

## **RESERVES COMMITTEE**

### **CHARTER**

The purpose of the Reserves Committee is to assist the Board in carrying out its responsibilities with respect to annual and interim reviews of the Corporation's oil and natural gas reserves and resources.

#### **COMPOSITION**

The Committee shall be comprised of at least three directors and shall be appointed annually, following the annual general meeting of the Corporation. At least two members shall have oil and gas operations expertise. A majority of the members shall be independent/unrelated. The Committee shall select or re-appoint a Chair annually.

#### **FINANCIAL AUTHORITY**

The Committee may incur expenses without prior board's approval up to a limit of \$100,000 for any one occurrence to, among other things, hire consultants and conduct inspections.

#### **MEETINGS**

The Committee shall meet at least twice annually, and as deemed necessary in order to carry its duties effectively, and shall maintain minutes of each meeting.

#### **DUTIES AND RESPONSIBILITIES**

In carrying out its responsibilities, the Committee shall:

1. Review the Committee Charter annually and recommend changes when necessary.
2. Assess the current independent evaluators annually, and, if deemed advisable, obtain bids from other evaluators.
3. Recommend to the Board the preferred independent evaluators and the terms of the engagement.
4. Review the Corporation's procedures for providing information to the independent evaluator with respect to its oil and natural gas reserves.
5. Review the process of reserves and resources booking and reserves and resources authentication.
6. Review the Corporation's procedures relating to the disclosure of information with respect to its reserves and resources and recommendation to the Board.
7. Ensure that in conjunction with Reserve Committee meetings, as applicable, management makes available to the full Board of Directors technical project reviews related to key assets.
8. Ensure that the Corporation complies with regulatory and legal requirements as they relate to the Corporation's reserves and resources.
9. Review the scope of the annual review of the reserves by the independent evaluator, including findings and any disagreements with management.

10. Approve which portion of the assets of the Corporation should be evaluated by the Corporation's staff and the frequency of such evaluation.
11. Meet independently of management with the independent evaluator.
12. Determine whether any restrictions affect the ability of the independent evaluator in reporting on the Corporation's reserve data.
13. Receive annually, a signed independent evaluator's report(s) and signed certificates of compliance/due diligence from management.
14. Sign off on the year end reserve evaluation.
15. Recommend the approval of the Corporation's annual reserves report by the Board of Directors and instruct management to ensure that such report was created in compliance with all applicable disclosure requirements.
16. Generally ensure that all actions necessary have been taken to conform to regulatory and legal requirements.
17. Hold an in-camera session of the independent members of the Committee at each meeting of the Committee.

#### **ACCOUNTABILITY**

The Committee Chair shall present a verbal or written report regarding the Committee meetings/discussions at scheduled meetings of the Board.

#### **TIMETABLE**

The Committee's work schedule will be as attached but may be amended, from time to time, by the Chair of the Committee.

## RESERVES COMMITTEE

### ANNUAL WORK PLAN

	J	F	M	A	M	J	J	A	S	O	N	D
Year-end reserves and resources evaluations <ul style="list-style-type: none"> <li>• Review procedures</li> <li>• Review compliance</li> <li>• Review reserve data with Management and independent Evaluator</li> <li>• Sign off on year end reserve evaluation</li> <li>• Receive Management's Reserves Questionnaire responses</li> </ul>	X											
Reserve Analysis: <ul style="list-style-type: none"> <li>• Detailed year end reserve analysis</li> <li>• Detailed analysis of two major Properties</li> </ul>					X							
Mid-year review of reserves and resources data <ul style="list-style-type: none"> <li>• Review procedures</li> <li>• Review compliance</li> <li>• Review reserve and resources data with Management</li> </ul>								X				
Assess Independent Evaluators								X				
Recommend appointment of the independent evaluators								X				
Review the process of reserves and resources booking and reserves and resources authentication <ul style="list-style-type: none"> <li>• Receive signed independent evaluator's reports</li> <li>• Receive a signed certificate of compliance/due diligence from management</li> </ul>	X											
Review preliminary results of year-end reserves evaluation - Optional												X
Review of Charter and Work Plan of the Committee	X											
Hold an in-camera session of the independent members of the Committee	At every meeting.											