



MANAGEMENT INFORMATION CIRCULAR

FOR AN

ANNUAL GENERAL MEETING

OF SHAREHOLDERS

TO BE HELD ON FEBRUARY 26, 2010

27 JANUARY, 2010

Fall River Resources Ltd.
Suite 711, 675 West Hastings Street
Vancouver, BC V6B 1N2 Canada

**NOTICE OF THE ANNUAL GENERAL MEETING OF
SHAREHOLDERS TO BE HELD ON FEBRUARY 26, 2009**

TO: The Shareholders of Fall River Resources Ltd.

NOTICE IS HEREBY GIVEN that the annual general meeting (the "Meeting") of the shareholders of Fall River Resources Ltd. (the "Corporation") will be held at City Tattersall's Club Limited, The Sydney Room, Level 2, 194-204 Pitt Street, Sydney NSW on Friday 26 February 2010 at 10.00am for the following purposes:

Ordinary Business

To be passed as ordinary Resolutions

1. To receive and consider the comparative financial statements of the Corporation for the financial years ended September 30, 2009 and 2008, together with the report of the auditor thereon.
2. To set the number and elect directors for the ensuing year or until their successors have been duly elected or appointed.
3. To appoint auditors for the ensuing year and to authorize the directors to fix their remuneration.
4. To consider and, if thought advisable, approve by ordinary resolution the Corporation's Stock Option Plan, on the following basis, namely:
 - (a) the adoption of the Corporation's Stock Option Plan be ratified, confirmed and approved;
 - (b) the Corporation be authorized to grant stock options for up to 10% of the common shares of the Corporation outstanding from time to time pursuant and subject to the terms and conditions of the Stock Option Plan, to compliance with Australian Stock Exchange ("ASX") Listing Rules and this Notice includes the information in relation to this proposed resolution set out in the Information Circular, for the purposes of ASX Listing Rules 7.2;
 - (d) the Board of Directors be authorized on behalf of the Corporation to make any amendments to the Stock Option Plan as may be required by regulatory authorities, without further approval of the shareholders of the Corporation, in order to ensure adoption of the Stock Option Plan; and
 - (e) any one director or officer of the Corporation be and he is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution.

5. To consider and if thought appropriate approve by ordinary resolution that the remuneration report for year ended September 30, 2009 included in the Directors Report, which is attached to the Financial Statements as required under section 300A of the Australian Corporations Act. Be adopted by the Company.

Special Business

To be passed as a Special Resolution

6. That as provided by Article 9.3 approval be given to authorise an alteration of its notice of articles in order to change the name of the Company to Earth Heat Ltd.
7. To transact such other business as may properly come before the meeting or at any adjournment thereof.

The accompanying Management Information Circular provides additional information relating to the matters to be addressed at the Meeting and is deemed to form part of this Notice.

The Directors have fixed the close of business on January 25, 2009 as the record date for determination of shareholders entitled to notice of and the right to vote at the Meeting, either in person or by proxy.

Shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the proxy. A proxy will not be valid unless it is deposited by mail or by fax at the office of Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, ON M5J 2Y1 (Fax: Within North America: 1-866-249-7775. Outside North America: (416) 263-9524 not less than 48 hours (excluding Saturdays and holidays) before the time fixed for the Meeting or an adjournment thereof.

Holders of CDIs are invited to attend the meeting. CDI holders may complete, sign and return the enclosed CDI Voting Instruction Form to Computershare Investor Services Pty Limited, at GPO Box 242, Melbourne, Victoria, Australia, 3001 (Fax number +61 (0) 3 9473 2555) in order to direct CHESS Depository Nominees Pty Ltd. ("CDN") to vote the relevant underlying Common Shares on his or her behalf or may instruct CDN to appoint such CDI holder or his or her nominee as proxy to vote the Common Shares underlying the CDIs in person at the meeting. In either case, the CDI Voting Instruction Form needs to be received at the address shown on the Form not less than 72 hours (excluding Saturdays and holidays) before the time fixed for the Meeting or an adjournment thereof.

SHAREHOLDING VOTING

Resolutions 1 to 5 are ordinary resolutions requiring a simple majority of votes from shareholders attending in person or voting by proxy.

Resolution 6 to authorise a change of Company name to Earth Heat Ltd is a special resolution requiring for passing of the same, a two-thirds majority of the votes cast at the meeting by the holders of common shares.

VOTING EXCLUSION STATEMENT:

(ASX LR 14.11)

Resolutions

The Company will disregard any votes cast on the resolutions by any of the persons specified below and any associates of these persons.

In respect of Resolution 4: Mr David Sutton, Mr Stephen Pearce, Mr Raymond Shaw, Mr Tory Marshall and Mr Normal Zillman.

Exception to Voting Exclusion Statement:

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

DATED at Sydney, Australia, this 27th day of January 2010.

BY ORDER OF THE BOARD OF DIRECTORS

“RD Shaw”

Chairman

FALL RIVER RESOURCES LTD.

INFORMATION CIRCULAR

LEGAL JURISDICTION

As the Company is incorporated in the province of British Columbia, Canada, registered in Australia as a foreign company and listed on the Australian Securities Exchange our legal advisers are of the view that the Australian Corporations Act as well as the Business Corporations Act (British Columbia) and the ASX Listing Rules apply.

Accordingly this notice of meeting is issued in accordance with the requirements of the relevant legislations and the ASX Listing Rules.

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR (“MANAGEMENT INFORMATION CIRCULAR”) IS PROVIDED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF FALL RIVER RESOURCES LTD. (THE “CORPORATION”) of proxies from the holders of common shares (the “**Common Shares**”) for the annual general meeting of the shareholders of the Corporation (the “**Meeting**”) to be held on Friday, February 26, 2010 at the time and place for the purposes set forth in the Notice of Meeting.

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares (as defined below) held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named (the “**Management Designees**”) in the enclosed instrument of proxy (“**Instrument of Proxy**”) have been selected by the directors of the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them. A shareholder has the right to designate a person (whom need not be a shareholder) other than the Management Designees to represent him or her at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy the name of the person to be designated and by deleting there from the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Corporation. Such shareholder should notify the nominee of the appointment, obtain the nominee’s consent to act as proxy and should provide instructions on how the shareholder’s shares are to be voted. The nominee should bring personal identification with him to the Meeting. In any case, the form of proxy should be dated and executed by the shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form). In addition, a proxy may be revoked by a shareholder personally attending at the Meeting and voting his shares.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Corporation’s transfer agent, Computershare Trust Company of Canada at 100 University Avenue, Toronto, Ontario, M5J 2Y1, at least forty-eight (48) hours, excluding Saturdays,

Sundays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

A shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the shareholder or by his authorized attorney in writing, or, where the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the registered office of the Corporation at 711 – 675 West Hastings Street, Vancouver, British Columbia, V6B 1N2 or with Computershare Trust Company of Canada at 100 University Avenue, Toronto, Ontario, M5J 2Y1, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used, or by depositing the instrument in writing with the Chairman of such Meeting on the day of the Meeting, or any adjournment thereof. In addition, a proxy may be revoked by the shareholder personally attending the Meeting and voting his shares.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Management Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation’s registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the shareholder’s name. Such Common Shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for the Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to ADP Investor Communications (“**ADP**”) in Canada. ADP typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to ADP, or otherwise communicate voting instructions to ADP (by way of the Internet or telephone, for example). ADP then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the

Meeting. **A Beneficial Shareholder who receives an ADP voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to ADP (or instructions respecting the voting of Common Shares must otherwise be communicated to ADP) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or the intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to shareholders in this Management Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to registered shareholders unless specifically stated otherwise.

VOTING OF PROXIES

Each shareholder may instruct his proxy how to vote his Common Shares by completing the blanks on the Instrument of Proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting (including the voting on any ballot), and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the Instrument of Proxy, the Management Designees, if named as proxy, will vote in favour of the matters set out therein. In the absence of any specification as to voting on any other form of proxy, the Common Shares represented by such form of proxy will be voted in favour of the matters set out therein.**

The enclosed Instrument of Proxy confers discretionary authority upon the Management Designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Corporation is not aware of any amendments to, variations of or other matters which may come before the Meeting. In the event that other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgment of management of the Corporation.

CDI HOLDERS

Many shareholders having an interest in the Common Shares hold such interests in the form of CHESSE Depositary Instruments ("CDIs"). CHESSE is the electronic settlement system used in Australia. The main difference between holding CDIs and holding Common Shares is that a holder of CDIs has beneficial ownership of the equivalent number of Common Shares of the Corporation instead of legal title. Legal title is held by the CHESSE Depositary Nominees Pty Ltd. ("CDN"). The Common Shares registered in the name of CDN are held by that entity on behalf of and for the benefit of the CDI holder.

CDI HOLDERS MAY GIVE DIRECTIONS TO CDN

Pursuant to the Articles of the Corporation, the Corporation will permit CDI holders to attend the Meeting. Each CDI holder has the right to:

- (a) direct CDN how to vote in respect of their CDIs; or
- (b) instruct CDN to appoint the CDI holder or a person nominated by the holder as the holder's proxy for the purposes of attending and voting at the Meeting.

If you are a CDI holder and you wish to direct CDN how to vote in respect of your CDIs or appoint yourself or a nominee as your proxy, you should read, complete, date and sign the accompanying CDI Voting Instruction Form and deposit it with Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne, Victoria, Australia, 3001 not later than 10:00 am (Melbourne time) on February 23, 2009.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of common shares (previously defined as "**Common Shares**"). As at the effective date of the Management Information Circular (the "**Effective Date**"), which is January 27, 2009, the Corporation has 524,178,687 Common Shares without nominal or par value outstanding. The Common Shares are the only securities entitled to be voted at the Meeting, and holders of Common Shares are entitled to one vote for each Common Share held.

The number of common shares outstanding includes the effects of the capital consolidation completed on 21 January 2010 and the issue of new post-consolidation shares resulting from completion of the Share Sale Agreement executed with Earth Heat Limited on 21 January 2010.

Of the 524,178,687 Common Shares outstanding on January 27, 2010, 520,276,722 Common Shares were held by CDN, a wholly-owned subsidiary of the Australian Stock Exchange ("ASX") on behalf of holders of CDIs. CDN has issued CDIs that represent beneficial interests in the Common Shares held by CDN. CDIs are traded on the electronic transfer and settlement system operated by the ASX.

Holders of Common Shares of record at the close of business of January 25, 2010 (the "**Record Date**") are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share held except to the extent that, (a) the holder has transferred the ownership of any of his Common Shares after the Record Date, and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he owns the Common Shares, and demand not later than ten (10) days before the day of the Meeting that his name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his Common Shares at the Meeting.

To the knowledge of the directors and Executive Officers (as hereinafter defined in "**Compensation of Executive Officers**") of the Corporation, as at the Effective Date, no person, firm or corporation beneficially owned, directly or indirectly, or exercised control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation.

RESOLUTION 2: ELECTION OF DIRECTORS

The Share Sale Agreement executed with Earth Heat Limited was completed on 21 January 2010 with the various transactions contemplated by the agreement effected.

Further as a consequence Mr J Mulready and Mr B McLeod resigned as Directors and will not be nominated for re-election. In addition Mr R Shaw, Mr T Marshall and Mr N Zillman were appointed to the board of Directors.

Management is proposing to nominate five (5) directors. The following table sets forth the name of each of the persons proposed to be nominated for election as a director, details of their experience and expertise, all positions and offices in the Corporation presently held by such nominee, the nominee's municipality of residence, principal occupation at the present and during the preceding five years, the period during which the nominee has served as a director, and the number and percentage of Common Shares of the Corporation that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Effective Date.

Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for the election of the persons named in the following table to the Board of Directors. Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **proxies held by Management Designees will be voted for another nominee in their discretion unless the shareholder has specified in his form of proxy that his Common Shares are to be withheld from voting in the election of directors.** Each director elected will hold office until the next annual general meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the *Business Corporations Act* (British Columbia) (the "BCBCA") to which the Corporation is subject.

Name, Present Position with the Corporation and Municipality of Residence	Principal Occupation for Preceding Five Years	Date when became a Director or Officer of Corporation	Number and Percentage of Shares Owned or Over Which Control is Exercised	Number of Options Owned or Over Which Control is Exercised – including exercise price
Raymond Shaw Director	Geophysicist, Company Director	January 2010	65,914,461 12.57%	Nil
David Sutton* Sydney, Australia Director	Executive Chairman of Martin Place Securities Pty Ltd.	October 2007	750,416 .143%	Nil
Stephen W. Pearce* Vancouver, B.C. Director and joint Company Secretary	Corporate and Securities Lawyer	April 2004	124,666 .024%	240,000 exercisable at \$0.54
Torey Marshall Director	Mineral Exploration Geologist	January 2010	63,414,461 12.10%	Nil
Norman Zillman Director	Geologist	New Appointment	63,414,461 12.10%	Nil

* Denotes member of the Corporation's audit committee.

Details of the experience and expertise of persons nominated for election as Directors of the Company are as follows:

**Raymond D Shaw, B.Sc (Hons), Ph.D., Dip Law (SAB), MAusIMM
Non-Executive Director**

Dr Shaw holds qualifications of Bachelor of Science (First Class Honours) and Doctorate of Philosophy degrees from the University of Sydney, and a Diploma in Law from the New South Wales Solicitors and Barristers Board, a Graduate Diploma in Legal Studies (UTS) and has been admitted as a Legal Practitioner of the New South Wales Supreme Court (currently non-practicing).

Dr Shaw has nearly 30 years experience in the resources sector. Dr Shaw trained as a geophysicist and worked initially with Shell Development Australia Pty Ltd. In 1983 he became a principal of a geophysical consulting firm in Sydney, prior to becoming Vice-President and resident director of the Swiss based international consulting firm, Petroconsultants Far East Pty Ltd, based in Singapore. Upon returning to Australia he became involved in the relisting of Vam Limited as Hillgrove Gold N.L. for which he was a director during 1993 – 1995. From 1996 until 2002 Dr Shaw was a part time consultant to the New South Wales Department of Mineral Resources.

He has been a team leader of AusAid and Asian Development Bank involving resource projects for Vanuatu and Sri Lanka, respectively. From June 2003 until April 2007 he was Managing Director of Great Artesian Oil and Gas Limited. In May 2007 he was appointed Executive Chairman of Enterprise Energy Limited, where he oversaw the purchase of a private coal company for \$250m in value. Subsequently the business was recapitalised and renamed Bandanna Energy Ltd, where he has remained the Managing Director.

He has been a Member of the Australasian Institute of Mining and Metallurgy for over 25 years, and is a member of both the American Association of Petroleum Geologists and the Petroleum Exploration Society of Australia.

**Torey Marshall, B.Sc (Hons), MAusIMM (CP), MAAPG.
Executive Director**

Mr Torey Marshall is a Director of Earth Heat Ltd, Red Gum Resources Ltd and Polymetallic Exploration Pty Ltd. His broad based technical experience in both minerals and petroleum has resulted in the successful execution of various exploration programs (some resulting in discoveries), in a number of different areas. Having worked extensively as an exploration geoscientist, his skills have been considerably expanded to include senior management experience of various private and public (unlisted) companies. As part of his consulting practice, he has developed strategies for, and acquired projects on behalf of a number of private and public clients at a number of scales such as; \$1-\$5m acreage transactions, \$18m sale of a private client, evaluated and executed a \$100m bid for a development project.

From the late 1990's until 2002 he was involved in various contract roles as a mineral exploration geologist, being responsible for field supervision and planning of exploration drilling programs. From 2002 to 2005 he was a geologist with the Northern Territory Geological Survey, based in Darwin. During this time he developed his interest in structural geology and halotectonics.

He has authored or co-authored 10 technical publications on various structural and exploration aspects of the Amadeus Basin. After a period as a senior geologist at Great Artesian Oil and Gas, he formed Vibrante Solutions Pty Ltd for the purposes of identifying, developing and promoting both hard and soft rock opportunities in the Petroleum, Geothermal and Minerals business sectors.

Mr Marshall holds a B.Sc (Hons) and Msc from the University of South Australia, and is a Chartered Professional Geologist of the Australasian Institute of Mining and Metallurgy, a member of the Geological Society of Australia and American Association of Petroleum Geologists.

David Sutton
Non-Executive Director

Experience and expertise

Mr Sutton has many years experience as a director of companies in stockbroking and investment banking. He is a director of Martin Place Securities Pty Limited, a licenced securities dealer where he is responsible for corporate finance and stockbroking activities. He is also a director of a number of listed companies including Imperial Corporation Limited. Appointed a Director of the Company on 29 February 2008.

Stephen Pearce
Non-Executive Director and Joint Company Secretary

Experience and expertise

Mr Pearce is a practising lawyer who specialises in corporate and securities work in association with a corporate administration services company, Hastings Management Corp. in Vancouver, British Columbia. Stephen serves as a director and/or officer of the following mainly resource related public companies:

Neodym Technologies Inc. (TSX-V) (Director, Corporate Secretary), Sable Resources Ltd. (TSX-V) (Director, Corporate Secretary), and Golden Goliath Resources Ltd (TSX-V) (Corporate Secretary). Stephen has a law degree from the University of British Columbia and economics degree from York University.

Norman Zillman
Director

Mr Zillman is a professional geologist with 40 years experience in petroleum, coal and mineral exploration and production in Australia and internationally. His initial experience is as a petroleum geologist with international companies Aquitaine Petroleum in New Guinea and Australia and Union Oil Company of California in Australia and Indonesia. Norm has occupied the positions of Deputy General Manager of Crusader Limited, General Manager Exploration and Production of Beach Petroleum N.L. and Claremont Petroleum Limited and Manager of the Petroleum Branch of the Queensland Department of Mines and Energy and State Mining Engineer for Petroleum.

More recently Norm has been responsible for a number of successful public resource floats on the Australian Securities Exchange (ASX). He was the inaugural Managing Director and Founder of Coal Bed Methane (CBM) company, Queensland Gas Company Limited (QGC), being responsible for the initial acquisition of all of its areas, the successful floating on ASX and the discovery of QGC's first CBM gas field Argyle. QGC was recently the subject of a successful \$5 billion takeover bid. He was also the inaugural Chairman and Founder of conventional oil and gas company Great Artesian Oil and Gas Limited (GOG) which he also successfully listed on the ASX resulting in numerous commercial gas and oil discoveries.

Norm was previously a Director of ASX listed company Planet Gas Limited, and he is Chairman of China Yunnan Copper Australia Limited. Norm recently retired as Chairman of Hot Rock Ltd.

EXECUTIVE COMPENSATION

Summary Compensation

The following table sets forth all annual and long term compensation for services in all capacities to the Corporation for the three most recently completed fiscal years, in respect of the individual(s) who were, during this period, acting in a capacity similar to Chief Executive Officer of the Corporation and the four most highly compensated Executive Officers whose compensation was greater than \$100,000 (“Named Executive Officer(s)”).

Name and Position	Year	Annual Compensation			Long Term Compensation			All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts	
					Securities Under Option/SARs Granted ⁽¹⁾ (No.)	Restricted Shares or Restricted Share Units (\$)	LTIP ⁽²⁾ Payouts (\$)	
Ian F. McBain President	2008	\$69,009	Nil	\$6,210	nil/nil	Nil	n/a	nil
	2007	\$216,938	nil	\$10,562	nil/nil	nil	n/a	nil
	2006	\$194,537	nil	\$15,000	250,000/nil	nil	n/a	nil
Jack Mulready Executive Director	2009	\$226,872	nil	\$13,128	nil/nil	nil	n/a	nil
	2008	\$146,447	nil	\$13,080	nil/nil	nil	n/a	nil
	2007	\$187,920	nil	\$20,880	nil/nil	nil	n/a	nil
	2006	\$187,748	nil	\$17,250	nil/nil	nil	n/a	nil

Notes:

- (1) “SARs” or “Stock appreciation right” means a right granted by the Corporation as compensation for services rendered, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of publicly traded securities of the Corporation.
- (2) “LTIP” or “long term incentive plan” means any plan which provides compensation intended to serve as incentive for performance to occur over a period longer than one financial year, but does not include option or stock appreciation right plans or plans for compensation through restricted shares or restricted share units.
- (3) Ian McBain resigned as president effective from February 29, 2008.
- (4) Jack Mulready resigned as an Executive Director from January 12, 2010.

Option/SAR Grants During the Most Recently Completed Financial Year

There were no stock options granted to the Named Executive Officers during the year ended September 30, 2009.

Aggregated Option/SAR Exercises During the Most Recently Completed Financial Year and Financial Year-End Option/SAR Values

The following table sets forth information for each Named Executive Officer in respect of each exercise of options and free standing SARs, if any, during the Corporation's most recent fiscal year and the fiscal year end of unexercised options and SARs.

Name	Securities Acquired on Exercise (No.)	Aggregate Value Realized (\$)	Unexercised Options at Financial Year-End (No.) Exercisable/Unexercisable	Value of Unexercised In the Money Options at Financial Year-End⁽¹⁾ (\$)
Jack Mulready	none	n/a	800,000/nil	nil/nil

(1) Unexercised "in the money" options refer to the options in respect of which the market value of the underlying securities as at the fiscal year-end exceeds the exercise price of the option.

Long-Term Incentive Plans – Awards in Most Recently Completed Fiscal Year

The Corporation has not had and does not currently have any long term incentive plans other than options granted from time to time under its incentive stock option plan.

Pension and Retirement Plans and Payments Made Upon Termination of Employment

The Corporation does not have any pension or retirement plan. The Corporation has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person in connection with or related to the retirement, termination or resignation of such person and the Corporation has provided no compensation to such persons as a result of change of control of the Corporation, its subsidiaries or affiliates. The Corporation is not party to any compensation plan or arrangement resulting from the resignation, retirement or termination of employment of such persons.

Compensation of Directors

There are no arrangements under which directors were compensated by the Company and its subsidiaries during the most recently completed financial year for their services in their capacity as directors or consultants, other than as described below and as disclosed under "Summary Compensation Table".

Compensation payable to Jack Mulready for the year ending September 30, 2009 is set out above under the heading “Executive Compensation”. The following table sets forth compensation awarded or paid to, or earned by, the other directors of the Company in all capacities for services provided to the Company during the financial year ended September 30, 2009:

Name of Director	Directors' Compensation (A\$)	All Other Compensation Paid (A\$)	Number of Shares Under Option	Exercise Price	Date Granted/ Expiry Date
Stephen Pearce	\$52,383	Nil	Nil	n/a	n/a
Bruce McLeod	\$45,000	Nil	Nil	n/a	n/a
David Sutton	\$45,000	Nil	Nil	n/a	n/a

Notes:

(1) Bruce McLeod resigned as a Director of the Company effective from January 22, 2010.

For further information on Directors' experience and expertise including attendances at Directors' Meetings refer to the Directors' Report contained in the Consolidated Financial Statements for the year ended September 30, 2009.

Securities Authorized For Issuance Under Equity Compensation Plans

The following table sets out, as of the end of the Company's financial year ended September 30, 2009, all information required with respect to compensation plans under which equity securities of the Company are authorized for issuance:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by securityholders	2,440,000 ⁽¹⁾	\$0.18	6,613,652 ⁽²⁾
Equity compensation plans not approved by securityholders ⁽³⁾	N/A	N/A	N/A
Total	2,440,000	\$0.18	6,613,652

(1) Options outstanding which have been granted pursuant to the Company's Stock Option Plan.

(2) The Company has a rolling stock option plan. The aggregate number of common shares reserved for issuance is a maximum of 10% of the issued and outstanding share capital of the Company at the date of grant. As at September 30, 2009, 6,613,652 options remained available for issuance.

Management Contracts

During the most recently completed financial year, no management functions of the Corporation were to any substantial degree performed by a person or company other than the directors of the Corporation.

By an employment agreement dated November 22, 2005, the Company and Jack Mulready have agreed the terms of his employment, including *inter alia*:

- a) Mr Mulready is engaged to provide services in the capacity of Executive Director commencing on November 1, 2005 for a period of 5 years, renewable by mutual agreement for a further period, at an annual salary of AUS\$240,000 with annual increases.
- b) A right of termination by the Company on 12 months notice or by payment in lieu of notice and 6 months notice by Mulready.
- c) An obligation on Mulready to maintain confidentiality in respect of proprietary information obtained during employment.
- d) The Company will consider bonuses based on the contribution of Mulready to Company milestones and the then circumstances of the Company

Mr Mulready resigned as a Director of the Company effective from January 12, 2010.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

During the most recently completed financial year, no director or senior officer, nominee for election as a director, nor any of their respective associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, been indebted to the Corporation nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set forth herein and below, or as previously disclosed, the Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or Named Executive Officer, proposed nominee for election as a director or any shareholder holding more than 10% of the voting rights attached to the Common Shares or any associate or affiliate of any of the foregoing in any transaction in the preceding financial year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation.

Audit Committee

A summary of the responsibilities, activities and membership of the audit committee is set out below.

The Audit Committee's Charter

Mandate

The primary function of the audit committee (the "Committee") is to assist the board of directors in fulfilling its financial oversight responsibilities. The Committee reviews the financial reports and other financial information provided by the Company to regulatory authorities and its shareholders and reviews the Company's systems of internal controls regarding finance and accounting including our auditing, accounting and financial reporting processes. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements.
- Review and appraise the performance of the Company’s external auditors.
- Provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors.

Composition

The Committee is comprised of three directors as determined by the Board of Directors. At least one member of the Committee should have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee Charter, the definition of “financially literate” is 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 presumably be expected to be raised by the Company’s financial statements.

The members of the Committee are elected by the Board of Directors at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee is to meet at least once annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee is to meet at least annually with the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- Review and update the Charter annually.
- Review the Company’s financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- Review annually, the performance of the external auditors who shall be ultimately accountable the Board of Directors and the Committee as representatives of the shareholders of the Company.
- Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.

- (c) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (d) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors.

Provided pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and account principles and practices as suggested by the external auditors and management.
- (d) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (e) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (f) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (g) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (h) Review certification process.
- (i) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

- (a) Review any related-party transaction.

Composition of the Audit Committee

The following are the members of the Committee during the year ended 30 September 2009:

	Independent ⁽¹⁾	Financially Literate ⁽¹⁾
Jack Mulready	N	Y
David Sutton	Y	Y
Stephen Pearce	Y	Y

(1) As defined by Multilateral Instrument 52-110 (“MI 52-110”)

The Company is relying on the exemption provided under Section 6.1 of MI 52-110.

Relevant Education and Experience

Each audit committee member has gained financial literacy through their years of experience serving as directors or officers of other companies. In these positions, each member would be responsible for receiving financial information relating to their company and obtaining an understanding of the balance sheet, income statement and statement of cash flows and how these statements are integral in assessing the financial position of the company and its operating results. Each member has significant understanding of the oil and gas business which the Company engages in and has an appreciation for the relevant accounting principles for that business.

Audit Committee Oversight

At no time since the commencement of the Company’s most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on the exemption in Section 2.4 of MI 52-110 (*De Minimis Non-audit Services*), or an exemption from MI 52-110, in whole or in part, granted under Part 8 of Multilateral Instrument 52-110.

Pre-Approval Policies and Procedures

The Directors’ have adopted specific policies and procedures for the engagement of non-audit services and are satisfied that the provision of non-audit services during the period by the auditor (or by another person or firm on the auditors’ behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The aggregate fees billed by the Company's external auditors for each of the last two financial years are as follows:

	K S Black & Co.		SmytheRatcliffe	
	2009	2008	2009	2008
Audit Fees - Full Year	22,000	\$20,000	-	\$25,000
- Half Year	7,800	-	-	\$20,000
Tax related services	-	-	-	-
Other	1,600	-	-	-

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

RESOLUTION 3: Appointment of Auditor

K S Black & Co. appointment as auditors of the Company was confirmed by shareholders at the last annual general meeting of the Company held on 26 February 2009.

Management of the Company proposes to nominate K S Black & Co., Chartered Accountants, as auditor of the Company to hold office until the next Annual General Meeting of Shareholders.

It is intended that all proxies received will be voted in favour of the appointment of K S Black & Co., Chartered Accountants, as auditor of the Company and to authorize the directors of the Company to fix its remuneration, unless a proxy contains instructions to withhold the same from voting.

RESOLUTION 4: Approval of Stock Option Plan

The Corporation has an incentive stock option plan (the "Plan") that was previously approved by the shareholders. The Corporation's current stock option plan reserves for issuance up to 10% of the outstanding shares.

Under ASX Listing Rule 10.14, the Company may not issue stock options under the Plan to, amongst others, a director or an associate of a director, without obtaining stockholder approval. The Company will comply with that rule if it is proposed to issue stock options to the specified category of persons.

For the purposes of ASX Listing Rule 7.2 Exception 9(b), the Corporation has not issued any stock options under the Plan since listing on the ASX⁽¹⁾.

(1) *Notwithstanding this disclosure, the Corporation considers that any issue of options under the Plan within 3 years of the date of its prospectus for ASX listing (dated 24 November 2005,) will be an exception for the purposes of ASX Listing Rule 7.1, under ASX LR 7.2 Exception 9(a). However, for the avoidance of doubt, this statement is included for the purposes of ASX Listing Rule 7.2 Exception 9(b).*

The following is a summary of the Plan.

The Plan permits the Corporation to grant incentive stock options to directors, officers, employees, and consultants of the Corporation or any affiliate thereof. The purpose of the Plan is to attract, retain and motivate directors, officers, employees of the Corporation and consultants engaged to provide ongoing management or consulting services for the Corporation or any subsidiary thereof by providing such persons with the opportunity to acquire an increased proprietary interest in the Corporation.

The Corporation's Board of Directors recommend that the aggregate number of Common Shares in the capital of the Corporation reserved for issuance under the Plan be a maximum of 10% of the issued and outstanding share capital of the Corporation at the date of grant.

Options granted under the Plan are subject to the following provisions:

- (a) the option is non-assignable and non-transferable other than by will or the laws of descent and distribution;
- (b) for stock options granted to employees or other service providers (including management company employees), the Corporation is required to represent that the proposed optionee is a bona fide employee or service provider, as the case may be, of the Corporation or of any of its affiliates;
- (c) if an optionee ceases to be employed by the Corporation (other than as a result of termination with cause) or ceases to act as a director or officer of the Corporation or a subsidiary of the Corporation, any option held by such optionee may be exercised within 90 days after the date such optionee ceases to be employed as an officer or director or, as the case may be, or within 30 days if the optionee is engaged in investor relations activities and ceases to be employed to provide investor relations activities;
- (d) in the event of the death of an optionee, the optionee's heirs or administrators may exercise any portion of the outstanding option up to a period of one year from the date of the optionee's death or the termination date of the option, whichever is earlier;
- (e) the term of an option cannot exceed five years from the date of grant;
- (f) the options will be vested on a basis to be determined by the directors and may be vested immediately upon granting;
- (g) the maximum number of common shares that may be granted to an optionee within a one year period may not exceed 5% of the issued common shares at the time of grant (on a non-diluted basis);
- (h) any common shares subject to a share option which for any reason is cancelled or terminated without having been exercised shall again be available for grant under the Plan;
- (i) the issuance to any consultant, within a one-year period, of a number of shares may not exceed 2% of the issued common shares.

For the purposes of this resolution the Corporation will disregard any votes cast on this resolution by any director of the Corporation and any person associated with those persons. However, the Corporation need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Voting Restrictions

The ASX Listing Rules require that voting restrictions apply to this resolution, as set out in the Notice of Meeting.

RESOLUTION 5: ADOPTION OF REMUNERATION REPORT

Resolution 5 is proposed for the adoption of the Remuneration Report of the Company for the financial year ended 30 September 2009 and is set out in the Directors Report contained in the 2009 Consolidated Financial Statements on pages 4 to 11 in accordance with section 250R(3) of the Australian Corporations Act, votes cast in respect of this resolution are advisory only and do not Bind the Company.

RESOLUTION 6: CHANGE OF COMPANY NAME

Article 9.3 provides that the Company may by special resolution authorise an alteration of its Notice of Articles in order to change its name.

Directors believe that the proposed change of name of the Company to Earth Heat Ltd will more appropriately reflect the new change of direction of the Company.

RESOLUTION 7: OTHER MATTERS

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, **it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

Additional information relating to the Company is on SEDAR at www.sedar.com. Shareholders may contact the Company to request copies of the Company's financial statements and MD&A by sending a request to the Vancouver office of the Company. Financial information is provided in the Company's comparative financial statements and MD&A for the financial year ended September 30, 2008.

GENERAL

Unless otherwise directed, it is management's intention to vote proxies in favour of the resolutions set forth herein. All special resolutions to be brought before the Meeting require, for the passing of the same, a two-thirds majority of the votes cast at the Meeting by the holders of Common Shares. All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the holders of Common Shares. All approvals by disinterested shareholders require the approval of the shareholders not affected by, or interested in, the matter to be approved.

BOARD APPROVAL

The Board of Directors of the Corporation has approved the contents and the sending of the Notice of Meeting and this Management Information Circular.

DATED at Sydney, Australia this 27th day of January 2010.

"Raymond Shaw"
Chairman

ALBERTA CERTIFICATE

The foregoing contains no untrue statement of a material fact (as defined in the Securities Act (Alberta), as amended) and does not omit to state a material fact that is required to be stated or that is necessary to make a statement contained herein not misleading in light of the circumstances in which it is made.

DATED at Sydney, Australia this 27th day of January 2009.

"Raymond Shaw"
Chairman

"David Sutton"
Director

