

AUDIT & RISK MANAGEMENT COMMITTEE

CHARTER

I AUTHORITY

The Audit & Risk Management Committee (the “Committee”) of the Board of Directors (the “Board”) of Enerplus Corporation (the “Corporation”) shall be comprised of three or more Directors as determined from time to time by resolution of the Board. Consistent with the appointment of other Board committees, the members of the Committee shall be elected by the Board at the first meeting of the Board following each annual meeting of Shareholders of the Corporation or at such other time as may be determined by the Board. The Chair of the Committee shall be designated by the Board, provided that if the Board does not so designate a Chair, the members of the Committee, by majority vote, may designate a Chair. The presence in person or by telephone of a majority of the Committee’s members shall constitute a quorum for any meeting of the Committee. All actions of the Committee will require the vote of a majority of its members present at a meeting of the Committee at which a quorum is present.

Members of the Committee do not receive any compensation from the Corporation other than compensation as directors and committee members. Prohibited compensation includes fees paid, directly or indirectly, for services as consultant or as legal or financial advisor, regardless of the amount, but excludes any compensation approved by the Board and that is paid to the directors as members of the Board and its committees.

II PURPOSE OF THE COMMITTEE

The Committee’s mandate is to assist the Board in fulfilling its oversight responsibilities with respect to:

1. financial reporting and continuous disclosure of the Corporation;
2. the Corporation’s internal controls and policies, the certification process and compliance with regulatory requirements over financial matters;
3. evaluating and monitoring the performance and independence of the Corporation’s external auditors; and
4. monitoring the manner in which the business risks of the Corporation are being identified and managed.

The Committee shall report to the Board on a regular basis with regard to such matters. The Committee has direct responsibility to recommend the appointment of the external auditors and approve their remuneration. The Committee may take such actions as it deems necessary to satisfy itself that the Corporation’s auditors are independent of management. It is the objective of the Committee to maintain free and open communication among the Board, the external auditors, and the financial senior management of the Corporation.

III COMPOSITION AND COMPETENCY OF THE COMMITTEE

Each member of the Committee shall be unrelated to the Corporation and, as such, shall be free from any relationship that may interfere with the exercise of his or her independent judgement as a member of the Committee. All members of the Committee shall be financially literate and at least one member of the Committee shall have accounting or related financial management expertise - “literate” or “literacy” and “expertise” as defined by applicable securities legislation. Members are encouraged to enhance their understanding of current issues through means of their preference.

IV MEETINGS OF THE COMMITTEE

The Committee shall meet with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities. As part of its purpose to foster open communications, the Committee shall meet at least quarterly with management and the Corporation's external auditors in separate executive sessions to discuss any matters that the Committee or each of these groups or persons believes should be discussed privately. The Chair works with the Chief Financial Officer and external auditors to establish the agendas for Committee meetings, ensuring that each party's expectations are understood and addressed. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. The Committee shall maintain minutes of its meetings and records relating to those meetings and the Committee's activities and provide copies of such minutes to the Board.

V DUTIES AND ACTIVITIES OF THE COMMITTEE

Evaluating and monitoring the performance and independence of external auditors

1. Make recommendations to the Board on the appointment of external auditors of the Corporation;
2. Review and approve the Corporation's external auditors' annual engagement letter, including the proposed fees contained therein;
3. Review the performance of the external auditors and make recommendations to the Board regarding their replacement when circumstances warrant. The review shall take into consideration the evaluation made by management of the external auditors' performance and shall include:
 - a) review annually the external auditors' quality control, any material issues raised by the most recent quality control review, or peer review, of the firm, or any inquiry or investigation by governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;
 - b) obtain assurances from the external auditors that the audit was conducted in accordance with Canadian and US generally accepted auditing standards; and
 - c) ensure that management interacts professionally with the auditors and confirm such behavior annually with both parties;
4. Oversee the independence of the external auditors by, among other things:
 - a) requiring the external auditors to deliver to the Committee on a periodic basis a formal written statement detailing all relationships between the external auditors and the Corporation;
 - b) reviewing and approving the Corporation's hiring policies regarding partners, employees and former partners and employees of current and former external auditors;
 - c) actively engaging in a dialogue with the external auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditors and recommending that the Board take appropriate action to satisfy itself of the auditors' independence;

- d) pre-approving the nature of non-audit related services and the fees thereon;
- e) conducting private sessions with the external auditors and encouraging direct communications between the Chair of the Committee and the audit partner;
- f) instructing the Corporation's external auditors that they are ultimately accountable to the Committee and the Board and that the Committee and the Board are responsible for the selection (subject to Shareholder approval), evaluation and termination of the Corporation's external auditors;
- g) have a private meeting with the external auditors at every quarterly Committee meeting;
- h) obtain annually the auditors' views on competency and integrity of the Committee and senior financial executives;

Oversight of annual and quarterly financial statements, management discussion and analysis and press releases

- 5. Review and approve the annual audit plan of the external auditors, including the scope of audit activities, and monitor such plan's progress and results quarterly and at year end;
- 6. Confirm, through private discussions with the external auditors and management, that no restrictions are being placed on the scope of the external auditors' work;
- 7. Review the appropriateness of management's representation letter transmitted to the external auditors;
- 8. Receipt of certifications from the CEO and CFO;
- 9. Review with management the adequacy of annual and quarterly financial statements and disclosure in the management discussion and analysis and press release and recommend approval to the Board of:
 - a) satisfactory answers from management following the review of the annual and quarterly financial statements and management discussion and analysis and press release;
 - b) the qualitative judgments of the external auditors about the appropriateness, not just the acceptability, of accounting principles and financial disclosure practices used or proposed to be adopted by the Corporation and, particularly, their views about alternate accounting treatments and their effects on the financial results;
 - c) the methods used to account for significant unusual transactions;
 - d) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;
 - e) management's process for formulating sensitive accounting estimates and the reasonableness of these estimates;
 - f) significant recorded and unrecorded audit adjustments;
 - g) any material accounting issues among management and the external auditors;

- h) other matters required to be communicated to the Committee by the external auditors under generally accepted auditing standards; and
- i) management's acknowledgement of its responsibility towards the financial statements.
- j) significant legal, compliance or regulatory matters that may have a material effect on the financial statements or the business of the organization (including material notices to, or inquiries received from, governmental agencies); and
- k) receive the report from the Reserves Committee over the appropriateness of reported reserves and resources.

Oversight of financial reporting process, internal controls, the continuous disclosure and certification process and compliance with regulatory requirements

- 10. Establishment of the Corporation's Whistleblower Policy for the submission, receipt, retention and treatment of complaints and concerns regarding accounting and auditing matters, and review any developments and responses on reports received thereunder;
- 11. Review the adequacy and effectiveness of the financial reporting system and internal control policies and procedures with the external auditors and management. Ensure that the Corporation complies with all new regulations in this regard;
- 12. Review with management the Corporation's internal controls, and evaluate whether the Corporation is operating in accordance with prescribed policies and procedures;
- 13. Review with management and the external auditors any reportable condition and material weaknesses affecting internal controls;
- 14. Review the management disclosure and oversight Committee's CEO and CFO certification processes to ensure compliance with US and Canadian requirements;
- 15. Receive periodic reports from the external auditors and management to assess the impact of significant accounting or financial reporting developments proposed by the CICA, the AICPA, the Financial Accounting Standards Board, the SEC, the relevant Canadian securities commissions, stock exchanges or other regulatory body, or any other significant accounting or financial reporting related matters that may have a bearing on the Corporation; and
- 16. Review annually the report of the external auditors on the Corporation's internal controls over financial reporting describing any material issues raised by the most recent reviews of internal controls and management information systems or by any inquiry or investigation by governmental or professional authorities and any recommendations made and steps taken to deal with any such issues.

Review of Business Risks

- 17. Review with management the process followed to conduct the Corporation's key risk assessment and review the policies to monitor, mitigate and report such business risks.

Other Matters

- 18. Review of appointment or dismissal of senior financial executives;

19. Conduct or authorize investigations into any matters within the Committee's scope of responsibilities, including retaining outside counsel or other consultants or experts for this purpose;
20. Review the disclosure made in the Annual Information Form, 40-F and the Information Circular regarding the Committee;
21. Establish and maintain a free and open means of communication between the Board, the Committee, the external auditors, and management;
22. Perform such additional activities, and consider such other matters, within the scope of its responsibilities, as the Committee or the Board deems necessary or appropriate; and
23. Once a year, review the adequacy of its Charter and bring to the attention of the Board required changes, if any, for approval. The Committee is also reviewed annually by the Corporate Governance & Nominating Committee, which reports its findings to the Board.
24. Hold an in-camera session of the independent members of the Committee at each meeting of the Committee.

While the Committee has the duties and responsibilities set forth in this Charter, the Committee is not responsible for planning or conducting the audit or for determining whether the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Similarly, it is not the responsibility of the Committee to resolve disagreements, if any, between management and the external auditors. While it is acknowledged that the Committee is not legally obliged to ensure that the Corporation complies with all laws and regulations, the spirit and intent of this Charter is that the Committee shall take reasonable steps to encourage the Corporation to act in full compliance therewith.

**AUDIT & RISK MANAGEMENT COMMITTEE
ANNUAL WORK PLAN**

	Feb.	March	May	August	Nov.
Financial Statements Review					
• Audit Plan review and progress	X		X	X	X
• Review interim statements, auditors review report and MD&A			X	X	X
• Review annual report, audit report, MD&A	X				
• Review press release	X		X	X	X
• Review disclosure process, representation letter and certification	X		X	X	X
Financial and Accounting Function Review					
• Review changes in accounting policies and procedures	X				
• Review internal control compliance	X		X	X	X
• Review the adequacy of resources	X				
• Review compliance matters	X		X	X	X
• Review whistle blowing cases	X		X	X	X
• Financial covenants	X		X	X	X
• Government remittances	X		X	X	X
• Review SOX Sustainment Activities	X				X
• Review with Management the Corporation's internal controls, and evaluate whether the Corporation is operating in accordance with prescribed policies and procedures	X				
• Review EPAP compliance				X	
External Auditors Process Review					
• Review engagement and fees				X	
• Review performance and make recommendation to the Board for the appointment of the auditors for the following year					X
• Oversee independence and accountability of the Committee	X		X	X	X
• Obtain the auditors' views on competency and integrity of the committee and senior financial executives;	X				
• Review adequacy and effectiveness of the financial reporting systems and internal control policies and procedures with auditors	X				
• Review annually the report of the external auditor on the Corporation's internal controls over financial reporting	X				

	Feb.	March	May	August	Nov.
Risk Management Review					
• Review disclosure in information circular	X				
• Review quarterly hedging transactions	X		X	X	X
• Review Dodd-Frank End User Exemption					X
• Review insurance coverage – Property and Casualty Program				X	
• Review of Framework for Analyzing & Discussing Corporate Risks			X		X
• Review insurance coverage – Directors and Officers Program	X				
Audit Committee’s Process					
• Review charter and work plan					X
• Review disclosure of the audit committee process in information circular	X				
• Review Annual Information Form		X			
• Hold an in-camera session of the independent members of the Committee	At every meeting.				