Resources Ltd. and Lagasco Corp., all reporting issuers.

## **3. Orientation and Continuing Education**

When new directors are appointed, they receive orientation on the Corporation’s business, technology and industry and on the responsibilities of directors.

Board meetings may also include presentations by the Corporation’s management and employees to give the directors additional insight into the Corporation’s business.

## **4. Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Corporation’s governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors’ participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

## **5. Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board’s duties effectively and to maintain a diversity of views and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Corporation, this policy will be reviewed.

## **6. Compensation**

Duration of time spent by a director or officer in managing or working with the Corporation determines compensation for the directors and Chief Executive Officer.

## **7. Other Board Committees**

The Board has no other committees other than the audit committee.

## **8. Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

## COMPENSATION OF EXECUTIVE OFFICERS

### Executive Compensation

The Corporation has two executive officers. During the Corporation's financial year ended June 30, 2005 the aggregate direct remuneration paid or payable to the Corporation's executive officers by the Corporation and its subsidiaries, all of whose financial statements are consolidated with those of the Corporation, was \$18,325.

"Named Executive Officer" means each Chief Executive Officer, each Chief Financial Officer and each of the three most highly compensated executive officers, other than each Chief Executive Officer and Chief Financial Officer, who were serving as executive officers at the end of the most recently completed fiscal year and whose total salary and bonus exceeds \$150,000. The compensation paid to the Named Executive Officers during the Corporation's three most recently completed financial years is as set out below:

NAMED EXECUTIVE OFFICERS Name and Principal Position	Year	Annual Compensation			Long Term Compensation			All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts	
					Securities Under Options Granted (#)	Common Shares or Units Subject to Resale Restrictions (\$)	LTIP Payouts (\$)	
Jean-Claude B. Boubee <sup>(1)</sup> President and Chief Executive Officer	2005	Nil	Nil	\$18,325 <sup>(4)</sup>	225,000	Nil	Nil	Nil
Christopher R. Cooper <sup>(2)</sup> Secretary and Chief Financial Officer	2005	Nil	Nil	\$14,875 <sup>(5)</sup>	92,500	Nil	Nil	Nil
	2004	Nil	Nil	\$18,000 <sup>(5)</sup>	Nil	Nil	Nil	Nil
	2003	Nil	Nil	Nil	Nil	Nil	Nil	Nil
D. Barry Lee <sup>(3)</sup> Former Secretary	2005	Nil	Nil	\$14,875 <sup>(6)</sup>	92,500	Nil	Nil	Nil
	2004	Nil	Nil	\$12,000 <sup>(6)</sup>	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Boubee was appointed as President and Chief Executive Officer on February 23, 2005.
- (2) Mr. Cooper resigned as President on February 23, 2005 and was appointed as Secretary and Chief Financial Officer on February 23, 2005.
- (3) Mr. Lee was appointed as Secretary on December 8, 2003 and resigned as Secretary on February 23, 2005.
- (4) These funds were paid to Berkley Energy Partners Limited, a company controlled by Mr. Boubee, for management fees.
- (5) These funds were paid to Styles Management Inc., a company controlled by Mr. Cooper, for consulting services.
- (6) These funds were paid to P.I.L. Productions Limited, a company controlled by Mr. Lee, for consulting services.

### Options

The share options granted to the Named Executive Officers during the financial year ended June 30, 2005 were as follows:

#### Option Grants During the Most Recently Completed Financial Year

NAMED EXECUTIVE OFFICERS Name	Securities Under Options Granted <sup>(1)</sup> (#)	% of Total Options Granted to Employees in Financial Year	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)	Expiration Date
Jean-Claude B. Boubee	225,000	39%	\$0.27	Nil	May 24, 2010
Christopher R. Cooper	92,500	16%	\$0.27	Nil	May 24, 2010
D. Barry Lee	92,500	16%	\$0.27	Nil	May 24, 2010

Notes:

- (1) The Common Shares are currently listed on NEX of the TSX Venture Exchange. These options were granted on May 24, 2005.

No share options were exercised by the Named Executive Officers during the financial year ended June 30, 2005. The value of unexercised outstanding options at June 30, 2005, was nil.

### Long-Term Incentive Plan Awards

Long term incentive plan awards ("LTIP") means "a plan providing compensation intended to motivate performance over a period greater than one financial year. LTIPs do not include option or stock appreciation

rights plans or plans for compensation through Common Shares or units that are subject to restrictions on resale. The Corporation did not award any LTIPs to any Named Executive Officer during the most recently completed financial year.

### Termination of Employment, Change in Responsibilities and Employment Contracts

There is no written employment contract between the Corporation and any Named Executive Officer.

There are no compensatory plans or arrangements, with respect to any Named Executive Officer resulting from the resignation, retirement or any other termination of employment of the officer's employment or from a change of any Named Executive Officer's responsibilities following a change in control.

### Compensation of Directors

There are no arrangements under which directors were compensated by the Corporation and its subsidiaries during the most recently completed financial year for their services in their capacity as directors or consultants.

For the year ended June 30, 2005 directors who are not employees of the Corporation were not paid any cash compensation.

The following directors received options under the Corporation's share option plan in their capacity as a director during the financial year ended June 30, 2005:

#### Option Grants During the Most Recently Completed Financial Year

Name of Director	Securities Under Options Granted (#)	Exercise or Base Price (\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)	Expiration Date
Jean-Claude B. Boubée	225,000	\$0.27	Nil	May 24, 2010
Christopher R. Cooper	92,500	\$0.27	Nil	May 24, 2010
D. Barry Lee	92,500	\$0.27	Nil	May 24, 2010
Larry W. Youell	85,500	\$0.27	Nil	May 24, 2010

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Corporation has in place a share option plan dated for reference November 30, 2004 (the "Plan"). The Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Plan is administered by the directors of the Corporation. The Plan provides that options will be issued pursuant to option agreements to directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation. All options expire on a date not later than five years after the issuance of such option.

#### Equity Compensation Plan Information

Plan	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 (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders (the "Plan")	495,500	\$0.27	104,783
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	495,500	\$0.27	104,783

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Corporation were indebted to the Corporation as of the end most recently completed financial year or as at the date hereof.

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

An informed person is one who generally speaking is a director or executive officer or a 10% shareholder of the Corporation. To the knowledge of management of the Corporation, no informed person or nominee for election as a director of the Corporation or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries during the year ended June 30, 2005, or has any interest in any material transaction in the current year other than as set out herein.

On February 23, 2005 the Corporation entered into a non-brokered private placement of up to 5,000,000 Common Shares of the Corporation at a price of \$0.15 per Common Share for total gross proceeds of \$750,000. The Common Shares were subject to a four-month hold period from the date of issue. On March 21, 2005 the Corporation increased the amount of the non-brokered private placement to a total of \$900,000 to consist of 6,000,000 Common Shares at \$0.15 per Common Share. The funds will be used to acquire a 33.33% interest in the Cosmos Concession and a 50% interest in the Yasmin Concession, both of which are oil and gas properties in Tunisia. Hemisphere Energy Associates Ltd., a company controlled by Jean-Claude Boubée and having a head office in Dubai, United Arab Emirates, purchased 150,000 Common Shares of the private placement. Mr. Boubée is an officer and director of the Corporation. Larry Youell, a director of the Corporation, purchased 66,667 Common Shares of the private placement.

## **MANAGEMENT CONTRACTS**

Except as set out herein, there are no management functions of the Corporation which are to any substantial degree performed by a person or company other than the directors or senior officers of the Corporation.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### **Continuation of Share Option Plan**

The Corporation is currently listed on NEX and under the provisions of the TSX Venture Exchange ("TSXV"). The TSXV requires that each company listed on the exchange have a stock option plan if the company intends to grant options. In order to comply with TSXV policy, and to provide incentive to directors, officers, employees, management and others who provide services to the Corporation or any subsidiary to act in the best interests of the Corporation, the shareholders of the Corporation adopted a Share Option Plan (the "Plan") in 2004.

Under the Plan, a maximum of 10% of the issued and outstanding common shares of the Corporation at the time an option is granted less common shares reserved for issuance outstanding in the Plan, will be reserved for options to be granted at the discretion of the Corporation's board of directors to eligible optionees (the "Optionees"). This type of Plan is called a "rolling" plan. During the Corporation's financial year ended June 30, 2005 and to the date of the mailing of this Management Proxy Circular, 580,000 options to purchase Common Shares have been granted by the Corporation.

Under TSXV policy, the continuation of the Plan requires annual shareholder approval at the annual meeting of the Corporation by ordinary resolution. The Corporation is of the view that the Plan permits the Corporation to attract and maintain the services of executives, employees and other service providers with other companies in the industry.

At the Meeting, shareholders will be asked to vote on the following resolution, with or without variation:

"Resolved that the Corporation's share option plan dated for reference November 30, 2004, be ratified and approved."

The Board of Directors recommends that shareholders vote in favour of the continuation of the Plan. An ordinary resolution is a resolution passed by the shareholders of the Corporation at a general meeting by a simple majority of the votes cast in person or by proxy.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is on [www.Sedar.com](http://www.Sedar.com). Financial information is provided in the Corporation's comparative year end financial statements and related management discussion and analysis and in the interim financial statements and related management discussion and analysis. The Corporation will provide to any person or company, upon request to Christopher Cooper, Secretary of the Corporation, at Suite 2410, 650 West Georgia Street, Vancouver, B.C., V6B 4N7, telephone no.: (604) 689-8336 or fax no.: (604) 682-5564 one copy of any of the financial statements of the Corporation filed with the applicable securities regulatory authorities for the Corporation's during the most recently two completed financial years in respect to for which such financial statements have been issued and filed with the applicable securities regulatory authorities.

Copies of the above documents will be provided, upon request, free of charge to security holders of the Corporation. The Corporation may require the payment of a reasonable charge from any person or company who is not a security holder of the Corporation, who requests a copy of any such document. The foregoing documents are also available on Sedar at [www.Sedar.com](http://www.Sedar.com).

#### **OTHER MATTERS**

The Directors are not aware of any other matters which they anticipate will come before the Meeting as of the date of mailing of this Management Proxy Circular.

#### **SHAREHOLDER PROPOSALS**

Pursuant to Canadian law, shareholder proposals to be considered for inclusion in the management proxy circular for the 2006 annual meeting of the Corporation (expected to be held in December 2006) must be received by the Secretary of the Corporation on or before the close of business on September 1, 2006.

#### **DIRECTORS' APPROVAL**

The contents of this Management Proxy Circular and its distribution to shareholders have been approved by the Board of Directors of the Corporation.

**DATED** at Vancouver, British Columbia, November 15, 2005.

**"Christopher Cooper"**

**Christopher Cooper**  
**Secretary and Chief Financial Officer**

**Schedule A**  
**BENCHMARK ENERGY CORP.**  
**(the “Corporation”)**  
**AUDIT COMMITTEE CHARTER**

**1. Mandate**

The audit committee will assist the board of directors (the “Board”) in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well and the Corporation’s business, operations and risks.

**2. Composition**

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Corporation. The audit committee will consist of a minimum of three directors.

*2.1 Independence*

A majority of the members of the audit committee must not be officers, employees or control persons of the Corporation.

*2.2 Expertise of Committee Members*

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

**3. Meetings**

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Corporation’s Chief Financial Officer and external auditors in separate executive sessions.

**4. Roles and Responsibilities**

The audit committee shall fulfill the following roles and discharge the following responsibilities:

*4.1 External Audit*

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor’s report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

- (a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation;
- (b) review (by discussion and enquiry) the external auditors’ proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors; and

- (e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

#### 4.2 *Internal Control*

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Corporation. In carrying out this duty, the audit committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Corporation; and
- (b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

#### 4.3 *Financial Reporting*

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

##### *General*

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

##### *Annual Financial Statements*

- (c) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (d) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (e) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

##### *Interim Financial Statements*

- (f) review and approve the interim financial statements prior to their release to the public; and
- (g) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

##### *Release of Financial Information*

- (h) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

#### 4.4 *Non-Audit Services*

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Corporation or any subsidiary of the Corporation shall be subject to the prior approval of the audit committee.

##### *Delegation of Authority*

- (a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

*De-Minimis Non-Audit Services*

- (b) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:
  - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
  - (ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

*Pre-Approval Policies and Procedures*

- (c) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
  - (i) the pre-approval policies and procedures are detailed as to the particular service;
  - (ii) the audit committee is informed of each non-audit service; and
  - (iii) the procedures do not include delegation of the audit committee's responsibilities to management.

*4.5 Other Responsibilities*

The audit committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board; and
- (f) review and update this Charter and receive approval of changes to this Charter from the Board.

*4.6 Reporting Responsibilities*

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

**5. Resources and Authority of the Audit Committee**

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the audit committee; and
- (c) communicate directly with the internal and external auditors.

**6. Guidance – Roles & Responsibilities**

The following guidance is intended to provide the Audit Committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

### 6.1 *Internal Control*

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

### 6.2 *Financial Reporting*

#### *General*

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- (c) understand industry best practices and the Corporation's adoption of them.

#### *Annual Financial Statements*

- (d) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Corporation reports or trades its shares;
- (e) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (f) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;
- (g) consider management's handling of proposed audit adjustments identified by the external auditors; and
- (h) ensure that the external auditors communicate all required matters to the committee.

#### *Interim Financial Statements*

- (i) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;
- (j) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and
- (k) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
  - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
  - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the Corporation's operations and financing practices;
  - (iii) generally accepted accounting principles have been consistently applied;
  - (iv) there are any actual or proposed changes in accounting or financial reporting practices;

- (v) there are any significant or unusual events or transactions;
- (vi) the Corporation's financial and operating controls are functioning effectively;
- (vii) the Corporation has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and
- (viii) the interim financial statements contain adequate and appropriate disclosures.

6.3 *Compliance with Laws and Regulations*

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

6.4 *Other Responsibilities*

- (a) review, with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements.