

# CORRIDOR RESOURCES INC.

## RESERVES COMMITTEE

### Terms of Reference

#### **Establishment of Reserves Committee**

The Board of Directors (the "Board") of Corridor Resources Inc. (the Corporation") hereby establishes a committee to be called the Reserves 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 not be, and shall not have been during the preceding 12 months, (i) an officer or employee of the Corporation or an affiliate of the Corporation, (ii) a person who beneficially owns 10% or more of the outstanding voting securities of the Corporation, and (iii) a relative of a person referred to in clause (i) or (ii) residing in the same home as that person; and
  - be free from any 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 the estimation of petroleum and natural gas reserves;
- 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 the compliance with the requirements contained in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101").

## **Duties of the Committee**

The Committee will:

### *Reserves Report*

- arrange for the preparation, review by the Board and public filing with securities authorities of:
  - a *Statement of Reserves Data and Other Information* pursuant to Form 51-101F1 (the "Reserves Report"), as at the last day of the Corporation's most recent financial year and for the financial year then ended;
  - a signed *Report of Independent Qualified Reserves Evaluator or Auditor* pursuant to Form 51-101F2 (the "Evaluator's Report"); and
  - a signed *Report of Management and Directors* pursuant to Form 51-101F3 (the "Management Report") confirming the role of the board in connection with reserves and executed by two senior officers and two directors of the Corporation; and
- ensure that the filing of the Reserves Report, Evaluator's Report and Management Report are the subject of a press release at the time of filing;

### *Reserves Evaluator or Auditor*

- Review and in the Committee's discretion, approve the appointment of a qualified reserves evaluator or auditor pursuant to the requirements of NI 51-101;
- review the appointment or change in appointment of the reserves evaluator or auditor and in the case of a proposed change in appointment, determine whether there have been any disputes between the qualified reserves evaluator or auditor and management of the Corporation; and
- ensure the independence of the qualified reserves evaluator or auditor.

### *Annual Review of Reserves*

- Ensure the reserves evaluator or auditor has all of the information reasonably necessary to provide a Reserves Report that satisfies the requirements of NI 51-101;
- determine whether any restrictions affect the ability of the qualified reserves evaluator or auditor in reporting on the Corporation's reserves data;
- review, with reasonable frequency, the Corporation's procedures relating to the disclosure of oil and gas activities and reserves information, including its procedures for complying with the disclosure requirements of NI 51-101;
- review the scope of the annual review of reserves;
- meet independently of management with the qualified reserves evaluator or auditor;
- before approving the filing of the Reserves Report, meet with management and the qualified reserves evaluator or auditor to:
  - determine whether any restrictions affect the ability of the qualified reserves evaluator or auditor to report on reserves data without reservation;

review the reserves data and the report of the qualified reserves evaluator or auditor thereon; and

review and approve the content and filing of the Reserves Report, the Evaluator's Report and the Management Report;

- discuss reserves findings and disagreements between management and the qualified reserves evaluator or auditor and resolve disputes; and
- annually assess the work of the qualified reserves evaluator or auditor.

#### *Reserves Committee Qualifications*

- Ensure the qualifications of the members of the Reserves Committee pursuant to section 3.5 of NI 51-101.

#### *Committee Reporting*

- Following each Committee meeting, report to the Board on the activities, findings and any recommendations of the Committee.

#### *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 honour 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 two times annually 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.