

READER ADVISORIES

WEBSITE TERMS OF USE

These Website Terms of Use were last amended on January 26, 2012.

LEGAL

This website (the "**Website**") is owned by Underground Energy Corporation ("**Underground**" or the "**Corporation**"). By accessing the Website you are agreeing to be bound by the terms set out in these Terms of Use. If you do not agree with these Terms of Use you may not access or use the Website.

AMENDMENTS

The Corporation may amend these Terms of Use from time to time by posting new Terms of Use. If you do not agree with any of the terms of the new Terms of Use then you must not use the Website.

The first paragraph of these Terms of Use indicates when these Terms of Use were last amended. Please check back regularly to review for changes.

ACCURACY

All information and documents (collectively, the "**Information**") provided on this Website are believed to be accurate and reliable at the time of posting. However, through inadvertence, the Information may not, in fact, be accurate at the time of its posting. Further, Information that has been posted may become inaccurate over time as circumstances change.

PRINTING

You may print material contained on the Website, provide it is only for personal use or for the internal use of the organization, as the case may be. You may not print material from the Website for distribution to third parties without first receiving the written consent of the Corporation.

The disclaimer of warranty and the limitation of liability provisions set out herein shall apply in all respects to all printed material.

INTELLECTUAL PROPERTY

The Corporation has certain protectable proprietary rights in its Website, including copyright and trademarks. Except for the limited license to view the Website and print material from the Website, the Corporation reserves all of its intellectual property rights, and in particular, no other license or rights are granted or implied.

You may not use any of the Corporation's trademarks, logos, icons, graphics or designs for any purpose without first receiving the written consent of the Corporation.

You may not modify, copy, publish, republish, transmit, sell, create derivative works, display, frame or in any way exploit any content contained on the Website.

LINKS TO THIRD-PARTY WEBSITES

Links to third party websites, if any, provided on the Website are provided as a courtesy only. The content, accuracy, opinions expressed and other information and any products or services obtained from or through any links are not investigated or verified by the Corporation. In addition, the information, products and services obtainable through those links may change following the posting of the link to the Website.

The Corporation will not be responsible for the use of any information, product or service obtained from or through any links to third party websites. You agree to assume all risks arising in connection with your use of those third party websites.

No partnership, contractual or other type of relationship should be implied merely from the fact that a link to a third party website is provided.

DISCLAIMER OF WARRANTY AND LIMITATION OF LIABILITY

The website and information are provided strictly on an "as is" basis. The Corporation makes no express or implied warranties or conditions whatsoever, and specifically disclaims the same including, without limitation, any warranties or conditions of merchantability, fitness for a particular purpose, correctness, currency, timeliness or completeness and any implied by statute.

Under no circumstances will the company be liable for any incidental, special, indirect or consequential damages or losses incurred or suffered by you which may have arisen out of the use of the website or use of or reliance on any information, whether or not the company was told of the possibility of same.

For official public securities documents and public information filed by the Corporation, you are directed to documents on file with Canadian securities regulatory authorities which may be accessed through the SEDAR website (www.sedar.com). Not all such documents are contained on this Website and the ones contained on this Website should not be considered official.

NO WAIVER

The Corporation's failure to insist upon or enforce strict compliance with any provision of these Terms of Use shall not be construed as a waiver of any provision or right of the same or different type in the future.

ENTIRE AGREEMENT

The terms set out in these Terms of Use constitute the entire agreement with respect to the use of the Website and the Information and the relationship between the parties in connection with the same. No representative of the Corporation is authorized to amend these Terms of Use other than as specifically provided for herein.

GOVERNING LAW

These Terms of Use, your use of the Website and the Information and the relationship between you and the Corporation in connection with the same shall be governed and construed in accordance with the laws of the State of California and those federal laws of the United States applicable therein and all matters arising in connection with the same shall be brought exclusively in the courts of California. Notwithstanding the foregoing, either party may apply to any court of competent jurisdictions to obtain injunctive relief.

SEVERABILITY

If any provision of these Terms of Use is held to be invalid or unenforceable, such provision shall be severed from these Terms of Use and the remaining provisions shall remain in full force and effect.

HEADINGS

Headings are for reference purposes only and shall not be used in the interpretation of these Terms of Use.

FORWARD-LOOKING STATEMENTS

Certain information set forth on the Website contains forward-looking statements including management's assessment of future plans and operations of Underground, the inventory of drilling prospects, the risk/reward potential of the portfolio of plays, resource estimates and recoverable resources. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Underground's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, delays resulting from or the inability to obtain required regulatory approvals, inability to retain and delays in retaining drilling rigs and other services, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions and ability to access sufficient capital from internal and external sources. The foregoing list is not exhaustive.

Any forward-looking statements contained on the Website are based on a number of factors and assumptions which have been used to develop such statements but which may prove to be incorrect. Although the Corporation believes that the expectations reflected in such forward-looking statements are reasonable, undue reliance should not be placed on forward-looking statements because the Corporation can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified on the Website, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which the Corporation operates; the timely receipt of any required regulatory approvals; the ability of the Corporation to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects which the Corporation has an interest in to operate the field in a safe, efficient and effective manner; the ability of the Corporation to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development or exploration; the timing and costs of pipeline, storage and facility construction and expansion; the ability of the Corporation to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Corporation operates; and the ability of the Corporation to successfully market its oil and natural gas products. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could effect the Corporation's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com). Furthermore, any forward-looking statements contained on the Website are made as at the date of their posting and the Corporation does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Certain documents and information contained on this Website also may contain forward-looking

statements and information and in certain of such cases, the assumptions, risks and qualifications with respect of such forward-looking statements and information are contained in such documents and reference is made thereto.

BARRELS OF OIL EQUIVALENT

Barrels of oil equivalent (boe) may be misleading, particularly if used in isolation. A boe conversion ratio of 6 mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.