

TERMS OF REFERENCE

RESERVES COMMITTEE

COMPOSITION

At the first meeting of the Board of Directors of the Company after the election of Directors at the annual meeting of shareholders, the Board shall appoint a Reserves Committee comprised of not more than six Directors of the Company and not less than three. A majority of the members of the Reserves Committee shall be independent (as defined under applicable securities laws). All members of the Reserves Committee shall have an appropriate level of knowledge of reserves estimation processes. The Board may remove or replace any member of the Reserves Committee at any time.

The Chair of the Reserves Committee shall be appointed by the Board of Directors at the meeting of the Board referred to above. The Chair shall preside as chair at each Committee meeting, lead Committee discussion on meeting agenda items and report to the Board, on behalf of the Committee, with respect to the proceedings of each Committee meeting. The Reserves Committee shall designate a Secretary to the Reserves Committee who may be a member of the Reserves Committee or an officer or employee of the Company. The Secretary shall keep minutes and records of all meetings of the Reserves Committee. In the event that either the Chair or the Secretary is absent from any meeting, the members present shall designate any Director present to act as Chair and shall designate any Director, officer or employee of the Company to act as Secretary.

MEETINGS

Meetings of the Reserves Committee, including telephone conference meetings, shall be held at such time and place as the Chair of the Reserves Committee may determine. Notice of meetings shall be given to each member not less than 24 hours before the time of the meeting, provided that meetings of the Reserves Committee may be held without formal notice if all of the members are present and do not object to notice not having been given, or if those absent waive notice in any manner before or after the meeting.

Notice of meeting may be given verbally or delivered personally, given by mail, facsimile or other electronic means of communication and need not be accompanied by an agenda or any other material. The notice shall however specify the purpose or purposes for which the meeting is being held.

The Reserves Committee shall meet at least twice per year and shall report to the Board at each regularly scheduled Board meeting next succeeding any Reserves Committee meeting. The Chair shall call and convene a meeting of the Reserves Committee at the request of the Company's external or internal qualified reserves evaluator or auditor, as the case may be (the "Qualified Reserves Evaluator/Auditor"), the Chief Executive Officer or a member of the Reserves Committee.

A majority of the members of the Reserves Committee present shall constitute a quorum. No business may be transacted by the Reserves Committee except at a meeting of its members at which a quorum of the Reserves Committee is present.

The Qualified Reserves Evaluator/Auditor and management of the Company shall have access to the Reserves Committee each in the absence of the other. Meetings with the Qualified Reserves Evaluator/Auditor and management may be held separately, as requested by the Reserves Committee. The Reserves Committee may invite such officers, Directors and employees of the Company as it may see fit from time to time to attend a meeting of the

Reserves Committee and assist thereat in the discussion and consideration of matters relating to the Reserves Committee.

Any matter to be voted upon shall be decided by a majority of the votes cast on the question. In the case of an equality of votes, the matter shall be referred to the Board for consideration.

No alteration to the roles and responsibilities of the Reserves Committee shall be effective without the approval of the Board of Directors.

ROLE AND RESPONSIBILITIES

A. ASSESSMENT

Annually, the Reserves Committee shall consider whether the involvement of an independent Qualified Reserves Evaluator/Auditor is necessary to achieve the desired quality and reliability of reserves data disclosure. The Reserves Committee shall review management's appointment of one or more Qualified Reserves Evaluator/Auditors, whether independent or not. In the case of any proposed change in such appointment, the Reserves Committee shall determine the reasons for the proposal and whether there have been disputes between the Qualified Reserves Evaluator/Auditor and management.

B. RESERVES DATA AND OTHER OIL AND GAS INFORMATION

The Reserves Committee shall:

1. review, with reasonable frequency, the Company's procedures relating to the disclosure of information with respect to oil and gas activities, including its procedures for complying with applicable disclosure requirements and restrictions contained in National Instrument 51-101 ("NI 51-101");
2. review, with reasonable frequency, the Company's procedures for providing information to the Qualified Reserves Evaluator/Auditor who reports on reserves data;
3. before recommending to the Board for approval the filing of reserves data and the report of the Qualified Reserves Evaluator/Auditor thereon, meet with management and the Qualified Reserves Evaluator/Auditor to:
 - (a) determine whether any restrictions affect the ability of the Qualified Reserves Evaluator/Auditor to report on reserves data without reservation; and
 - (b) review the reserves data and the report of the Qualified Reserves Evaluator/Auditor;
4. as required by applicable law, review and recommend to the Board for approval:
 - (a) the content and filing of the Company's statements of reserves data and other information required by Form 1 of NI 51-101;
 - (b) the filing of reports of the Qualified Reserves Evaluator/Auditor on Form 2 of NI 51-101; and
 - (c) the content and filing of reports of management and Directors on Form 3 of NI 51-101; and
5. review, from time to time, the value creation and capital investments associated with or relative to changes in reserves volumes.

C. GENERAL

The Reserves Committee shall perform such other duties as the Board may assign to it from time to time or as may be required by applicable law or stock exchange requirement. In fulfilling the duties set forth above in this mandate, the Reserves Committee shall ensure that, on a regular basis, meetings are held separately with the Qualified Reserves Evaluator/Auditor and management.

In respect of matters within its purview under this mandate and delegation, the Reserves Committee shall assist the Board in its oversight of the Company's compliance with legal and regulatory requirements.

The Reserves Committee shall evaluate its own performance annually.