

**TERMS OF REFERENCE FOR THE
RESERVES COMMITTEE****I. PURPOSE**

- A. The main purpose of the Reserves Committee (the "**Committee**") is to provide the board (the "**Board**") of directors of Valeura Energy Inc. (the "**Corporation**") with a mechanism to review oil and gas reserves and resources and principal technical and operational risks faced by the Corporation.

II. COMPOSITION AND OPERATIONS

- A. The Committee shall be composed of not fewer than two directors and not more than five directors, a majority of whom shall be independent directors.
- B. The Committee shall operate in a manner that is consistent with the Committee Guidelines outlined in the Board Manual.
- C. The Committee shall meet as often as necessary to fulfill its mandate and responsibilities described herein and, in any event, at least two times per year. The Chair may call additional meetings as required.
- D. The Committee, through its Chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee on a confidential basis any matter involving the reserves or technical risk practices of the Corporation.

III. RESERVES AND RESOURCES DUTIES AND RESPONSIBILITIES

- A. Review the selection and qualifications of the independent engineering firm responsible for estimation of reserve and resource quantities (the "**independent engineering firm**"), the scope of its work and ensure the consistency of its practices, standards and definitions.
- B. Review directly with the independent engineering firm, the evaluation report and corporate summary of the reserves and resource and future cash flows of the oil and gas properties owned by the Corporation. This review should include, but not be restricted to, the following items:
- i) Does the independent engineering firm understand the significance of the reserve sand resources on the public and financial reporting of the Corporation?
 - ii) Ensure the independent engineering firm's independence.
 - iii) Was a contract for the evaluation made and adhered to?
 - iv) Did the independent engineering firm meet best practice and industry guidelines and applicable securities laws?
 - v) What data was available for review, and were there any restrictions of data?

TERMS OF REFERENCE FOR THE RESERVES COMMITTEE

- vi) Did the independent engineering firm answer, in written form, the questions prepared by the Committee in their annual review of oil and gas reserves and resources?
 - vii) Reasons for reserve and resource revisions.
 - viii) Examine the source and methodology for major assumptions (commodity price forecasts, operating costs, capital expenditure estimates).
 - ix) How were risk factors incorporated into reserve and resource determinations?
 - x) Were there any areas of disagreement between the independent engineering firm and the Corporation? If yes, was there a satisfactory resolution to any disagreement?
 - xi) Has any significant information come to light since the latest report was done?
- C. Review externally disclosed oil and gas reserve and resource estimates, including the oil and gas reserves estimates included in the Corporation's annual information form and ensure they meet the requirements of applicable securities legislation.
- D. Prepare a set of questions concerning the annual oil and gas reserves and resources estimates to be answered in written form by the independent engineering firm.
- E. Periodically review the Corporation's relationship with the independent engineering firm.
- F. Maintain direct communication with the independent engineering firm and the Corporation's senior reserves and resources personnel.
- G. Assist the Board in respect of matters related to evaluations of petroleum and natural gas reserves and resources.

IV. TECHNICAL AND RESERVES RISK DUTIES AND RESPONSIBILITIES

The Committee shall:

- A. review management's assessment and advise the Board of the principal technical and operational risks to the Corporation (including its personnel and properties) and evaluate:
- i) whether existing policies, procedures and precautions are appropriate to mitigate such technical and operational risks, including management systems for monitoring technical risk policies, practices and procedures;
 - ii) whether existing policies, procedures and precautions are effectively implemented, comply with applicable legislation and conform with industry standards; and
 - iii) whether technical and operational risks are being properly identified and addressed under the Corporation's Enterprise Risk Management Policy, Enterprise Risk Management Framework and Risk Register.

TERMS OF REFERENCE FOR THE RESERVES COMMITTEE

The Committee will make recommendations to the Board regarding such matters.

- B. review the insurable technical risks and evaluate cost/insurance benefits associated with those risks. The Committee shall consult with and make recommendations to the Audit Committee concerning insurance coverage and related matters.
- C. review management estimates of abandonment and reclamation liabilities and the remediation activities of the Corporation including collaborating with the Audit Committee in establishing the decommissioning provision in the financial statements of the Corporation.

V. OUTSIDE EXPERTS AND ADVISORS

The Committee may retain, and set and pay the compensation to, any outside expert or advisor, including but not limited to reserve and resources and technical and operational risk experts and advisors, and legal, engineering and other consultants, at the Corporation's expense, in order to permit the Committee to carry out its duties and responsibilities hereunder. The Committee will assure itself as to the independence from management of any outside expert or advisor. The Committee will notify the Chairman of the Board prior to the engagement of any outside expert or advisor hereunder.

VI. ACCOUNTABILITY

- A. The Committee Chair has the responsibility to make periodic reports to the Board, as requested, on matters relative to independent reserves and resources and principal technical and operational risks faced by the Corporation.
- B. The Committee shall report its discussions to the Board by maintaining minutes of its meetings and providing an oral report at the next Board meeting.

VII. COMMITTEE TIMETABLE

The timetable on the following pages outlines the Committee's schedule of activities.

RESERVES COMMITTEE CHECKLIST

	Task	Meeting ⁽¹⁾	
		Q1	Q4
A.	Review selection and qualifications of the independent engineering firm, the scope of its work and ensure the consistency of its practices, standards and definitions.		✘
B.	Review with independent engineering firm the evaluation report and corporate summary of the reserves and resources and future cash flows of the oil and gas properties owned by the Corporation.	✘ and as applicable	
C.	Review externally disclosed oil and gas reserve and resources estimates.	✘ and as applicable	
D.	Review the Corporation's practices and ensure they meet industry best practices and standards.		✘
E.	Review relationship with the independent engineering firm.		✘
F.	Maintain direct communication with independent engineering firm and senior reserve and resources personnel.	As applicable	
G.	Complete reserves and resources due diligence questionnaire.	✘	
H.	Review management's assessment of the principal technical and operational risks faced by the Corporation.	✘	✘
I.	Review the insurable technical risks and evaluate cost/insurance benefits associated with those risks.	✘	✘
J.	Review abandonment and reclamation liabilities and remediation activities of the Corporation and associated decommissioning provision in the Corporation's financial statements	✘	
K.	Review terms of reference for the Reserves Committee and make recommendations to the Board.		✘

Note:

(1) Pursuant to the Terms of Reference for the Reserves Committee, the Committee is required to meet at least twice annually. Additional meetings will be convened as necessary.