I. Reserves Committee Purpose

1. The Reserves Committee is appointed by the Board of Directors (the “Board”) to assist the Board in fulfilling its responsibility for the stewardship of the Corporation in overseeing the business and affairs of the Corporation. The Reserves Committee’s primary duties and responsibilities are to:

(a) generally assume responsibility for assisting the Board in respect of annual independent and/or internal review of the Corporation’s petroleum and natural gas reserves; and,

(b) report to the Board on the Corporation’s petroleum and natural gas reserves and recommend to the Board for acceptance and inclusion of the contents of the annual independent report on the Corporation’s petroleum and natural gas reserves for filing with the regulatory authorities.

II. Reserves Committee Composition, Procedures and Organization

1. The Reserves Committee shall consist of at least three (3) directors as determined by the Board, the majority of whom shall be independent, non-executive directors. Reserves Committee members shall meet the independence requirements of the regulatory bodies to which the Corporation is subject to.

2. The Board at its organizational meeting held in conjunction with each annual general meeting of the shareholders shall appoint the members of the Reserves Committee for the ensuing year. The Board may at any time remove or replace any member of the Reserves Committee and may fill any vacancy in the Reserves Committee.

3. The Board shall appoint a member who is an independent, non-executive director of the Reserves Committee as chair of the Reserves Committee. If a Reserves Committee Chair is not designated by the Board, or is not present at a meeting of the Reserves Committee, the members of the Reserves Committee may designate a chair by majority vote of the Reserves Committee membership.

4. The Secretary or the Assistant Secretary of the Corporation, or in their absence, an alternative secretary designated by the Reserves Committee, shall act as Secretary of the Reserves Committee.

5. The quorum for meetings shall be one half (or where one half of the members of the Reserves Committee is not a whole number, the whole number which is closest to and less than one half) of the members of the Reserves Committee subject to a minimum of
two members of the Reserves Committee present in person or by telephone or other telecommunications device that permits all persons participating in the meeting to speak and to hear each other.

6. The Reserves Committee shall meet at least two (2) times annually at such times and at such locations as may be requested by the chair of the Reserves Committee and at such times as any member of the Reserves Committee may request.

7. The Reserves Committee shall meet in-camera without management at each regularly scheduled meeting.

III. Reserves Committee Duties and Responsibilities

1. The overall duties and responsibilities of the Reserves Committee shall be as follows:

   (a) in conjunction with the Corporation’s senior engineering management, meet with the independent evaluating engineers being considered for appointment to review their qualifications and independence to ensure the independent evaluating engineers being considered for appointment are technically qualified and competent, are independent of management and to establish the terms of their engagement;

   (b) after consultation with the Corporation’s senior engineering management appoint the independent evaluating engineers and approve their remuneration to assist the Corporation in the annual review of its petroleum and natural gas reserves;

   (c) in consultation with the Corporation’s senior engineering management determine the scope of the annual review of the petroleum and natural gas reserves by the independent evaluating engineers, having regard to regulatory reporting requirements;

   (d) review both the procedures for providing petroleum and natural gas reserves information to the independent evaluating engineers and the information used by the independent evaluating engineers to enable the independent evaluating engineers to provide a report that will meet regulatory reporting requirements;

   (e) in consultation with the Corporation’s senior engineering management and the independent evaluating engineers
      
      (i) determine whether any restrictions affect the ability of the independent evaluating engineers to report on reserves data without reservations; and,
      
      (ii) review the reserves data and the report of the independent evaluating engineers;

   (f) recommend to the Board the acceptance and inclusion of the contents of the report from the independent evaluating engineers and/or senior engineering management
on the Corporation’s petroleum and natural gas reserves data for filing with the regulatory authorities;

(g) review the report required to be filed with the regulatory authorities and prepared by management certifying that (1) management is responsible for the preparation and disclosure of information with respect to the Corporation’s petroleum and natural gas reserves; (2) the Reserves Committee has reviewed the procedures for providing information to the independent evaluating engineers and the reserves data; and, (3) the Board, on the recommendation of the Reserves Committee, has approved the content and the filing of the required reserves data and other oil and gas information;

(h) ensure the disclosure to the public on the Corporation’s petroleum and natural gas reserves is in compliance with regulatory reporting requirements;

(i) review any proposals to change the independent evaluating engineers and/or resolve any differences between the independent evaluating engineers and management;

(j) meet on an annual basis with the Corporation’s senior engineering management and the independent evaluating engineers of the Corporation to review and consider the evaluation of the Corporation’s petroleum and natural gas reserves;

(k) meet separately on an annual basis with the independent evaluating engineers of the Corporation to review and consider the evaluation of the Corporation’s petroleum and natural gas reserves;

(l) meet separately with the independent evaluating engineers and/or senior engineering management when the Reserves Committee deems it desirable and advise the Board on the results of such meeting;

(m) co-ordinate meetings with the Audit Committee of the Corporation, the Corporation’s senior engineering management, independent evaluating engineers and auditors as required to address any matters in respect of the Corporation’s evaluation of petroleum and natural gas reserves;

(n) to perform any other activities consistent with this Charter, the Corporation’s By-laws and governing law, as the Reserves Committee or the Board deems necessary or appropriate;

(o) review annually the Reserves Committee Charter and recommend any changes to the Nominating and Corporate Governance Committee for approval by the Board; and,

(p) to maintain minutes of meetings and to report on a regular basis to the Board on significant results of the foregoing activities.