August 25, 2009

INFORMATION CIRCULAR

To the Unsecured Creditors of the Oilexco:

On behalf of Oilexco Incorporated. and Oilexco Technical Services Inc. ("**Oilexco**"), I would like to say to our creditors that everyone in the organization regrets that events have unfolded in a way that compels Oilexco to place before its creditors a liquidating plan of arrangement that will result in Oilexco liquidating the balance of its Canadian assets for the purpose of distributing Oilexco's remaining cash to its Canadian creditors including those that held guarantees of the obligations of Oilexco North Sea Limited ("ONSL").

Oilexco and Oilexco North Sea Limited had tremendous success in finding and developing oil reserves and had built up significant cash flow and assets over a period of many years. Unfortunately, the financial events of the period September to December 2008, including the precipitous decline in the price of oil but more importantly the temporary seizing up of bank credit and the collapse of the stock market, both occasioned by the failure and near failure of many of the world's largest financial institutions including some of the company's lenders, combined to put ONSL into a liquidity position which ultimately proved fatal.

After the failure of ONSL, and faced with few alternatives, the Oilexco commenced these CCAA proceedings on February 5, 2009.

The Monitor estimates that if the plan is approved, unsecured creditors will likely receive an average dividend of approximately $0.015 per dollar of Claim. Assuming that the Plan is approved at the Creditors' Meeting, it is expected that the dividend payable pursuant to this Plan will be distributed within 30 to 45 days following approval of the Plan, subject to final determination of the claims as filed.

The Monitor estimates that if the Oilexco were placed into bankruptcy now, unsecured creditors would likely receive a lower distribution primarily having regard to the administrative costs incurred in dealing with claims and finalizing the estates. The Monitor has also told us that those dividends might not be sent out for six to twelve months.

Our Plan provides a better solution for the unsecured creditors and proposes that a fund consisting of the balance of Oilexco's cash on hand together with the anticipated proceeds of liquidation of the balance of Oilexco's properties be paid out to unsecured creditors of the Oilexco.

The plan must be approved by 66 2/3% in dollar value of the unsecured creditors voting, and by 50% in number of unsecured creditors voting. There is, in my opinion, no better alternative available for unsecured creditors than what is offered under the enclosed plan. I urge you to vote in favour of the plan.

We at the Oilexco have worked hard to try to produce the best result possible in the circumstances, and we believe that we have succeeded. Please read the enclosed information carefully, and fill out and send in the proxy form included with these materials instructing either me or the Monitor to vote in favour of the plan. Please do this as quickly as possible in the hopes we can come to a final arrangement and distribute the dividend funds. Again, on behalf of all the Oilexco stakeholders we regret the situation but ask you to please support what we believe to be the best solution for you.

Yours truly,

Oilexco Incorporated

Arthur S. Millholland

Arthur S. Millholland
President and Chief Executive Officer