



NOTICE OF MEETING

AND

INFORMATION CIRCULAR AND PROXY STATEMENT

WITH RESPECT TO

AN SPECIAL MEETING OF THE SHAREHOLDERS OF

EMBER RESOURCES INC.

TO BE HELD ON SEPTEMBER 3, 2008

AUGUST 1, 2008



NOTICE OF SPECIAL MEETING OF SHAREHOLDERS – SEPTEMBER 3, 2008

NOTICE IS HEREBY GIVEN that a special meeting of the holders of common shares (the "Shareholders") of Ember Resources Inc. ("Ember") is to be held in the Strand/Tivoli Room at the Metropolitan Centre, 333 – 4th Avenue S.W., Calgary, Alberta, on September 3, 2008 at 10:30 a.m. (Calgary time) and any adjournment or adjournments thereof (the "Meeting") for the following purposes, namely:

1. to consider an ordinary resolution giving approval to the private placement of 26,829,269 subscription receipts of Ember, the participation by Ember in a proposed plan of arrangement under the *Business Corporations Act* (Alberta) involving Cordero Energy Inc. and the issuance of 26,829,269 common shares of Ember pursuant to the subscription receipts upon completion of the plan of arrangement;
2. to consider a special resolution approving an amendment to Ember's articles of incorporation to consolidate its issued and outstanding common shares on the basis of 1 post-consolidation common share for every 2.5 pre-consolidation common shares; and
3. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

Only holders of record at the close of business on August 1, 2008 (the "Record Date") of common shares of Ember ("Ember Shares") are entitled to notice of the Meeting or any adjournment or adjournments thereof and to vote thereat unless, after the Record Date, a holder of record transfers his Ember Shares and the transferee, upon producing properly endorsed certificates evidencing such Ember Shares or otherwise establishing that he owns such Ember Shares, requests at least 10 days before the Meeting that the transferee's name be included in the list of Shareholders entitled to vote, in which case such transferee shall be entitled to vote such Ember Shares at the Meeting.

Shareholders may vote in person at the Meeting or any adjournment or adjournments thereof, or they may appoint another person, who need not be a Shareholder, as their proxy to attend and vote in their place. Shareholders unable to be present at the Meeting are requested to date and sign the enclosed form of proxy and return it to Ember's agent, Olympia Trust Company, 2300, 125 – 9th Avenue S.E., Calgary, Alberta, T2G 0P6, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting.

Calgary, Alberta
August 1, 2008

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Douglas A. Dafoe"

Douglas A. Dafoe
Chief Executive Officer



INFORMATION CIRCULAR

FOR THE SPECIAL MEETING OF THE HOLDERS OF COMMON SHARES TO BE HELD ON SEPTEMBER 3, 2008

THIS MANAGEMENT INFORMATION CIRCULAR (the "Circular") IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY OR ON BEHALF OF THE MANAGEMENT OF EMBER RESOURCES INC. ("Ember") for use at the special meeting of the holders (the "Shareholders") of common shares (the "Ember Shares") of Ember to be held in the Strand/Tivoli Room at the Metropolitan Centre, 333 – 4th Avenue S.W., Calgary, Alberta, on September 3, 2008, at 10:30 a.m. (Calgary time) and any adjournment or adjournments thereof (the "Meeting") for the purposes set forth in the accompanying Notice of Meeting. Information contained in this Circular is given as at August 1, 2008 unless otherwise stated.

SOLICITATION OF PROXIES

Solicitation of proxies by management will be primarily by mail, but may also be in person or by telephone. The cost of solicitation will be borne by Ember.

RECORD DATE

August 1, 2008 is the record date for the Meeting. Only registered holders of Ember Shares at the close of business on the record date are entitled to notice of the Meeting and to vote thereat unless, after the record date, a registered holder transfers his Ember Shares and the transferee, upon producing properly endorsed certificates evidencing such Ember Shares or otherwise establishing that he owns such Ember Shares, requests not later than 10 days before the Meeting that the transferee's name be included in the list of Shareholders entitled to vote, in which case such transferee shall be entitled to vote such Ember Shares at the Meeting.

APPOINTMENT AND REVOCATION OF PROXIES

Registered Shareholders may vote in person at the Meeting or they may appoint another person, who does not have to be a Shareholder, as their proxy to attend and vote in their place. The persons named in the enclosed form of proxy are the President and Chief Operating Officer and the Vice-President, Finance and Chief Financial Officer of Ember. **A SHAREHOLDER SUBMITTING A PROXY HAS THE RIGHT TO APPOINT A PERSON TO REPRESENT HIM OR HER AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE FORM OF PROXY FURNISHED BY EMBER. TO EXERCISE THIS RIGHT THE SHAREHOLDER SHOULD INSERT THE NAME OF THE DESIRED REPRESENTATIVE IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND STRIKE OUT THE OTHER NAMES OR SUBMIT ANOTHER APPROPRIATE PROXY.** In order to be effective, the proxy must be mailed so as to be deposited at the office of Ember's transfer agent, Olympia Trust Company, 2300, 125 – 9th Avenue S.E., Calgary, Alberta, T2G 0P6, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting. No instrument appointing a proxy shall be valid after the expiration of twelve

(12) months from the date of its execution. The instrument appointing a proxy shall be in writing under the hand of the Shareholder or his attorney, or, if such Shareholder is a corporation, under its corporate seal, and executed by a director, officer or attorney thereof duly authorized.

A Shareholder who has submitted a proxy may revoke it by instrument in writing executed by the Shareholder or his attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal and executed by a director, officer or attorney thereof duly authorized, and deposited either at the office of Ember's transfer agent, Olympia Trust Company, 2300, 125 – 9th Avenue S.E., Calgary, Alberta, T2G 0P6, at any time prior to 4:30 p.m. (Calgary time) on the last business day preceding the day of the Meeting or with the chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting, and upon such deposit the previous proxy is revoked.

EXERCISE OF DISCRETION BY PROXY HOLDERS

All Ember Shares represented at the Meeting by properly executed proxies will be voted. Where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy the Ember Shares represented by the proxy will be voted in accordance with such specification. **IN THE ABSENCE OF SUCH SPECIFICATION, SUCH EMBER SHARES WILL BE VOTED "FOR" ALL OF THE MATTERS SET FORTH IN THE CIRCULAR.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing of the Circular, management of Ember knows of no such amendment, variation or other matter.

VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES

Ember is authorized to issue an unlimited number of Ember Shares. As at August 1, 2008, there were 36,103,326 Ember Shares outstanding. Holders of Ember Shares are entitled to one vote for each Ember Share held by them.

To the best of the knowledge of the directors and officers of Ember, no person beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Ember Shares other than as set out below:

Name	Shares Held	Percentage of Outstanding Shares
KERN Energy Partners Management II Ltd. ⁽¹⁾	7,214,882	19.98%
ARC Equity Management (Fund 5) Ltd. ⁽²⁾	3,950,200	10.94%

Notes:

- (1) KERN Energy Partners Management II Ltd. holds such Ember Shares for the account of KERN Energy Partners II, LP and KERN Energy Partners II US LP.
- (2) ARC Equity Management (Fund 5) Ltd. holds such Ember Shares for the account of ARC Energy Fund 5 Canadian Limited Partnership, ARC Energy Fund 5 United States Limited Partnership and ARC Energy Fund 5 International Limited Partnership.

ADVICE TO BENEFICIAL HOLDERS OF SECURITIES

The information set forth in this section is of significant importance to many public Shareholders of Ember, as a substantial number of the public Shareholders of Ember do not hold shares in their own name. Shareholders who do not hold their Ember Shares in their own name (referred to in this Circular as "Beneficial Shareholders") should note that only proxies deposited by Shareholders whose names appear on the records of Ember as the registered holders of Ember Shares can be recognized and acted upon at the Meeting. If Ember Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases those shares will not be registered in the Beneficial Shareholder's name on the records of Ember. Such Ember Shares will more likely be registered under the name of the Beneficial Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Ember 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). Ember Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for their clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Ember Shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Ember Shares are voted at the applicable Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered Shareholders by Ember. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to ADP Investor Communications ("ADP"). ADP typically asks Beneficial Shareholders to return the proxy forms to ADP. ADP then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the applicable Meeting. **A Beneficial Shareholder receiving an ADP proxy cannot use that proxy to vote Ember Shares directly at the Meeting. The proxy must be returned to ADP well in advance of the Meeting in order to have the Ember Shares voted.**

PRIVATE PLACEMENT AND ARRANGEMENT

Ember has called the Meeting for the purposes of seeking the approval of the Shareholders to a private placement by Ember of 26,829,269 subscription receipts, the participation by Ember in a proposed plan of arrangement under the *Business Corporations Act* (Alberta) respecting Cordero Energy Inc. and the issuance of 26,829,269 Ember Shares pursuant to the subscription receipts upon completion of the plan of arrangement.

The Arrangement

Ember has entered into an arrangement agreement with Cordero Energy Inc. ("Cordero") on July 3, 2008, which agreement was amended and restated on July 23, 2008 (the "Arrangement Agreement"). The Arrangement Agreement provides for the acquisition by Ember of all of the issued and outstanding common shares of Cordero ("Cordero Shares") pursuant to a plan of arrangement under the *Business Corporations Act* (Alberta) (the "Arrangement"). The consideration for the Cordero Shares under the Arrangement will be \$5.50 per Cordero Share, payable, at the election of each Cordero shareholder, in cash or 2.683 Ember Shares at a deemed price of \$2.05 per Ember Share. The Arrangement Agreement

was negotiated at arm's length. A copy of the Arrangement Agreement can be accessed under Ember's profile on SEDAR at www.sedar.com.

A maximum aggregate of \$70 million and a minimum aggregate of \$55 million in cash will be payable to the Cordero shareholders under the Arrangement. In the event that the Cordero shareholders elect, in the aggregate, to receive more than \$70 million in cash, the amount of cash to be received by a holder electing to receive cash with respect to a Cordero Share will be reduced proportionately and the balance of the purchase price for that Cordero Share will be paid by a portion of an Ember Share at a deemed price of \$2.05 per Ember Share. In the event that the Cordero shareholders elect, in the aggregate, to receive less than \$55 million in cash, the number of Ember Shares to be received by a holder electing to receive Ember Shares with respect to a Cordero Share will be reduced proportionately and the balance of the purchase price for that Cordero Share will be paid by in cash.

The Arrangement requires the approval of the holders of Cordero Shares. A special meeting of the Cordero shareholders will be held on September 3, 2008 to consider the Arrangement. The management information circular and proxy statement of Cordero dated August 1, 2008 concerning the special meeting of the shareholders of Cordero (the "Cordero Circular") contains a complete description of the Arrangement, including pro forma financial statements and information respecting the terms of the Arrangement Agreement, the conditions to closing the Arrangement and the businesses and operations of Ember and Cordero. The Cordero Circular is incorporated by reference into, and forms a part of, this Circular. A copy of the Cordero Circular can be accessed under Cordero's profile on SEDAR at www.sedar.com or can be obtained free of charge on request from Ember at Suite 800, 521 – 3rd Avenue S.W., Calgary, Alberta, T2P 3T3, Telephone: (403) 270-0803, Fax: (403) 232-1317.

The Arrangement is subject to the approval of the Court of Queen's Bench of Alberta, the TSX and all applicable regulatory authorities. Completion of the Arrangement is also subject to a number of additional conditions set out in the Arrangement Agreement.

Under the Arrangement Agreement, Cordero and Ember have each agreed that they will not solicit or initiate any discussions concerning any business combination or the sale of material assets. The Arrangement Agreement provides for a mutual non-completion fee of \$3.5 million if the Arrangement is not completed in certain circumstances.

The Board of Directors of Cordero has unanimously determined that the Arrangement and Arrangement Agreement are in the best interests of Cordero and the Cordero shareholders. The Board of Directors of Cordero has unanimously recommended that the Cordero shareholders approve the Arrangement.

All of the directors and officers of Cordero, holding 3,697,331 million Cordero Shares, representing approximately 9.9% of the outstanding Cordero shares, and 3,056,119 options and warrants to acquire Cordero Shares, have entered into agreements with Ember pursuant to which they have agreed to vote their Cordero Shares in favour of the Arrangement. In addition, Ember has received commitment letters from other shareholders representing an aggregate of 9,837,296 Cordero Shares, or approximately 26.5% of the outstanding Cordero Shares, pursuant to which such holders have agreed, subject to certain terms and conditions or to the receipt of a superior offer, to support the Arrangement.

There are currently 37,540,311 Cordero Shares, 2,675,736 options to acquire Cordero Shares and 1,451,219 performance warrants of Cordero outstanding. In the event that the minimum amount of cash is elected by Cordero shareholders under the Arrangement and in the event that all of the Cordero options and performance warrants are exercised prior to the effective date, 85,001,282 Ember Shares will be issued pursuant to the Arrangement. In the event that the maximum amount of cash is elected by Cordero shareholders under the Arrangement and in the event that none of the Cordero options and performance

warrants are exercised prior to the effective date, 66,571,566 Ember Shares will be issued pursuant to the Arrangement.

If all necessary approvals are obtained and the conditions contained in the Arrangement Agreement are met, Ember and Cordero anticipate that the Arrangement will become effective on September 5, 2008.

The Private Placement

Ember has entered into subscription agreements to fund \$55 million of the cash component of the Arrangement by the issuance of 26,829,269 subscription receipts ("Subscription Receipts") at a price of \$2.05 per Subscription Receipt (the "Private Placement").

Closing of the Private Placement is anticipated to occur on September 4, 2008. The proceeds of the offering of the Subscription Receipts will be held in escrow pending the completion of the Arrangement. Upon these conditions being met, the proceeds of the offering of the Subscription Receipts will be released to Ember and each Subscription Receipt will be exchanged for one Ember Share without additional payment as a step to the Arrangement. The Ember Shares issued pursuant to the Subscription Receipts will not be subject to any hold period under Canadian securities laws other than that which would apply in the case of a "control distribution".

If, on or before September 30, 2008, Ember has not obtained the approval of its shareholders to the Private Placement, the Arrangement has not become effective, the Arrangement Agreement has been terminated or Ember or Cordero has provided notice to subscribers or announced to the public that it does not intend to proceed with the Arrangement, holders of the Subscription Receipts will be entitled to a return of their full subscription price and their pro rata entitlement to the interest earned on the escrowed funds.

There are three subscribers under the Private Placement, being ARC Energy Management (Fund 5) Ltd. for the account of ARC Energy Fund 5 Canadian Limited Partnership, ARC Energy Fund 5 United States Limited Partnership and ARC Energy Fund 5 International Limited Partnership (collectively, "ARC"), KERN Energy Partners Management II Ltd. for the account of KERN Energy Partners II, LP and KERN Energy Partners II US LP (collectively, "KERN") and an unrelated third subscriber. ARC has subscribed for 9,756,098 Subscription Receipts, KERN has subscribed for 9,756,098 Subscription Receipts and the third subscriber has subscribed for 7,317,073 Subscription Receipts.

There are currently 36,103,326 Ember Shares outstanding. ARC currently holds 3,950,200 Ember Shares, representing approximately 10.94% of the outstanding Ember Shares. KERN currently holds 7,214,882 Ember Shares, representing approximately 19.98% of the outstanding Ember Shares.

There are currently 37,540,311 Cordero Shares outstanding. Affiliates of ARC hold an aggregate of 4,376,337 Cordero Shares, representing approximately 11.66% of the outstanding Cordero Shares. These affiliates of ARC have agreed with Ember that they will elect to receive all Ember Shares with respect to their Cordero Shares under the Arrangement. KERN does not hold any Cordero Shares.

If the maximum of 85,001,282 Ember Shares are issued under the Arrangement, an aggregate of 147,933,877 Ember Shares will be issued and outstanding following the completion of the Arrangement and Private Placement. If the minimum of 66,571,566 Ember Shares are issued under the Arrangement, an aggregate of 129,504,161 Ember Shares will be issued and outstanding following the completion of the Arrangement and Private Placement.

ARC and its affiliates will hold an aggregate of 25,448,010 Ember Shares following completion of the Arrangement and Private Placement, representing a maximum of approximately 19.65% and a minimum of

approximately 17.02% of the outstanding Ember Shares. Ember has agreed to add a representative of ARC Financial Corp., an affiliate of ARC, to the board of directors of Ember concurrently with the completion of the Arrangement.

KERN will hold an aggregate of 16,970,980 Ember Shares following completion of the Arrangement and Private Placement, representing a maximum of approximately 13.1% and a minimum of approximately 11.47% of the outstanding Ember Shares.

Background to the Arrangement and Private Placement

The execution by Ember and Cordero of the Arrangement Agreement on July 3, 2008 represented the culmination of efforts by Ember to pursue a business combination with Cordero that began on May 26, 2008 with an unsolicited proposal by Ember to Cordero to acquire all of the outstanding Cordero Shares for consideration consisting of 2.56 Ember Shares for each Cordero Share. This initial proposal was made by Ember during the currency of a formal take-over bid for the Cordero Shares (the "Enmax Offer") made by ENMAX Acquisition Corp. ("Enmax") pursuant to a pre-acquisition agreement dated February 18, 2008 between Cordero and ENMAX Corporation (the "Enmax Agreement"). At the time of the initial proposal by Ember, the Enmax Offer provided for consideration consisting of \$4.75 in cash for each Cordero Share and was set to expire on May 28, 2008. On May 28, 2008, Enmax extended the expiry date of the Enmax Offer to June 13, 2008. On May 29, 2008, Cordero issued a press release indicating that the board of directors of Cordero had considered the initial Ember proposal and concluded that the proposal was not financially superior to the outstanding Enmax Offer.

On June 6, 2008, Ember provided Cordero with a further proposal to acquire all of the outstanding Cordero Shares for increased consideration of \$5.35 per Cordero Share, payable at the election of each Cordero shareholder, in cash or 2.61 Ember Shares. Ember entered into subscription agreements with the subscribers on June 6, 2008 providing for the issuance of 21,951,221 subscription receipts at a price of \$2.05 per subscription receipt. On June 11, 2008, Cordero issued a press release indicating that the Cordero board of directors had considered the revised Ember proposal and had concluded that it was unable to determine if the revised Ember proposal was superior to the outstanding Enmax Offer. The Cordero board of directors reaffirmed its recommendation that the Cordero shareholders accept the Enmax Offer. On June 12, 2008, Ember issued a press release confirming that the revised Ember proposal remained open for acceptance by Cordero past the scheduled expiry of the Enmax Offer on June 13, 2008.

On June 13, 2008, Cordero announced that it and Enmax had agreed to amend the Enmax Offer and Enmax Agreement to extend the expiry of the Enmax Offer to June 27, 2008 and to provide for the payment of a special dividend to Cordero shareholders in the amount of \$0.45 per Cordero Share conditional upon Enmax receiving and taking up the minimum number of shares under the Enmax Offer.

On June 18, 2007 Ember entered into amended and restated subscription agreements with the subscribers under the Private Placement providing for the issuance of 26,829,269 Subscription Receipts at a price of \$2.05 per Subscription Receipt. On June 19, 2008, Ember provided Cordero with a new proposal to acquire all of the outstanding Cordero Shares for further increased consideration of \$5.50 per Cordero Share, payable at the election of each Cordero shareholder, in cash or 2.683 Ember Shares at a deemed price of \$2.05 per Ember Share. Following receipt of this proposal, Enmax authorized Cordero to engage in negotiations with Ember and to exchange confidential information. Mutual confidentiality agreements were executed by Ember and Cordero on June 20, 2008. On June 24, 2008, Cordero issued a press release indicating that the Cordero board of directors had considered the further revised Ember proposal and had concluded that it was not superior to the outstanding Enmax Offer. The Cordero board of directors reaffirmed its recommendation that the Cordero shareholders accept the Enmax Offer.

The Enmax Offer expired on June 27, 2008 without Enmax taking up any Cordero Shares. Following the expiry of the Enmax Offer, Ember and Cordero resumed negotiations towards the completion of a business combination which resulted in the execution of the Arrangement Agreement on July 3, 2008. The Arrangement Agreement was amended and restated on July 23, 2008 to effect certain amendments to the plan of arrangement appended thereto.

The board of directors of Ember met on several occasions during the time period described above, including a meeting on May 25, 2008 to approve the making of the initial proposal to Ember and a meeting on June 23, 2008 to approve the entering into of the Arrangement Agreement upon acceptance by Cordero of the final proposal. The Private Placement was approved by a written resolution of the board of directors of Ember dated June 18, 2008. This Circular was approved by a written resolution of the board of directors of Ember dated August 1, 2008. Both the Arrangement and the Private Placement have been unanimously approved by the board of directors of Ember. The board of directors of Ember did not appoint a special committee to consider the Arrangement and Private Placement and the members of the board of directors did not receive any additional fees or compensation for the meetings held to consider the Arrangement and Private Placement. FirstEnergy Capital Corp. acted as financial advisor to Ember and the Ember board of directors with respect to the Arrangement.

The board of directors of Cordero has unanimously approved the terms of the Arrangement and has determined that the Arrangement is in the best interests of Cordero and the Cordero shareholders. The board of directors of Cordero has recommended that the Cordero shareholders vote in favour of the Arrangement.

Ember has agreed to add a representative of ARC Financial Corp., an affiliate of ARC, to the board of directors of Ember concurrently with the completion of the Arrangement. If the Arrangement is completed, it is the intention of the board of directors of Ember to make additional adjustments to the composition and structure of the board, which adjustments may include the addition of new board members which are nominees of major shareholders, the addition of new independent directors with complimentary skill sets and experience, the resignation of existing board members and the separation of the role of Chairman and Chief Executive Officer. Ember does not anticipate that any changes to the board of directors will result in a material increase or decrease in the overall number of directors.

Reasons for the Arrangement and Private Placement

The Arrangement is being conducted for the purposes of combining the businesses of Ember and Cordero. The Private Placement is being conducted to fund a portion of the cash consideration payable to the holders of Cordero Shares under the Arrangement. The Arrangement would have the following key benefits:

- The combination of Ember and Cordero would allow for greater development and exploitation of the coalbed methane ("CBM") assets of both companies. Ember and Cordero have an excellent geographic fit of complementary assets, allowing the current Ember management team to apply its expertise in the development of CBM over an expanded asset base. Cordero's core operated properties of Malmo and Buffalo Lake are in close proximity to Ember's core operated properties of Acme, Fenn-Big Valley and Rosalind. Cordero's Mannville CBM resource is a continuation of Mannville coals at Ember's Rosalind and Fenn-Big Valley properties where Ember has conducted extensive reservoir evaluation and pilot work. All of the properties are concentrated along major CBM fairways in East Central Alberta.

- Ember management has identified an inventory of approximately 390 low risk drilling locations in the Horseshoe Canyon CBM resources held by Ember and Cordero, providing for an opportunity for immediate production growth.
- Higher production and cashflows in the combined company will make capital available to advance the Mannville resources currently held by Ember and Cordero towards commercial stage production for future growth and shareholder value. Ember is at the forefront of technical work being conducted on the Mannville coals and has extensive experience in drilling and piloting production from this significant resource. Although not proven commercial to date, with the current stronger price environment, a royalty regime that continues to favour such development and advances in technology, Ember believes that the Mannville coals will become commercial on a larger scale over time.
- Increased market capitalization and exposure for the combined company should reduce overall cost of capital and increase shareholder liquidity.

Required Approval by the Ember Shareholders

Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101") is an instrument implemented by the securities regulatory authorities in Ontario and Quebec to regulate certain types of transactions conducted by public issuers, including "related party transactions". MI 61-101 applies to Ember because it is a reporting issuer in Ontario and Quebec.

ARC and KERN are each a "related party" of Ember for the purposes of MI 61-101 due to the fact that they each currently own more than 10% of the Ember Shares. The Private Placement, insofar as it involves ARC and KERN, will be considered a "related party transaction" of Ember for the purposes of Multilateral Instrument 61-101. As a result, Multilateral Instrument 61-101 requires that Ember shareholder approval of the Private Placement be obtained.

Ember is exempt from the requirement under MI 61-101 to obtain a valuation with respect to the Private Placement as: (i) the Private Placement consists of a distribution of securities for cash, (ii) neither Ember nor, to the knowledge of Ember after reasonable enquiry, ARC or KERN have knowledge of any material information concerning Ember or its securities that has not been generally disclosed and (iii) this Circular contains a description of the effect of the Private Placement on the voting interests of ARC and KERN.

The Ember Shares are listed for trading on the Toronto Stock Exchange ("TSX"). The policies of the TSX require that shareholder approval be obtained for any transaction by a listed issuer which materially affects control of the listed issuer. The Private Placement, in conjunction with the completion of the Arrangement, would be considered to materially affect the control of Ember under the policies of the TSX in that it will: increase the Ember Share holdings of ARC and its affiliates from approximately 10.94% of the currently outstanding Ember Shares to between 17.02% to 19.65% of the Ember Shares that will be outstanding following completion of the Private Placement and Arrangement and (ii) decrease the Ember shareholdings of KERN from approximately 19.98% of the currently outstanding Ember Shares to between 11.47% to 13.1% of the Ember Shares that will be outstanding following completion of the Private Placement and Arrangement. In addition, Ember has agreed to add a representative of ARC Financial Corp., an affiliate of ARC, to the board of directors of Ember concurrently with the completion of the Arrangement. Accordingly, Ember shareholder approval of the Private Placement and the Arrangement will be required under this TSX policy.

The policies of the TSX also require that shareholder approval be obtained for any private placement by an issuer to insiders of that issuer for listed securities or securities convertible into listed securities greater than 10% of the number of listed securities outstanding prior to the private placement. ARC and KERN are each an insider of Ember for the purposes of the policies of the TSX due to the fact that they each currently own more than 10% of the Ember Shares. ARC and KERN will together be subscribing for 19,512,196 Subscription Receipts, representing approximately 54.05% of the currently outstanding Ember Shares. Accordingly, Ember shareholder approval for the Private Placement is also required under this TSX policy.

Multilateral Instrument 61-101 and the applicable TSX policies require that the resolution set out below respecting the Private Placement and Arrangement be approved by a simple majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting, excluding the votes attached to the Ember Shares held by ARC and KERN, related parties of ARC or KERN or any joint actors with ARC or KERN. These parties hold an aggregate of 11,165,082 Ember Shares, representing approximately 30.93% of the outstanding Ember Shares.

The Proposed Resolution

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, to approve the following resolution:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the private placement by Ember Resources Inc. ("Ember") of 26,829,269 subscription receipts ("Subscription Receipts") at a price of \$2.05 each (the "Private Placement") be and is hereby approved;
2. the participation by Ember in the proposed plan of arrangement under the *Business Corporations Act* (Alberta) involving Cordero Energy Inc. (the "Arrangement") be and is hereby approved;
3. the issuance by Ember of 26,829,269 common shares pursuant to the Subscription Receipts in connection with the completion of the Arrangement be and is hereby approved;
4. the effect on the control of Ember resulting from the Private Placement and Arrangement be and is hereby approved; and
5. the issuance by Ember of in excess of 10% of its listed securities to insiders in connection with the Private Placement be and is hereby approved.”

In order to be passed, the foregoing resolution must be approved by a simple majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting, excluding the votes attached to the Ember Shares held by ARC and KERN, related parties of ARC or KERN or any joint actors with ARC or KERN.

CONSOLIDATION OF EMBER SHARES

Approval of Proposed Consolidation

At the Meeting, the Shareholders will be asked to approve a special resolution authorizing an amendment to Ember's articles of incorporation pursuant to subsection 173(1)(f) of the *Business Corporations Act* (Alberta) to consolidate the Ember Shares on the basis of 1 post-consolidation Ember Share for each 2.5 pre-consolidation Ember Shares (the "Consolidation"). If approved by the Shareholders, Ember anticipates that the Consolidation would be effected concurrently with the completion of the Arrangement. Even if approved by the Shareholders, Ember may determine not to proceed with the Consolidation at its discretion. For clarity, any reference in this Circular to Ember Shares other than under this heading "Consolidation of Ember Shares" is a reference to Ember Shares on a pre-consolidated basis.

As discussed above under the heading "Private Placement and Arrangement", up to 147,933,877 Ember Shares, on a pre-consolidated basis, would be issued and outstanding following the completion of the Arrangement and Private Placement. Ember has concluded that the Consolidation would be in the best interests of the Shareholders as it would promote increased liquidity in the Ember Shares by permitting investors to purchase Ember Shares on margin and allowing certain institutional investors to purchase Ember Shares that would otherwise be restricted from doing so based on price point.

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, to approve the following resolution:

“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the articles of incorporation of Ember be amended pursuant to subparagraph 173(1)(f) of the *Business Corporations Act* (Alberta) to consolidate the issued and Ember Shares on the basis of 1 post-consolidation Ember Share for each 2.5 pre-consolidation Ember Shares; and
2. any officer or director of Ember be and is hereby authorized and directed for and on behalf of Ember (whether under its corporate seal or otherwise) to execute, deliver and file all such documents (including Articles of Amendment in prescribed form) and to take all such other action(s) as may be deemed necessary or desirable for the implementation of this special resolution, provided that the directors of Ember may, in their sole discretion and without further approval of the shareholders, revoke and rescind the foregoing resolution before it is acted upon.”

In order to be passed, the foregoing resolution must be approved by 66 2/3% of the votes cast by Shareholders who vote in person or by proxy at the Meeting.

Procedure for Exchange of Certificates for Ember Shares

If Consolidation is approved and implemented, registered Shareholders will be required to surrender their share certificates representing pre-consolidation Ember Shares in exchange for new certificates representing post-consolidation Ember Shares. A Letter of Transmittal is enclosed with this Circular to facilitate this exchange of certificates. Registered Shareholders should carefully read and comply with the instructions contained in the enclosed Letter of Transmittal. Any questions regarding the Letter of Transmittal should be directed to Olympia Trust Company, the registrar and transfer agent for the Ember Shares. **Ember will issue a press release announcing the implementation of the Consolidation if it**

proceeds. As the Consolidation may not proceed, registered Shareholders should not submit the Letter of Transmittal and their share certificates until such time as Ember has announced the implementation of the Consolidation.

Shareholders who do not hold their Ember Shares in their own name, such as Shareholders who hold their Ember Shares through a brokerage account, do not need to submit a Letter of Transmittal. Such Shareholders should contact their broker or agent if they have any questions concerning the Consolidation.

If the Consolidation is implemented, fractional post-consolidation Ember Shares will not be issued to Shareholders. Where the Consolidation would otherwise result in a Shareholder being entitled to a fractional Ember Share, the number of post-consolidation Ember Shares issued to such Shareholder shall be rounded up to the next greater whole number of Ember Shares if the fractional entitlement is equal to or greater than 0.5 and shall be rounded down to the next lesser whole number of Ember Shares if the fractional entitlement is less than 0.5. In calculating such fractional interests, all Ember Shares held by a beneficial holder shall be aggregated.

OTHER BUSINESS

The directors and officers of Ember are not aware of any matters, other than consideration of the private placement, which may be submitted to the Meeting for action. However, if any other matters should properly be brought before the Meeting, the enclosed proxy confers discretionary authority to vote on such other matters according to the best judgment of the person holding the proxy at the Meeting.

MARKET FOR EMBER SHARES

The following table sets forth the reported market price ranges and the trading volumes for the Ember Shares for the periods indicated, as reported by the TSX.

Period	Price Range (\$)		Trading Volume
	High	Low	
2008			
January	1.40	1.15	1,481,170
February	1.90	1.30	619,366
March	1.70	1.30	152,856
April	1.85	1.40	2,013,551
May	2.25	1.77	907,349
June	2.25	1.88	1,107,040
July	1.90	1.32	941,982

The closing price of the Ember Shares on the TSX on July 3, 2008, the last trading day prior to the announcement of the Arrangement was \$1.71. The closing price of the Ember Shares on the TSX on July 31, 2008, the last trading day prior to the date of this Circular was \$1.40.

PURCHASE AND SALE OF EMBER SHARES

Excluding securities purchased or sold pursuant to the exercise of employee stock options, warrants and conversion rights, Ember has not purchased or sold any Ember Shares during the preceding twelve months.

DIVIDEND POLICY

Ember has not declared or paid any dividends on the Ember Shares or any of its other securities since its incorporation. Any decision to pay dividends on the Ember Shares will be made by the board of directors of Ember on the basis of the corporation's earnings, financial requirements and other conditions existing at such future time.

INDEBTEDNESS OF DIRECTORS, OFFICERS AND EMPLOYEES

No current or former director, officer or employee of Ember was indebted to Ember as at the date of this Circular. At no time did any director or officer, or any associate of any such director or officer, owe any indebtedness to Ember or owe any indebtedness to any other entity which is, or at any time has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Ember.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The directors and officers of Ember together beneficially own or exercise control or direction over an aggregate of 3,285,411 Ember Shares. All of the directors and officers of Ember have agreed to vote their Ember Shares in favour of the resolution respecting the Private Placement and Arrangement.

Other than as described herein, no informed person of Ember nor any affiliate or associate of any informed person had any material interest, direct or indirect, in any transaction since the commencement of Ember's most recently completed financial year or any proposed transaction which has materially affected or would materially affect Ember.

For the purposes of this Circular, an "informed person" means (i) a director or officer of Ember, (ii) a director or officer of a person or company that is itself an informed person, or (iii) any person or company who beneficially owns, directly or indirectly, and/or exercises control or direction over voting securities of Ember carrying more than 10% of the voting rights attaching to all outstanding voting securities of Ember.

AUDITORS OF EMBER

The auditors of Ember are Ernst & Young LLP, Chartered Accountants, Suite 1000, 440 - 2nd Avenue S.W., Calgary, Alberta, T2P 5E9. Ernst & Young LLP have been the auditors of Ember since Ember's inception.

ADDITIONAL INFORMATION AND AVAILABILITY OF FINANCIAL STATEMENTS

Additional information relating to Ember is available on SEDAR at www.sedar.com. Financial information concerning Ember is provided in its comparative financial statements for the year ended December 31, 2007 and the accompanying management's discussion and analysis, both of which can be accessed on SEDAR. Copies of the financial statements of Ember and accompanying management's discussion and analysis can be obtained by contacting Ember at Suite 800, 521 – 3rd Avenue S.W., Calgary, Alberta, T2P 3T3, Telephone: (403) 270-0803, Fax: (403) 232-1317.

DIRECTORS' APPROVAL

The contents and the sending of this Circular have been approved by the directors.