



**DESTINY RESOURCE SERVICES CORP.  
MANAGEMENT INFORMATION CIRCULAR  
FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD MAY 11, 2009**

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**GENERAL PROXY INFORMATION**

**Management Solicitation Of Proxies**

This Management Information Circular is furnished in connection with the solicitation of proxies by the management of Destiny Resource Services Corp. (the "Company") for use at the Annual General Meeting of Shareholders of the Company to be held in the 35<sup>th</sup> Floor, Riverview Room at the International Hotel, 220 – 4<sup>th</sup> Avenue S.W., Calgary, Alberta on Monday, May 11, 2009 at 2:00 p.m. (Calgary Time), and at any adjournment thereof (the "Meeting"), for the purposes set forth in the accompanying Notice of Annual General Meeting of Shareholders. The solicitation of proxies will be made primarily by mail but proxies may also be solicited personally or by telephone, fax, email or other means, by directors, officers or employees of the Company to whom no additional compensation will be paid for so doing. The cost of the solicitation will be borne by the Company. Unless otherwise noted, the information contained in this Management Information Circular is given as of March 5, 2009.

**Appointment And Revocation Of Proxies**

Bruce Libin and Glen Roane, the persons named in the form of proxy enclosed with the Notice of the Meeting, are respectively the Executive Chairman and Chief Executive Officer ("CEO") and a director of the Company. **A shareholder of the Company (a "Shareholder") has the right to appoint some other person (who need not be a Shareholder) to represent the Shareholder at the Meeting. To exercise that right, a Shareholder may either insert the name of the desired representative in the blank space provided in the form of proxy enclosed with the Notice of Meeting or submit another proper form of proxy appointing the desired representative.**

A form of proxy will not be valid unless it is deposited at the offices of Valiant Trust Company, Suite 310, 606 – 4<sup>th</sup> Street S.W., Calgary, Alberta T2P 1T1, not less than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, before the time of the Meeting, or any adjournment thereof.

A Shareholder who has given a proxy may revoke it at any time before it is exercised. A proxy may be revoked by instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, executed by a duly authorized officer or attorney of the corporation, and deposited at the offices of Valiant Trust Company, Suite 310, 606 – 4<sup>th</sup> Street SW, Calgary, Alberta T2P 1T1, at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting, or adjournment thereof, or in any manner permitted by law. Upon such deposit, the proxy will be revoked as to any matter with respect to which a vote has not already been cast.

**Exercise Of Discretion By Proxyholders**

On any vote that may be called for at the Meeting or any adjournment thereof, the persons named in the accompanying Instrument of Proxy will vote or withhold from voting the common shares in the capital of the Company (the "Common Shares") respect of which they are appointed proxyholder in accordance with the instructions of the Shareholder appointing them. **In the absence of such direction, such Common Shares will be voted FOR each of the matters referred to in the Notice of Meeting and in this Information Circular.**

The accompanying Instrument of Proxy also confers discretionary authority on the persons named therein to vote Common Shares and otherwise act in the proxyholder's discretion with respect to any amendments or variations to matters identified in the Notice of Meeting and with respect to any other matters that may properly come before the Meeting or any adjournment thereof. As at the date hereof, management of the Company knows of no such amendments or variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting and in this Information Circular.

## Signing Of Proxy

An instrument appointing a proxyholder must be in writing and must be executed by the Shareholder or their attorney authorized in writing or, if the Shareholder is a corporation, in its corporate name under its corporate seal or by an officer or attorney thereof authorized in writing. A proxy signed by a person acting as attorney, executor, administrator, trustee or in some other representative capacity should indicate their capacity following their signature and be accompanied by evidence of their qualification and authority to act.

## Advice To Beneficial Holders Of Shares

The following information is important to a Shareholder (referred to in this Information Circular as a “**Beneficial Shareholder**”) that beneficially owns Common Shares but does not appear on the records of the Company as the **registered** holder thereof. Such Common Shares are instead typically registered in the name of a broker or other intermediary (including trustees or administrators of self-administered Registered Retirement Savings Plans, Registered Retirement Income Funds, Registered Education Savings Plans and similar plans) or in the name of a depository of which the intermediary is a participant.

**Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares will be recognized and acted upon at the Meeting.**

Common Shares listed in an account statement provided to a Shareholder by a broker will, in most cases, **not** be registered in the Shareholder's own name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. The directors and officers of the Company do not know for whose benefit Common Shares registered in the name of brokers or their agents or nominees are held. Without specific instructions, a broker and its agents and nominees are prohibited from voting Common Shares on behalf of their clients. **Beneficial Shareholders should therefore ensure that instructions regarding the voting of their Shares are properly communicated to the appropriate person or that the Common Shares are duly registered in their name well in advance of the Meeting.**

Applicable regulatory policy requires brokers and other intermediaries holding Common Shares for others to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. The various brokers and other intermediaries have their own mailing and delivery procedures and provide their own return instructions to their clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. In some cases, a form of proxy or voting instruction form supplied to a Beneficial Shareholder by their broker or other intermediary (or an agent or nominee of such broker or other intermediary) will be similar or even identical to the form of proxy furnished to registered Shareholders by the Company. However, its purpose is limited to instructing the registered Shareholder (the broker, intermediary, agent or nominee) how to vote on behalf of the Beneficial Shareholder. Most brokers now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically supplies voting instruction forms, mails those forms to you and asks you to return the forms to Broadridge or follow specified telephone or internet-based voting procedures. Broadridge then tabulates the results of all instructions received and provides appropriate instructions regarding the voting of Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, you cannot use that form to vote your Common Shares directly at the Meeting, but must instead return the voting instruction form to Broadridge or complete the telephone or internet-based voting procedures well in advance of the Meeting to have such Common Shares voted at the Meeting on your behalf.**

Although a Beneficial Shareholder will not be recognized directly at the Meeting for the purposes of voting Common Shares that are registered in the name of their broker or other intermediary (or an agent or nominee thereof), a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote their 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 Instrument of Proxy provided to them and return the same to their broker or other intermediary (or its agent or nominee) in accordance with the instructions provided by such broker or other intermediary (or agent or nominee) well in advance of the Meeting.

Beneficial Shareholders should contact their broker or other intermediary if they have any questions regarding the voting of Common Shares held through that broker or other intermediary.

## Voting Securities

The Company is authorized to issue an unlimited number of Common Shares. As of the close of business on March 9, 2009, there were 5,582,581 Common Shares outstanding, each of which entitles the holder, upon a ballot, to one vote at the Meeting.

## Record Date

The directors of the Company (each a “**Director**” and collectively the “**Directors**”) have set April 8, 2009 as the record date (the “**Record Date**”) for the purpose of determining Shareholders entitled to receive Notice of the Meeting. The Company will prepare a list of the names of and the number of Common Shares held by each Shareholder who is entitled to receive Notice of the Meeting. At the Meeting, a Shareholder will be entitled to vote the Common Shares shown opposite the Shareholder's name on the list except to the extent that the Shareholder has transferred any Common Shares after the record date and the transferee produces properly endorsed share certificates, or otherwise establishes ownership of such shares, and demands the inclusion of the transferee's name in the list of Shareholders not later than 10 days before the date of the Meeting.

## Principal Holders Of Shares

To the best knowledge and belief of the Directors and senior officers of the Company, there are no persons who beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than ten percent (10%) of the voting rights attached to the issued and outstanding Common Shares of the Company other than as follows:

Name of Shareholder	Number of Common Shares	Percentage of Common Shares
Matco Investments Ltd.	1,516,040	27.16
Bruce R. Libin	1,841,857 <sup>(1)</sup>	33.00

Note:

1. Includes 662,232 Common Shares held by 1149753 Alberta Ltd., a company of which Mr. Libin is the director and officer but in which he holds no shares, and includes 1,179,625 Common Shares held by Ranger Holdings Ltd., a company owned by Mr. Libin.

## Interest of Certain Persons and Companies in Matters to be Acted Upon at the Meeting

To the knowledge of the Directors and officers of the Company, as at the date hereof, there are no Directors, nominees for Director, senior officers or anyone who held office as such since the beginning of the Company's last financial year, or any associate or affiliate of any of the foregoing that has or had a material interest in any matter to be acted upon at the meeting, except as disclosed herein.

## MATTERS TO BE ACTED UPON AT THE MEETING

### Financial Statements And Auditor's Report

The audited financial statements of the Company for the fiscal period ended December 31, 2008, together with the auditor's report thereon, have been sent to Shareholders and will be placed before the Shareholders at the Meeting. No formal action will be taken at the Meeting to approve the financial statements, which have already been approved by the board of directors of the Company (the “**Board of Directors**”).

### Election Of Directors

The articles of the Company provide that the Board of Directors shall consist of not less than three (3) nor more than fifteen (15) Directors. Directors are elected annually and hold office until the close of the next annual meeting of Shareholders or until they cease to be a Director by resignation or operation of law. The Board of Directors currently consists of five (5) Directors and it is proposed that, subject to the power of the Board of Directors to appoint additional Directors between annual meetings of Shareholders, the number of Directors to be elected at the meeting be set at five (5).

The following table and the notes thereto lists the name of each person proposed to be nominated by management of the Company for election as a Director, all other positions and offices with the Company now held by him, his municipality of residence, his present principal occupation or employment, the period or periods during which he has served as a Director of the Company, and the number of Common Shares, beneficially owned, directly or indirectly, by him or over which he exercised control or direction as at March 9, 2009.

Name, Positions of Office and Municipality of Residence	Principal Occupation <sup>(4)</sup>	No. of Common Shares Owned or Controlled <sup>(1)</sup>	Period of Service as a Director
Bruce R. Libin Executive Chairman and Chief Executive Officer Calgary, Alberta <sup>(4)</sup>	Executive Chairman and Chief Executive Officer, Destiny Resource Services Corp.	1,841,857	May 20, 1994 to Present
Glen Roane <sup>(2)(3)</sup> Director Canmore, Alberta	Corporate director and independent businessman	110,564	June 27, 2001 to Present
Nathan Feldman <sup>(2)(3)</sup> Director Calgary, Alberta	President, N.S. Feldman & Associates	19,480	August 28, 2003 to Present
David McGoey <sup>(2)</sup> Director Calgary, Alberta	Chief Financial Officer, Matco Capital Ltd.	19,064	September 4, 2003 to Present
James Rathwell <sup>(3)(4)</sup> Director Calgary, Alberta	Sr. Vice President and Chief Operating Officer, Well Service Division, Trinidad Drilling Ltd.	11,564	March 21, 2005 to Present

Notes:

1. The information as to Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, not being within the knowledge of the Company, has been supplied by the respective nominees.
2. Member of the Audit Committee.
3. Member of the Compensation Committee of the Board.
4. All of the Directors of the Company have been engaged within the five preceding years in their principal occupations or in other executive capacities with the companies or firms with which they are presently associated or with affiliates or predecessors thereof, except:
  - (a.) Mr. Rathwell, who has been with Trinidad Drilling Ltd. and predecessor organizations since April 2004. Mr. Rathwell was President and Chief Executive Officer of Bowridge Resource Group Inc. from 1993 until that company was sold in November 2001. From November 2001 to April 2004 Mr. Rathwell was President and Chief Executive Officer of JLR Resources Inc.
  - (b.) Mr. McGoey, who held the position of Chief Financial Officer of Ross Smith Energy Group until September 2006.
5. The Company does not have an Executive Committee.

**Appointment Of Auditors**

Management proposes to nominate Ernst & Young LLP (“E&Y”), Chartered Accountants, for reappointment as auditors of the Company. E&Y were first appointed auditors of the Company on February 28, 1994.

**OTHER MATTERS**

Management of the Company knows of no amendment, variation or other matter to come before the Meeting, other than the matters referred to in the Notice of Meeting accompanying this Information Circular. **However, if any other matter properly comes before the Meeting, the persons named in the enclosed form of proxy will vote on such matters in accordance with their best judgment.**

## COMPENSATION OF THE EXECUTIVE OFFICERS

The Compensation Discussion and Analysis below provides information regarding all significant elements of compensation paid, awarded or otherwise provided by the Company to management and staff, and more specifically, to Messrs. Libin, Egli, Holt, Pilioci, and Scott (the Company's "Named Executive Officers").

### Compensation Discussion and Analysis

The Compensation Committee (the "**Committee**") administers the Company's executive and management compensation program. The Committee is comprised of the three unrelated and independent members of the Board of Directors: Messrs. Feldman (Chair), Rathwell and Roane. It is the Committee's responsibility to review the structure and competitiveness of the Company's compensation and benefits programs generally, to make compensation recommendations to the Board of Directors and to administer awards of remuneration to the Company's senior officers, all of whom are included as Named Executive Officers in the Summary Compensation Table.

The Executive Chairman and Chief Executive Officer ("CEO") presents recommendations and rationale to the Committee regarding salary adjustments, short-term and long-term incentive grants for executive officers and seeks approval for the aggregate amounts for these compensation components for all other employees. The CEO may also recommend changes to the compensation components from time to time. The Committee discusses these recommendations with the CEO and then, in an in camera session, decides on what final recommendations will be presented to the Board of Directors for approval.

### *Compensation Philosophy*

Destiny is a public company providing front-end seismic services to the North American oil and gas industry. The Company is focused on maximizing value for its Shareholders by:

- Providing value added services for clients;
- Maintaining positive annual net earnings and cash flows over the long-term; and
- Attracting and retaining the best personnel in its industry.

This compensation philosophy is designed to align the short and long-term performance, actions and decisions of the Named Executive Officers and certain employees with the goal of maximizing value for the Shareholders. The components of the compensation program have been designed to accomplish the following objectives:

- to attract and retain key personnel
- to reward executives for achieving strategic corporate objectives
- to motivate executives to act in the best interests of the Shareholders
- to ensure that the compensation for executive positions is competitive
- to encourage talented personnel to aspire to executive positions

The compensation philosophy balances both short-term and long-term objectives. The short-term program rewards employees on the execution of the annual business plan which is measured against the budget approved by the Board of Directors at the beginning of the year. The long-term program provides incentive through the anticipated appreciation in the Company's share price over time. If, in a given year, the Company does not have pre-tax income above a threshold determined for the Profit-Sharing Plan then only the base salary plus the vested portion of past profit sharing entitlements would be received by the Named executive Officers.

### *Compensation Elements*

The Company's compensation program presently has the following components:

- Base salary (Short term)
- Profit sharing (Short and long term)
- Group savings plan (Long term)
- Defined benefit or actuarial plan (Long term)

In addition, the Named Executive Officers participate in the various benefit programs made available to the employees.

## **Base Salary**

This element provides a competitive salary to attract and retain capable individuals. Salaries are generally targeted to be in the range greater than the 50<sup>th</sup> percentile in the industry that the Company operates. Other factors considered are the employee's level of responsibility, experience and their individual performance. For 2009 there were no base salary increases for the top 25 managers in the Company, with the exception of two situations where significant changes in roles, responsibilities and credentials occurred.

## **Profit-Sharing**

Recommendations for participation in and awards from the Company's profit-sharing plan (the "**Profit-Sharing Plan**") are presented to the Committee by the CEO.

Commencing in 2005, the Company instituted a Profit-Sharing Plan to better align the Company's incentive compensation for key employees with the interests of Shareholders. The plan, which replaces bonuses and the grant of stock options for the individuals involved, is intended to have the participating employees more focused on the Company's bottom line performance and to enable the Company to retain and attract operating and executive management in a competitive environment. Awards are made one-half in cash and one-half in shares, which shares are purchased in the market as described in the Statement of Executive Compensation.

Through 2008, the Profit-Sharing Plan provided that up to one-third of earnings before income taxes, after deducting the pre-tax equivalent of a priority return to Shareholders of \$1,500,000, were available for awards to participating employees. See "Changes to Compensation Program for 2009" below.

For the Named Executive Officers, the potential is 58% of the available amount. Each member of the Named Executive Officers participates as to their pro-rata share of salaries (or deemed salaries) of the group as a whole. In January of the following year, each member of the Named Executive Officers is reviewed and evaluated (by their peers, their direct reports and the CEO) and awarded a percentage of their eligible amount. Thus, for each member, the award varies with Company profit, their salary (or deemed salary), the performance of the business or area of their primary responsibility and their individual performance.

The potential for the Operations Team is 42% of the available amount. The Operations Team is comprised of non-executive managers. At the beginning of each fiscal year, the Compensation Committee, on the recommendation of the Executive Management Team, allocates to each member of the Operating Team a percentage of this potential amount as their participation in the Profit-Sharing Plan. In January of the following year, each member of the Operations Team is reviewed and evaluated and awarded a percentage of their eligible amount. For each person, the award varies with Company profit, their capacity to contribute to profit, the performance of the business or area of their primary responsibility and their individual performance.

## **Group Savings Plan**

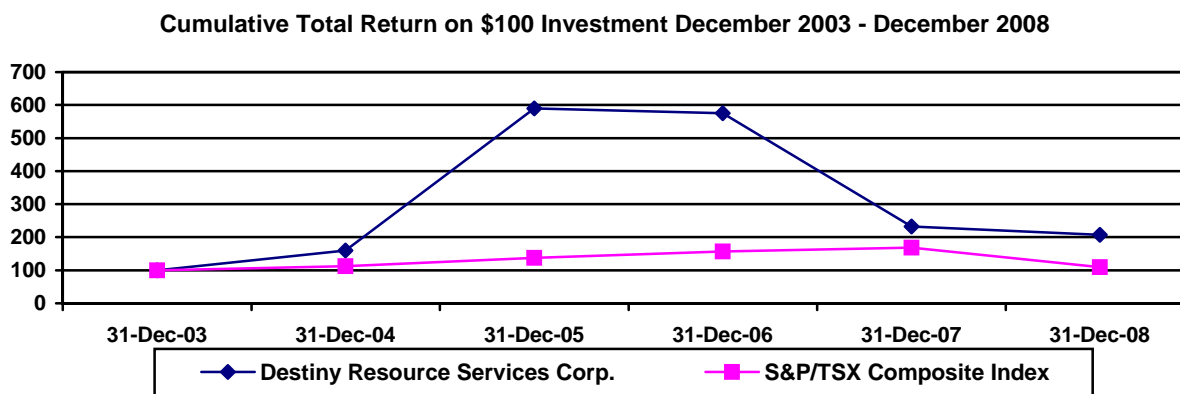
The Company has in place an employee group savings plan that provides the Named Executive Officers and employees with the ability to build wealth for retirement or other financial goals. Employees make contributions into the established group plan which are then matched by the Company ranging from 1% to 5% depending on position and length of service. Vesting of the Company portion is 20% at the end of the first year, which grows to 100% at the end of 2 years on the plan.

## **Other Perquisites**

The perquisite program for Named Executive Officers include a company provided vehicle and paid health and welfare benefits. These programs help to enhance the fixed elements of the compensation package in order to attract and retain Named Executive Officers.

## Share Performance Graph

The following graph illustrates changes in cumulative Shareholder return assuming that \$100 was invested on December 31, 2002 in Common Shares of the Company and the S&P/TSX Composite Index ("GSPTSE") and assuming reinvestment of dividends, if applicable.



Month	Destiny	S&P/TSX
December 31, 2003	100.00	100.00
December 31, 2004	160.00	112.48
December 31, 2005	590.00	137.12
December 31, 2006	575.50	157.02
December 31, 2007	232.00	168.27
December 31, 2008	207.50	109.33

Named Executive Officer's are awarded 50% of their Profit-Sharing Plan entitlement for an eligible year in shares. As two-thirds of the share award vests over the following two years, a portion of the compensation of the Named Executive Officers varies directly with the performance of the Company's shares.

## Option Based Awards

As at December 31, 2008 there were no options outstanding. No options have been granted since 2003. The Company has no present plans to grant options. The Company believes the vesting share component of the Profit-Sharing Plan is an approach to align compensation with the interests of shareholders.

## Summary Compensation Table

The following table summarizes the compensation paid during the periods indicated to the Company's Named Executive Officers for the years ended December 31, 2008, 2007 and 2006.

Name and principal position	Year	Salary (\$000's)	Share-based awards <sup>(1)</sup> (\$000's)	Option-based awards (\$000's)	Non-equity incentive plan compensation (\$000's)		Pension value (\$000's)	All other compensation (\$'000s) <sup>(2)</sup>	Total compensation (\$000's)
					Annual incentive plans <sup>(1)</sup>	Long term incentive plans			
<b>Bruce R. Libin</b> Executive Chairman and Chief Executive Officer <sup>(3)</sup>	2008	120.0	21.1	NIL	21.1	NIL	NIL	21.2	183.4
	2007	120.0	NIL	NIL	NIL	NIL	NIL	29.0	149.0
	2006	120.0	161.4	NIL	330.9	NIL	NIL	25.4	637.7
<b>Patrick Egli</b> Vice-President Finance & Administration Chief Financial Officer, Corporate Secretary	2008	155.8	19.5	NIL	19.5	NIL	NIL	14.2	209.0
	2007	134.6	NIL	NIL	NIL	NIL	NIL	12.4	147.0
	2006	127.0	22.9	NIL	47.0	NIL	NIL	9.8	206.7
<b>James O. Holt</b> Chief Operating Officer, Destiny Resource Services, Inc. and President, Destiny Drilling Inc.	2008	232.1	24.1	NIL	24.1	NIL	NIL	56.1	336.4
	2007	206.9	NIL	NIL	NIL	NIL	NIL	5.8	212.7
	2006	173.5	87.1	NIL	178.5	NIL	NIL	5.5	444.6
<b>Joe Pileci</b> Vice-President, Geospatial Services	2008	201.3	16.9	NIL	16.9	NIL	NIL	17.1	252.2
	2007	177.3	NIL	NIL	NIL	NIL	NIL	18.0	195.3
	2006	170.0	80.7	NIL	165.4	NIL	NIL	13.6	429.7
<b>Pete Scott</b> Vice-President, Drilling and Chief Safety Officer	2008	201.3	25.9	NIL	25.9	NIL	NIL	18.2	271.3
	2007	177.0	NIL	NIL	NIL	NIL	NIL	16.4	193.4
	2006	44.5	17.9	NIL	36.7	NIL	NIL	53.2	152.3

### Notes:

1. Represents the Company's Profit-Sharing Plan. Commencing with 2005, named executives have been eligible for awards pursuant to the Company's Profit-Sharing Plan. The amounts shown above relate to the fiscal year with respect to which the awards are made. For each Profit-Share award, one-half is paid in cash at the time of the determination of the award (January or February of the ensuing year) and one-half is used to buy Common Shares of the Company in the market. One-third of the shares vest and are distributed at the time of the award. The remaining two-thirds vest on the first and second anniversaries of the awards. Until vested, shares are held in trust. Recipients of awards are entitled to receive any dividends on shares in trust. The amounts shown above reflect the cash component together with the value of the share component, calculated at market value, when the shares are transferred or, with respect to 2008, the value at the date of the award. (These amounts for 2007 were reported on the vested portion and the potential unvested portion whereas for 2008 the reporting is on the actual value received in a given year.)
2. Amounts included in Other Annual Compensation for perquisites and other personal benefits were comprised of payments with respect to vehicles, group life, health and dental plans, parking, and Alberta Health Care payments.
3. In 2002, the Company established a defined benefit pension plan for Mr. Libin. The pension at normal retirement consists of a pension for service on and after January 1, 1991 equal to 2.0% of Credited Service times the Average Compensation. The pension shall not exceed \$1,722.22 indexed after 2004 to increase in the average wage times the number or years of Credited Service. Payments to this plan for 2004 and beyond come from Mr. Libin's salary and/or bonus amounts and are not in addition thereto. See "Defined Benefit Plans" below.

**Outstanding Share-Based Awards and Option-Based Awards as at December 31, 2008 for Named Executive Officers**

The following table provides information relating to all awards outstanding as of December 31, 2008 for the Named Executive Officers.

Name	Option-based Awards <sup>(1)</sup>					Share-based Awards (Performance Awards) <sup>(2)</sup>	
	Number of securities underlying		Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options (\$)	Number of Shares that have not vested (#)	Market or payout value of Share-based awards that have not vested (\$)
	exercisable Options (#)	unexercisable Options (#)					
Bruce R. Libin	NIL	NIL	N/A	N/A	NIL	11,487	23,548
Patrick Egli	NIL	NIL	N/A	N/A	NIL	1,631	3,344
James O. Holt	NIL	NIL	N/A	N/A	NIL	6,196	12,702
Joe Piliéci	NIL	NIL	N/A	N/A	NIL	5,743	11,773
Pete Scott	NIL	NIL	N/A	N/A	NIL	1,274	2,612

Notes:

1. There were no option based awards outstanding as at December 31, 2008.
2. This represents the third and final vested portion of the 50% share component of the 2006 profit sharing entitlement. There were no Profit-Sharing Plan awards made with respect to 2007.

**Incentive Plan Awards – Value Vested or Earned During the Year ended December 31, 2008 for Named Executive Officers**

The following table provides the value, if any, that vested or was earned during 2008 for each Named Executive Officer.

Name	Option-based awards – Value vested during the year				Share-based awards-Value vested during the year <sup>(1)</sup> (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
	Date Vested	# Vested	In the Money Value on Date Vested (\$)	In the Money Value at Year End of remaining Option-based awards that had vested during year (\$)		
Bruce R. Libin	N/A	NIL	NIL	NIL	23,548	NIL
Patrick Egli	N/A	NIL	NIL	NIL	3,344	NIL
James O. Holt	N/A	NIL	NIL	NIL	12,702	NIL
Joe Piliéci	N/A	NIL	NIL	NIL	11,773	NIL
Pete Scott	N/A	NIL	NIL	NIL	2,612	NIL

Note:

1. This represents the second vested share portion from the 2006 profit sharing entitlement. There was no profit sharing entitlement earned for 2007.

## Stock Option Plan

The Company has a fixed stock option plan (the “Plan”) under which the Company may grant to Directors, officers, management and employees options to purchase up to 249,900 Common Shares of which none are outstanding as at December 31, 2008. The exercise price of each option equals the closing price of the Company’s stock on the last trading date preceding the date of grant. An option’s term can vary as specified in the option agreement. Subject to early exercise or termination, all options have a term of 7 years from the date of grant. A summary of the status of the Plan is as follows:

	2008		2007	
	# of Options	Weighted Average Exercise Price	# of Options	Weighted Average Exercise Price
Outstanding at beginning of year	30,000	\$6.45	51,000	\$5.97
Exercised	5,500	\$4.00	-	-
Expired	(24,500)	\$7.00	(21,000)	\$5.29
Outstanding at year end	-	-	30,000	\$6.45
Options exercisable at year end	-	-	30,000	\$6.45

## Defined Benefit Plans

The following table outlines the pension plan payments or benefits at, following, or in connection with retirement.

Name	Number of Years credited service (#)	Annual benefits payable (\$)		Accrued obligation at start of year (\$)	Compensatory change (\$)	Non-compensatory change (\$)	Accrued obligation at year end (\$)
		At year end	At age 65				
Bruce R. Libin	6	NIL	43,125	295,575	30,367	28,748	354,690
Patrick Egli	N/A	NIL	NIL	NIL	NIL	NIL	NIL
James O. Holt	N/A	NIL	NIL	NIL	NIL	NIL	NIL
Joe Pilioci	N/A	NIL	NIL	NIL	NIL	NIL	NIL
Pete Scott	N/A	NIL	NIL	NIL	NIL	NIL	NIL

The Company administers a defined benefit designated pension plan for executive members of management. In accordance with applicable pension laws and based on amounts estimated by the Actuary, the Company is liable for the amount that is required to provide the benefits accruing in the year and to fund any liability. (From inception through 2008, only the CEO participated in this plan; from 2004 through 2008, contributions to this plan have come from an off-set to the CEO’s salary and/or bonus amounts and are not in addition thereto.) In 2008 this amount is approximately \$0.1 million (2007 less than \$0.1 million). The total actuarial liability as at December 31, 2008 is approximately \$0.4 million (2007 approximately \$0.3 million) and the pension asset approximately \$0.2 million (2007 approximately \$0.3 million). Pursuant to an agreement between the Company and the CEO, the CEO will receive reduced compensation for the next 3 years so that the CEO bears this liability.

Commencing with 2009, the Plan will be available to all executive officers and it is expected five other executives will participate in 2009. In each case, the participating executive will fund the contributions required by an off-set from their respective salary and/or bonus amounts and are not in addition thereto. The Company will be responsible for any shortfall in required returns on funds invested from the date of investment.

## Employment Contracts and Termination of Employment

The Company has entered into employment contracts with each of the Named Executive Officers. The contracts provide for employment in their respective positions on an indefinite term basis at an annual salary subject to periodic review. The contract for Mr. Libin does not provide for a payment in the event of termination of employment. Contracts for the Named Executive Officers provide that in the event of termination of employment without cause, they will receive a payment equivalent up to 12 month's salary and benefits. Each employment contract contains provisions with respect to confidentiality of information, non-competition and non-solicitation; payments, where applicable, are not conditional upon observance of these provisions.

The following table sets forth estimates of the amounts payable to each of the Named Executive Officers upon the specified termination events, assuming that each such event took place on the last business day of fiscal year 2008.

	<b>Bruce Libin (\$)</b>	<b>Patrick Egli (\$)</b>	<b>James O. Holt (\$)</b>	<b>Pete Scott (\$)</b>	<b>Joe Pilienci (\$)</b>
<b>Involuntary Termination / Termination Without Cause</b>					
Cash Portion <sup>(1)</sup>	NIL	155,800	232,100	201,300	201,300
Value of Option & Share Based Awards <sup>(2)</sup>	<u>23,548</u>	<u>3,344</u>	<u>12,702</u>	<u>2,612</u>	<u>11,773</u>
<b>Total</b>	<b>23,548</b>	<b>159,144</b>	<b>244,802</b>	<b>203,912</b>	<b>213,073</b>
<b>Termination Following Change in Control</b>					
Cash Portion <sup>(1)</sup>	NIL	155,800	232,100	201,300	201,300
Value of Option & Share Based Awards <sup>(2)</sup>	<u>23,548</u>	<u>3,344</u>	<u>12,702</u>	<u>2,612</u>	<u>11,773</u>
<b>Total</b>	<b>23,548</b>	<b>159,144</b>	<b>244,802</b>	<b>203,912</b>	<b>213,073</b>

Notes:

1. This represents 12 months salary as at December 31, 2008 with the exception of Mr. Libin.
2. This represents the unvested share portion of the 2006 profit sharing award as at December 31, 2008. There was no profit sharing entitlements earned for 2007.

## Changes to the Compensation Program for 2009

### *Profit-Sharing Plan*

The terms of the Profit-Sharing Plan have been amended, providing recognition of the dividends paid by the Company since the inception of the Profit-Sharing Plan and instituting caps on the amount available to any one member of the Profit-Sharing Plan. Up to 15% of pre-tax earnings (excluding foreign exchange gain or loss) between \$350,000 and \$2,100,000 and up to 30% of such earnings above \$2,100,000 will be available for allocation under the Profit-Sharing Plan. The maximum amount a member of the Operations Team can be allocated under the Profit-Sharing Plan for any year is 90% of their base salary for that year. For members of the Named Executive Officers this maximum is 133% of their base (or deemed base) salary.

The Company believes that a lower threshold for eligibility combined with a maximum level for each member represents a good balance of long-term incentive for the employee and the maximization of Shareholder returns.

## COMPENSATION OF DIRECTORS

The Company had four external directors, independent of management. In aggregate, directors received compensation in the amount of \$148,000 for the year ended December 31, 2008 (\$147,000 in 2007). Directors are paid \$30,000 for the year (half in cash and half in shares at fair market value) and \$1,000 per meeting. Commencing with 2009, the Chair of the Audit Committee will receive an additional \$3,000. Directors who are employees of the Company do not receive the aforementioned fees.

## Director Compensation Table

During 2008, the directors of the Corporation were compensated in the manner outlined in the table below.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Bruce R. Libin	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Glen Roane	21,000	15,000	NIL	NIL	NIL	NIL	36,000
Nathan Feldman	23,000	15,000	NIL	NIL	NIL	NIL	38,000
David McGoey	23,000	15,000	NIL	NIL	NIL	NIL	38,000
James Rathwell	21,000	15,000	NIL	NIL	NIL	NIL	36,000

## Outstanding Share-Based Awards and Option-Based Awards as at December 31, 2008 for Directors

The following table provides information relating to all awards outstanding as of December 31, 2008 for the Directors.

Name	Option-based Awards <sup>(1)</sup>					Share-based Awards (Performance Awards) <sup>(1)</sup>	
	Number of securities underlying		Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options (\$)	Number of Shares that have not vested (#)	Market or payout value of Share-based awards that have not vested (\$)
	exercisable Options (#)	unexercisable Options (#)					
Bruce R. Libin	NIL	NIL	NIL	N/A	NIL	NIL	NIL
Glen Roane	NIL	NIL	NIL	N/A	NIL	NIL	NIL
Nathan Feldman	NIL	NIL	NIL	N/A	NIL	NIL	NIL
David McGoey	NIL	NIL	NIL	N/A	NIL	NIL	NIL
James Rathwell	NIL	NIL	NIL	N/A	NIL	NIL	NIL

Note:

1. There were no option-based or share-based awards outstanding as at December 31, 2008.

## Incentive Plan Awards – Value Vested or Earned as at December 31, 2008 for Directors

The following table provides the value, if any, that vested or was earned during 2008 for each Director.

Name	Option-based awards – Value vested during the year <sup>(1)</sup>				Share-based awards-Value vested during the year <sup>(1)</sup> (\$)	Non-equity incentive plan compensation – Value earned during the year <sup>(1)</sup> (\$)
	Date Vested	# Vested	In the Money Value on Date Vested (\$)	In the Money Value at Year End of remaining Option-based awards that had vested during year (\$)		
Bruce R. Libin	N/A	NIL	NIL	NIL	NIL	NIL
Glen Roane	N/A	NIL	NIL	NIL	NIL	NIL
Nathan Feldman	N/A	NIL	NIL	NIL	NIL	NIL
David McGoey	N/A	NIL	NIL	NIL	NIL	NIL
James Rathwell	N/A	NIL	NIL	NIL	NIL	NIL

Notes:

1. There were no Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year for Directors

## INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

None of the Directors, senior officers nor their associates or affiliates is or has been indebted to the Company at any time during the last completed financial year of the Company.

## DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company has purchased a \$10,000,000 comprehensive liability insurance policy on behalf of the Directors and officers of the Company.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board of Directors believes that sound and appropriate corporate governance practices are important and has responded to the adoption of National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), on which TSX repealed their disclosure requirement with respect to the 14 Corporate Governance Guidelines on June 30, 2005 and replaced it with the requirement to provide disclosure according to NI 58-101. The particulars of Destiny’s corporate governance system are described below. For a detailed review of the Company’s alignment with the guidelines, see Schedule “A” attached to this Information Circular.

### *Board Composition*

The Board of Directors is presently composed of five members. Four of the five members of the Board, being Messrs. Roane, Feldman, McGoey and Rathwell, are “independent” (as defined in NI 58-101). The Board has concluded that Mr. Libin is not independent by virtue of the fact that he is a member of management of the Company. The Company believes that composition of the Board of Directors fairly reflects the investment of minority Shareholders. The Chair of the Board is Mr. Libin and the Lead Director is Mr. Roane.

### *Board Committees*

The Board of Directors has two committees, each of which is described below. The Board of Directors as a whole attends to governance functions.

*Audit Committee.* The Audit Committee is responsible for reviewing the Company's financial reporting procedures, internal controls and the duties of the Company's external auditors. In addition, the Audit Committee meets quarterly with the Company's auditors and reviews the Company's financial statements and the auditors' report or comments thereon before they are submitted to the Board of Directors for approval.

*Compensation Committee.* The Compensation Committee administers the Company's executive compensation program. For further information on the duties of the Committee see "Compensation Committee and Report on Executive Compensation".

During the fiscal 2008 year, there were 7 meetings of the Board of Directors. In addition, the Board of Directors approved several written resolutions without meeting.

### *Mandate of the Board*

The Board of Directors has ultimate responsibility with respect to the business and affairs of the Company. The Board of Directors discharges its responsibilities through the Audit Committee, the Compensation Committee and the senior executive officers of the Company. At meetings of the Board of Directors, members receive and discuss reports on the operations of the Company, financial statements and information, significant capital expenditures, proposed debt and equity financing, strategic plans and any other matters of a material nature. The day to day operations are delegated to the senior management of the Company. All matters of a material nature or significant tactical or strategic importance require the approval of the Board of Directors.

Meetings are scheduled to review and approve the audited and unaudited financial statements of the Company and to deal with such other business as may properly come before such meetings. Frequency of meetings, as well as the nature of the business to be discussed thereat, varies depending upon the activities of the Company and other events that affect the Company in the course of its operations.

### *Shareholder Communications*

Senior management of the Company is generally responsible for Shareholder communications. Shareholder enquiries are forwarded to the appropriate senior officer of the Company for response.

### *Expectations of Senior Management*

There are strong lines of communication between management and the Board of Directors. The Board of Directors is involved in monitoring and assessing senior management principally through contact with the senior management team and through discussions at meetings of the Board of Directors. In addition, the Compensation Committee assesses the individual performance of the senior management as part of its compensation review.

### *Audit Committee Disclosure*

The Audit Committee is currently made up of three (3) unrelated and independent Directors: David McGoey (Chair), Nathan Feldman and Glen Roane. Canadian securities regulation requires all Audit Committee members be financially literate. Destiny's Board of Directors has determined that all members of the Audit Committee are financially literate.

The Audit Committee communicates regularly and directly with management and the Shareholders' auditors. The Audit Committee met four times in 2008. Time was set aside regularly to meet with the Shareholders' auditors, without management.

See "Audit Committee Information" in our Annual Information Form dated March 9, 2009 for more information about the Audit Committee, including the Mandate of the Audit Committee and information about the independence, financial literacy, relevant education and experience of Audit Committee members.

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

Other than as disclosed herein, to the knowledge of the Directors and officers of the Corporation, none of the Directors or executive officers of the Corporation, nor any person or company that beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the voting rights attached to all outstanding voting securities of the Corporation, nor any of their respective associates or affiliates, has or has had any material interest, direct or indirect, in any transaction since the start of the Corporation's last financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

## **ADDITIONAL INFORMATION**

Additional information relating to Destiny Resource Services Corp. may be found on SEDAR at [www.sedar.com](http://www.sedar.com), including Directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans which is contained in the Company's information circular for the May 11, 2009 Annual General Meeting and is provided in the Company's consolidated financial statements and MD&A for the year ended December 31, 2008.

## SCHEDULE "A"

### DESTINY RESOURCE SERVICES CORP.

#### Information Circular for the Annual General Meeting of Shareholders to be held on May 11, 2009

#### CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices ("NP 58-101"), the Company is required to disclose its corporate governance practices, as summarized below with respect to 2008.

#### 1. Board of Directors

The Board of Directors is presently composed of five members, the majority of whom are independent. Mr. Libin is a member of management. Messrs. Roane, Feldman, McGoey and Rathwell are independent of management and except for shares of the Company that they may hold; they are free of any interest, business or other relationship which could reasonably be perceived to materially interfere with their ability to act with a view to the best interest of the Company. Mr. Libin is the Chairman of the Board of Directors. Mr. Roane is Lead Director. ("Lead Director" means, when the Chair of the Board is an executive officer, the director who presides over meetings, in the absence of executive officers, of the independent directors and who shares with the Chair of the Board the responsibility for ensuring the independence of the Board and the effectiveness of the Board's functioning.) The Company believes the composition of the Board of Directors fairly reflects the investment of minority Shareholders.

The independent directors regularly hold scheduled meetings at which the non-independent director and members of management are not in attendance. Four such meetings were held in 2008.

Director	Independent or Not	Directorships in other public companies	Attendance at Meetings <sup>(1)</sup>
Bruce Libin <sup>(2)</sup>	Not Independent	Provident Energy Trust; Winstar Resources Ltd.	7 of 7
Glen Roane	Independent	Badger Income Fund; Enerplus Resources Fund; GBC North American Fund Inc.	5 of 7
Nathan Feldman	Independent	N/A	7 of 7
David McGoey	Independent	N/A	7 of 7
James Rathwell	Independent	N/A	6 of 7

Notes:

1. During the fiscal year ended December 31, 2008, the Board held 7 meetings.
2. Bruce Libin is Executive Chairman and Chief Executive Officer of the Company and is therefore defined by regulation not to be independent.

#### 2. Board Mandate

The Board of Directors of the Company has ultimate responsibility with respect to the business and affairs of the Company. The Board of Directors discharges its responsibilities through the Audit Committee, the Compensation Committee and the senior executive officers of the Company. Mr. Libin, the Executive Chairman and Chief Executive Officer of the Company, is a member of the Board of Directors. At meetings of the Board of Directors, members receive and discuss reports on the operations of the Company, financial statements and information, significant capital expenditures, proposed debt and equity financing, strategic plans and any other matters of a material nature.

The day to day operations are delegated to the senior management of the Company. All matters of a material nature or significant tactical or strategic importance require the approval of the Board of Directors.

Meetings are scheduled to review and approve the audited and unaudited financial statements of the Company and to deal with such other business as may properly come before such meetings. Frequency of meetings, as well as the nature of the business to be discussed thereat, varies depending upon the activities of the Company and other events that affect the Company in the course of its operations.

During the fiscal 2008 year, there were 7 meetings of the Board of Directors. In addition, the Board of Directors approved several written resolutions without meeting.

#### *Board Committees*

The Board of Directors has two committees, each of which is described below. The Board of Directors as a whole attends to governance functions.

*Audit Committee.* The Audit Committee is responsible for reviewing the Company's financial reporting procedures, internal controls and the duties of the Company's external auditors. In addition, the Audit Committee meets quarterly with the Company's auditors and reviews the Company's financial statements and the auditors' report or comments thereon before they are submitted to the Board of Directors for approval.

*Compensation Committee.* The Compensation Committee administers the Company's executive compensation program. For further information on the duties of the Committee see "Compensation Committee and Report on Executive Compensation".

#### *Policy Statement*

The Board of Directors (the "Board") of Destiny Resource Services Corp. (the "Company") has the responsibility to oversee the conduct of the business of the Company and to oversee the activities of management who are responsible for the day-to-day conduct of the business of the Company.

#### *Composition and Operation*

The Board is to be constituted of a majority of individuals who qualify as unrelated directors. An unrelated director is one who is independent of management and is free from any interest and any business or other relationship, which could or could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interest of the Company other than interests and relationships arising from shareholdings.

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility of managing its own affairs including selecting its Chairman, nominating candidates for election to the Board, constituting committees of the full Board and determining compensation for the directors. Subject to the Articles and By-Laws of the Company and the Alberta Business Corporations Act, the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board.

#### *Responsibilities*

The Board's fundamental objectives are to enhance and preserve long-term Shareholder value, to ensure the Company meets its obligations on an ongoing basis and that the Company operates in a reliable and safe manner. In performing its functions, the Board should also consider the legitimate interests that its other stakeholders such as employees, customers and communities may have in the Company. In broad terms, the stewardship of the Company involves the Board in strategic planning, financial reporting, risk management and mitigation, senior management determination, communication planning and internal control integrity.

#### *Specific Duties*

1. Legal Requirements
  - (a) the Board has the oversight responsibility for meeting the Company's legal requirements and for properly preparing, approving and maintaining the Company's documents and records.
  - (b) The Board has the statutory responsibility to:
    - (i) manage the business and affairs of the Company;
    - (ii) act honestly and in good faith with a view to the best interests of the Company;
    - (iii) exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and

- (iv) act in accordance with its obligations contained in the Alberta Business Corporations Act and the regulations thereto, the Articles and By-Laws of the Company, and other relevant legislation and regulations.
- (c) The Board has the statutory responsibility for considering the following matters as a full Board which under law may not be delegated to management or to a committee of the Board:
- (i) any submission to the Shareholders of a question or matter requiring the approval of the Shareholders;
  - (ii) the filling of a vacancy among the Directors;
  - (iii) the issuance of securities;
  - (iv) the declaration of dividends;
  - (v) the purchase, redemption or any other form of acquisition of shares issued by the Company;
  - (vi) the payment of a commission to any person in consideration of his/her purchase or agreeing to purchase shares of the Company from the Company or from any other person, or procuring or agreeing to procure purchasers for any such shares;
  - (vii) the approval of management proxy circulars; and
  - (viii) the approval of any take-over bid circular or Directors' circular.
2. Independence  
The Board shall have the responsibility to:
- (a) implement appropriate structures and procedures to permit the Board to function independently of management;
  - (b) implement a system which enables the Board to engage an outside advisor at the expense of the Company in appropriate circumstances; and
  - (c) provide an orientation and education program for newly appointed members of the Board.
3. Strategy Determination  
The Board shall:
- (a) adopt and annually review a strategic planning process and approve the corporate strategic plan, which takes into account, among other things, the opportunities and risks of the business; and
  - (b) annually review operating and financial performance results relative to established strategy, budgets and objectives.
4. Managing Risk  
The Board has the responsibility to understand the principal risks of the business in which the Company is engaged, to achieve a proper balance between risks incurred and the potential return to Shareholders, and to confirm that there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Company.
5. Appointment, Training and Monitoring of Senior Management  
The Board shall:
- (a) appoint the Chief Executive Officer ("CEO") and senior officers, approve (upon recommendations from the Compensation Committee) their compensation, and monitor the CEO's performance against a set of mutually agreed corporate objectives directed at maximizing Shareholder value;
  - (b) ensure that a process is established that adequately provides for succession planning, including the appointment, training and monitoring of senior management; and
  - (c) establish limits of authority delegated to management.
6. Reporting and Communication  
The Board has the responsibility to:
- (a) verify that the Company has in place policies and programs to enable the Company to communicate effectively with its Shareholders, other stakeholders and the public generally;
  - (b) verify that the financial performance of the Company is adequately reported to Shareholders, other security holders and regulators on a timely and regular basis;
  - (c) verify that the financial results are reported fairly and in accordance with generally accepted accounting standards;
  - (d) verify the timely reporting of any other developments that have a significant and material impact on the value of the Company; and
  - (e) report annually to Shareholders on its stewardship of the affairs of the Company for the preceding year.

7. **Monitoring and Acting**  
The Board has the responsibility to:
  - (a) review and approve the Company's financial statements and oversee the Company's compliance with applicable audit, accounting and reporting requirements;
  - (b) verify that the Company operates at all times within applicable laws and regulations to the highest ethical and moral standards;
  - (c) approve and monitor compliance with significant policies and procedures by which the Company is operated;
  - (d) monitor the Company's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
  - (e) take such action as it determines appropriate when performance falls short of its goals and objectives or when other special circumstances warrant; and
  - (f) verify that the Company has implemented adequate internal control and information systems which ensure the effective discharge of its responsibilities.
  
8. **Environmental, Health and Safety Matters**  
The Board shall review the effectiveness and adequacy of safety and environmental control, reporting, training and response procedures, which may include:
  - (a) discussing the Company's safety and environmental policies with management;
  - (b) discussing safety and environmental standards with management in relation to current regulations;
  - (c) reviewing the Company's procedures for identifying, controlling, reporting and responding to safety and environmental incidents;
  - (d) monitoring the Company's safety and environmental training and staff evaluation practices;
  - (e) reviewing the Company's system of record keeping and obtaining base-line environmental data;
  - (f) reviewing the Company's methods of evaluating compliance with its policies and regulatory requirements and discussing the results with management; and
  - (g) reviewing the Company's accounting and reporting of environmental costs, liabilities and contingencies.
  
9. **Other Activities**
  - (a) the Board shall prepare and distribute the schedule of Board meetings for each upcoming year; and
  - (b) the Board may perform any other activities consistent with this mandate, the By-Laws of the Company and any other governing laws as the Board determines necessary or appropriate.

### **3. Position Descriptions**

The Board has not developed written position descriptions for any of the chair, the chair of each Board committee or the CEO. Instead, the Board delineates the role and responsibilities of each such position by utilizing the knowledge and experience of the members of the Board, as a whole.

### **4. Orientation and Continuing Education**

New directors are provided with material with respect to the Company, its operations and finances and the role of the Board, its committees and directors. Audit Committee meetings, which generally include all directors, will often include a component on new reporting responsibilities and initiatives. Board meetings often include presentations by management which serves as part of the continuing education of the directors. Directors are offered, from time to time, the opportunity to see operations of the Company. Directors are encouraged to participate in continuing education with respect to its duties and responsibilities.

### **5. Ethical Business Conduct**

The Board has adopted a written Code of Business Conduct, a copy of which is available from the Corporate Secretary. The Board satisfies itself regarding compliance with the Code by asking questions of management and the auditors.

There have been no transactions for which a director or executive officer has a material interest. Should such a matter arise, the Board will exclude the interested person from participating in the discussion and vote, if required, on the matter.

## **6. Nomination of Directors**

The Board as a whole has acted as a nominating committee. The independence and capability of directors helps assure an objective process is achieved. With respect to the addition of Mr. Rathwell to the nominees for the 2005 annual general meeting, the Board determined to seek a candidate who had experience in the oilfield services industry. Several names were suggested. Mr. Libin approached Mr. Rathwell, following which Mr. Rathwell spoke with the other members of the Board.

## **7. Compensation**

The members of the Compensation Committee are Messrs. Feldman (Chair), Rathwell and Roane, each an independent director.

The Compensation Committee administers the Company's executive compensation program. It is the Compensation Committee's responsibility to review the structure and competitiveness of the Company's compensation and benefits programs generally, to make compensation recommendations to the Board of Directors and to administer the awards of remuneration to the Company's senior officers. The Compensation Committee also makes recommendations to the Board with respect to the compensation of the independent directors. Mr. Libin receives no compensation as a director.

The Company's executive compensation program has two components: base salary and profit sharing. In addition, the Company's executive officers participate in the Company's various benefit programs made available to Company employees. The components of the executive compensation program have been designed to accomplish the following objectives:

1. to attract and retain key personnel
2. to reward executives for achieving strategic corporate objectives
3. to motivate executives to act in the best interests of the Shareholders
4. to ensure that Destiny's compensation for executive positions is competitive
5. to encourage talented personnel within Destiny to aspire to executive positions

The award of participation in profit sharing is presented to the Compensation Committee by Management, indicating those employees who are, in its opinion, deserving of a bonus based upon meritorious service during the year. The Compensation Committee also considers and proposes awards of bonuses to executive officers in its recommendations to the Board of Directors. These bonuses reward performance and encourage continued high levels of performance.

Commencing in 2005, the Company instituted a Profit-Sharing Plan to better align the Company's incentive compensation for key employees with the interests of Shareholders. The plan, which replaces bonuses and the grant of stock options for the individuals involved, is intended to have the participating employees more focused on the Company's bottom line performance and to enable the Company to retain and attract operating and executive management in a competitive environment. Awards are made one-half in cash and one-half in shares, which shares are purchased in the market as described in the Statement of Executive Compensation.

Through 2008, the Profit-Sharing Plan provided that up to one-third of earnings before income taxes, after deducting the pre-tax equivalent of a priority return to Shareholders of \$1,500,000, were available for awards to participating employees. See "Changes to Compensation Program for 2009" below.

For the Named Executive Officers, the potential is 58% of the available amount. Each member of the Named Executive Officers participates as to their pro-rata share of salaries (or deemed salaries) of the group as a whole. In January of the following year, each member of the Named Executive Officers is reviewed and evaluated (by their peers, their direct reports and the CEO) and awarded a percentage of their eligible amount. Thus, for each member, the award varies with Company profit, their salary (or deemed salary), the performance of the business or area of their primary responsibility and their individual performance.

The potential for the Operations Team is 42% of the available amount. The Operations Team is comprised of non-executive managers. At the beginning of each fiscal year, the Compensation Committee, on the recommendation of the Executive Management Team, allocates to each member of the Operating Team a percentage of this potential amount as their participation in the Profit-Sharing Plan. In January of the following year, each member of the Operations Team is reviewed and evaluated and awarded a percentage of their eligible amount. For each person, the award varies with Company profit, their capacity to contribute to profit, the performance of the business or area of their primary responsibility and their individual performance.

The terms of the Profit-Sharing Plan have been amended commencing January 2009, providing recognition of the dividends paid by the Company since the inception of the Profit-Sharing Plan and instituting caps on the amount available to any one member of the Profit-Sharing Plan. Up to 15% of pre-tax earnings (excluding foreign exchange gain or loss) between \$350,000 and \$2,100,000 and up to 30% of such earnings above \$2,100,000 will be available for allocation under the Profit-Sharing Plan. The maximum amount a member of the Operations Team can be allocated under the Profit-Sharing Plan for any year is 90% of their base salary for that year. For members of the Named Executive Officers this maximum is 133% of their base (or deemed base) salary.

The Company believes that a lower threshold for eligibility combined with a maximum level for each member represents a good balance of long-term incentive for the employee and the maximization of Shareholder returns.

Recommendations for awards from the Profit-Sharing Plan are made to the Compensation Committee by management and to the Board of Directors by the Compensation Committee.

The compensation of the Executive Chairman and Chief Executive Officer is approved by the Board of Directors based upon recommendations made by the Compensation Committee.

#### **8. Other Board Committees**

None.

#### **9. Assessments**

The Board as a whole and the independent directors *in camera* discuss the effectiveness of the Board and its committees. No formal process has been instituted for the assessment of individual directors. On an informal basis, individual factors for each director such as attendance, conduct and contribution are observed.