



## **RESERVES COMMITTEE MANDATE AND TERMS OF REFERENCE**

The Reserves Committee (the "**Committee**") of the board of directors (the "**Board**") of Bengal Energy Ltd. (the "**Corporation**") will have the oversight responsibility, authority and specific duties as described below.

### **I. COMPOSITION**

- A. The Committee will be comprised of three or more directors as determined by the Board. Each Committee member shall be "independent" (as such term is defined for purposes of National Policy 58-201 – *Corporate Governance Guidelines* and under the Company Manual of the Toronto Stock Exchange). Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the full Board
- B. Members of the Committee shall be appointed by the Board. The full Board shall recommend eligible directors to fill vacancies on the Committee. Each member shall serve until his or her successor is appointed, unless he or she shall resign or be removed by the Board or he or she shall otherwise cease to be a director of the Corporation. The Board shall fill any vacancy if the membership of the Committee is less than three directors.
- C. The Chair of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership.

### **II. COMMUNICATION, EXPENSES AND AUTHORITY TO ENGAGE ADVISORS**

- A. The Committee shall have access to such officers and employees of the Corporation and to the Corporation's independent qualified reserves evaluator(s), and to such information respecting the Corporation, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- B. The Committee provides for a means of direct communication for the Board with the independent qualified reserves evaluator(s). The independent qualified reserves evaluator(s) shall have a direct line of communication to the Committee through its Chair. 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 any matter on a confidential basis involving the reserves evaluation process.
- C. The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set the compensation for any such counsel and advisors. Any engagement of independent counsel or other advisors is to be at the Corporation's expense.
- D. The Corporation shall be responsible for all expenses of the Committee that are deemed necessary or appropriate by the Committee in carrying out its duties.

### **III. MEETINGS AND RECORD KEEPING**

A. Meetings of the Committee shall be conducted as follows:

- (a) the Committee shall meet at least once annually at such time(s) and at such location(s) as the Chair of the Committee shall determine, provided that at least one of the meetings shall be scheduled to permit timely review of the Corporation's statement of reserves data and other oil and gas information, the report of management and directors on oil and gas disclosure and the report of the independent qualified reserves evaluators on reserves data and public disclosure in respect thereof. The Chair of the Committee shall hold in camera sessions of the Committee, without management present, at every meeting;
- (b) the Chair of the Committee shall preside as chair at each Committee meeting and lead Committee discussion on meeting agenda items;
- (c) the quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other;
- (d) if the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee who is present at the meeting shall be chosen by the Committee to preside at the meeting;
- (e) the Chair shall, in consultation with management and the independent qualified reserves evaluator(s), establish the agenda for the meetings and instruct management to circulate properly prepared agenda materials to the Committee with sufficient time for study prior to the meeting;
- (f) every question at a Committee meeting shall be decided by a majority of the votes cast; in the event of a tie vote on any matter, such matter shall be presented to the Board for its consideration and determination;
- (g) the Chief Executive Officer and President (or applicable senior engineering staff member) of the Corporation shall be available to advise the Committee, shall receive notice of meetings and may attend meetings of the Committee at the invitation of the Chair of the Committee. Other management representatives or employees shall be invited to attend as the Committee sees fit; and
- (h) a Committee member, or any other person selected by the Committee, shall be appointed at each meeting to act as secretary for the purpose of recording the minutes of each meeting.

B. The Committee shall provide the Board with a copy of the minutes of such meetings. Where minutes have not yet been prepared, the Chair of the Committee shall provide the Board with oral reports on the activities of the Committee. All material information reviewed and discussed by the Committee at any meeting shall be referred to in the minutes and made available for examination by the Board upon request to the Chair of the Committee.

### **IV. RESPONSIBILITIES**

A. The Committee is part of the Board. Its primary function is to assist the Board in fulfilling its oversight responsibilities generally and under National Instrument 51-101 – *Standards of*

*Disclosure for Oil and Gas Activities* (as amended or replaced from time to time) ("**NI 51-101**") with respect to the oil and natural gas reserves evaluation process and public disclosure of reserves data and related information in connection with oil and gas activities.

- B. The Committee should have a clear understanding with the independent qualified reserves evaluator(s) that the independent qualified reserves evaluator(s) must maintain an open and transparent relationship with the Committee and the Board, and that the ultimate accountability of the evaluator is to the Committee and the Board.

## **V. SPECIFIC DUTIES**

The Committee shall:

- (a) review at least annually, the Corporation's procedures relating to disclosure of information with respect to the oil and gas activities of the Corporation, including its procedures for complying with the disclosure requirements and restrictions of NI 51-101;
- (b) review annually the qualifications and independence of the independent qualified reserves evaluator(s) to be appointed or re-appointed by the Board per management's recommendation, and in the case of any proposed change in the independent qualified reserves evaluator(s), determine the reasons for the proposed change and whether there have been any disputes between the appointed qualified reserves evaluator(s) and management of the Corporation;
- (c) review at least annually the Corporation's procedures for providing information to the independent qualified reserves evaluator(s) for the purposes of its report on reserves data of the Corporation under NI 51-101;
- (d) before recommending that the Board approve the filing of the statement of reserves data and other oil and gas information of the Corporation, the report of management and directors on oil and gas disclosure and the report of the independent qualified reserves evaluator(s) on reserves data with the applicable regulatory authorities, meet with management and each of the independent qualified reserves evaluator(s) to:
  - (i) determine whether any restrictions affect the ability of the independent qualified reserves evaluator(s) to report on the reserves data of the Corporation without reservation; and
  - (ii) review the statement of reserves data and other oil and gas information and the report of the independent qualified reserves evaluator(s) on reserves data;
- (e) review the content and filing of: (a) the statement of reserves data and other oil and gas information; (b) the report of independent qualified reserves evaluator(s) on reserves data; and (c) the report of management and directors on oil and gas disclosure as contemplated by NI 51-101 and make a recommendation to the Board as to whether to approve the content and filing of such documents;
- (f) review any public disclosure or regulatory filings with respect to any reserves evaluation and oil and gas activities, including any material change reports containing such information, and the compliance thereof with applicable regulatory requirements, and, if appropriate, make recommendations to the Board as to their approval for the release or

filing thereof;

- (g) co-ordinate meetings with the Corporation's Audit Committee, the Corporation's senior reserve personnel, the independent qualified reserves evaluator(s) and the external auditor as required to address matters of mutual interest or concern in respect of the Corporation's evaluation of oil and natural gas reserves and resources; and
- (h) perform any other activities consistent with this mandate and, generally, governing laws as the Committee or the Board deems necessary or appropriate.

## **VI. REVIEW OF MANDATE AND TERMS OF REFERENCE**

The Committee shall review and assess this Mandate and Terms of Reference annually or otherwise as it deems appropriate and recommend changes to the Board.

Dated: March 28, 2018