

CORRIDOR RESOURCES INC.

CORPORATE GOVERNANCE COMMITTEE

Terms of Reference

Establishment of Corporate Governance Committee

The Board of Directors (the "Board") of Corridor Resources Inc. (the Corporation") hereby establishes a committee to be called the Corporate Governance Committee (the "Committee"). The Committee has the oversight responsibility and specific duties described below.

Composition of Committee

The membership of the Committee shall be as follows:

- The Committee shall be composed of not less than three members or such greater number as the Board may from time to time determine;
- The majority of the members of the Committee shall be "independent". A member of the Committee is independent if the member has no direct or indirect material relationship with the Corporation. A "material relationship", for the purpose of these terms of reference, means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. The Board is encouraged to consider guidance set out in the applicable securities legislation in determining whether a director has a material relationship with the Corporation. At least one-half of the members of the Committee shall be resident Canadians;
- All Committee members shall have a working familiarity with corporate governance practices;
- Members shall be appointed annually by the Board from among directors of the Corporation;
- The Chair of the Committee shall be appointed by the Board;
- A member of the Committee shall *ipso facto* cease to be a member of the Committee upon ceasing to be a director of the Corporation; and
- Any member of the Committee may be removed or replaced at any time by resolution of the directors of the Corporation. If and when ever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains.

Responsibilities of the Committee

The Committee's primary purpose is to assist the Board in fulfilling its oversight responsibilities with respect to (i) addressing corporate governance issues, including the effectiveness of the Board, committees of the Board, individual directors of the Board and the chair of the Board and chairs of Board committees, (ii) identifying qualified candidates and recommending nominees for Director and Board Committee appointments, (iii) developing compensation and human resources policies and (iv) developing and assessing CEO and management compensation, development and succession.

Duties of the Committee

The Committee will:

Governance Leadership

- Take a leadership role in developing the Corporation's approach to corporate governance;
- Annually review and assess the performance of the Corporation's corporate governance systems and, in the Committee's discretion, recommend any changes to the Board for consideration;
- Ensure that the Board has appropriate structures and processes in place so that it can function independently of management; and
- Take all reasonable steps to ensure systems are in place to verify compliance with all regulatory, corporate governance and disclosure requirements.

Governance Documents

- Review the Corporation's articles and by-laws and recommend any changes to the Board for consideration;
- Review and assess whether to recommend to the Board the adoption of a Code of Business Conduct and Ethics and, if recommended, assist in the development of a Code of Business Conduct and Ethics
- Develop and regularly review, assess and, if appropriate, revise the Annual Directors' Evaluation Questionnaire for the evaluation of: (i) the performance of individual directors, Board committees, the Board, committee chairs and the Board Chair measured against applicable position descriptions and terms of reference; (ii) the skills of each individual director and the Board as a whole; (iii) the financial, oil and natural gas reserves and corporate governance competency or expertise of each individual director; and (iv) the independence of each individual director;
- Once or more annually review and assess the position descriptions for the Board Chair, each committee chair, the Chief Executive Officer and the Chief Financial Officer and, in the Committee's discretion, recommend any changes to the Board for consideration;
- Once or more annually review and assess the Terms of Reference for the Board and each Board committee and recommend any changes to the Board committees or Board, as applicable, for consideration; and
- Receive regular reports from the Secretary of the Corporation of any minor technical amendments made to any of the corporate governance documents.

Compensation and Human Resources Leadership

- Review the Corporation's key human resources policies and make recommendations to the Board for consideration.

Chief Executive Officer (CEO)

- Annually review and make recommendations to the Board for consideration regarding the CEO's short-term and long-term corporate objectives and performance measurement indicators;
- Annually (i) review a report on CEO compensation from management of the Corporation or, in the Committee's discretion, an independent consultant; (ii) evaluate the performance of the CEO considering the Position Description of the CEO and the CEO's short-term and long-term corporate objectives and performance measurement indicators; and (iii) recommend annual CEO compensation, including a long-term incentives component determined considering the Corporation's performance and relative shareholder returns and the value of similar incentive awards to CEOs at comparable companies. Based on the evaluation, make recommendations to the independent directors of the Board for consideration. The independent directors have sole authority to determine annual CEO compensation;
- Review temporary successors for the CEO in case of absence or disability and make recommendations to the Board for consideration; and
- Annually review, with the CEO, the Position Description for the CEO and recommend any changes to the Board for consideration.

Compensation

- Annually review the level and form of compensation of the Corporation's directors, considering peer practices and the duties and responsibilities of the directors and recommend any changes to the Board for consideration;
- Annually review the level and form of compensation of the Corporation's Board Chair, considering peer practices and the duties and responsibilities of the Board Chair and recommend any changes to the Board for consideration;
- Annually review the recommendations of the CEO concerning overall compensation and other conditions of employment of executive management, other than the CEO, and make recommendations to the Board for consideration; and
- Review and recommend to the Board for consideration any significant changes to the overall compensation program and the Corporation's objectives related to executive compensation.

Succession and Development

- Develop and review the Corporation's management succession and development plans and, after consultation with the CEO, make recommendations to the Board for consideration; and
- Review with the Board matters related to organizational structure at the officer level.

Compensation Programs

- Regularly review all incentive compensation plans and equity-based plans and make recommendations to the Board for consideration;

- Review management's proposals for grants of equity-based incentives and make recommendations to the Board for consideration; and
- As required under applicable law, review employee benefit plans and reports, and make recommendations to the Board for consideration.

Governance Disclosure

- Ensure that the Corporation's governance practices are fully disclosed in the proxy circular; and
- Take all reasonable steps to ensure that the Corporation's governance documents, specifically including the Code of Business Conduct and Ethics, the annual proxy circular, and all Terms of References and Position Descriptions set out in the Terms of Reference for the Board, this Committee and the Reserves Committee are made available to any shareholder on request.

Evaluations

- Establish and implement procedures to evaluate the performance and effectiveness of the Board, Board committees, all individual Directors, the Board Chair and committee chairs;
- Ensure annual completion and dissemination of the results of the Annual Directors' Evaluation Questionnaire for the performance and effectiveness of the Board, Board committees, all individual directors, the Board Chair and committee chairs, including individual director self-evaluations, individual director independence, individual director and overall Board skills and competencies, individual director financial acumen, and individual director peer evaluations; and
- Oversee the evaluation of management.

Director Nominations

- Review and assess the size, composition and operation of the Board to ensure effective decision-making and make recommendations to the Board for consideration;
- After consulting with the Board Chair and individual directors, review and assess the size, composition and committee chairs of all Board committees and make recommendations to the Board for consideration;
- Identify and assess new candidates for appointment or nomination to the Board, including any nominee appropriately recommended by a shareholder, considering the performance, independence, competencies, skills, financial acumen, and ability to devote sufficient time and resources to his or her duties of the candidate and the Board, as a whole, to ensure effective governance and satisfy applicable law and make recommendations to the Board for consideration;
- Annually review and recommend to the Board for consideration the individual directors proposed to be nominated for election at the next annual general meeting of shareholders of the Corporation;
- Annually review and recommend to the Board for consideration those individual directors to be designated as independent under applicable law; and

- Regularly review and assess the Corporation's policies on tenure and terms of individual directors, the Board Chair and committee chairs and recommend any changes to the Board for consideration.

Director Orientation / Education

- Oversee the development and implementation of the director orientation program, including a complete business overview, a strategic overview and an overview of the Corporation's values and operating philosophies; and
- Oversee the development, implementation and disclosure of the ongoing director education program including, education sessions on the Corporation's business by way of presentations and operating site visits, individual or group education sessions from internal personnel or external consultants on topics of importance to directors and the Corporation, and recommended formal educational opportunities through appropriate organizations to be made available to individual directors and paid for by the Corporation.

Committee Reporting

- Following each Committee meeting, report to the Board on the activities, findings and any recommendations of the Committee; and
- Annually review and approve the Committee's report for inclusion in the proxy circular.

Advisors / Resources

- Have sole authority to retain, oversee, compensate and terminate independent advisors to assist the Committee in its activities;
- Receive adequate funding from the Corporation for independent advisors and ordinary administrative expenses that are needed or appropriate for the Committee to carry out its duties; and
- In consultation with the Board Chair, retain, oversee, compensate and terminate, as appropriate, independent advisors to assist any individual director as necessary.

Other

- To honor the spirit and intent of applicable law as it evolves, authority to make minor technical amendments to these Terms of Reference is delegated to the Secretary, who will report any amendments to the Committee at its next meeting.

Administrative Matters

The following general provisions shall have application to the Committee:

- The Committee shall meet in separate, non-management, closed sessions with internal personnel or outside advisors, as needed or appropriate;
- The Committee shall meet in separate, non-management, in-camera sessions at each regularly scheduled meeting;

- A quorum of the Committee shall be the attendance of a majority of members thereof present in person or by telephone. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by a resolution in writing signed by all the members of the Committee. Meetings of the Committee shall be held at least quarterly and more often as the Chair of the Committee may determine or upon the request of the Board, a member of the Committee, an officer of the Corporation or the external auditors of the Corporation;
- The Committee may invite such officers, directors and employees of the Corporation and its subsidiary entities as it may see fit from time to time to attend at meetings of the Committee and to assist thereat in the discussion of matters being considered by the Committee;
- The time at which and the place where the meetings of the Committee shall be held, the calling of meetings and the procedure at such meetings shall be determined by the Committee, having regard to the by-laws of the Corporation. Notice of each meeting of the Committee shall be given to each member of the Committee. A meeting of the Committee may be held at any time without notice if all of the members are present or, if any members are absent, those absent have waived notice or otherwise signified their consent in writing to the meeting being held in their absence;
- The Chair shall preside at all meetings of the Committee. In the absence of the Chair, the other members of the Committee shall appoint one of their members to act as Chair for the particular meeting;
- The Chair of each meeting of the Committee shall appoint a person to act as recording secretary to keep the minutes of the meeting. The recording secretary need not be a member of the Committee;
- Minutes of the Committee will be recorded and maintained and signed by the Chair and the secretary of the meeting; and
- Unless the Committee has been provided with express instructions from the Board, the Committee shall function primarily to make assessments and determinations with respect to the purposes mandated herein and its decisions shall serve as recommendations for consideration by the Board.