

## **ARROW EXPLORATION CORP. CHARTER OF THE RESERVES COMMITTEE**

### **PURPOSE AND POLICY**

The Board of Directors (the “*Board*”) of Arrow Exploration Corp. (the “*Company*”) has established the Reserves Committee of the Board (the “*Committee*”) with authority, responsibility and specific duties as described in this Reserves Committee Charter (this “*Charter*”). The primary purpose of the Committee shall be to act on behalf of the Board in fulfilling the Board’s oversight responsibilities with respect to evaluating and reporting on the Company’s oil and gas reserves.

### **COMPOSITION**

The Committee shall consist of at least three members of the Board. A majority of the members of the Committee shall satisfy the independence requirements of the TSX Venture Exchange and a majority of the members of the Committee will not be and will not have been during the 12 months preceding their appointment: (i) an officer or employee of the Company or an affiliate of the Company; (ii) a person who beneficially owns 10% or more of the outstanding voting securities of the Company; or (iii) a relative of a person referred to in (i) or (ii), residing in the same home as that person. The members of the Committee shall be appointed by and serve at the discretion of the Board. Vacancies occurring on the Committee shall be filled by the Board by an affirmative vote of a majority of the Board. The Chair of the Committee shall be appointed 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.

Each member of the Committee, as well as the Chairman, will be paid the fee set by the Board for his or her services as a member, or Chairman, as the case may be, of the Committee. Subject to the Company’s Governance Guidelines and other policies, Committee members, including the Chairman, will be reimbursed by the Company for all reasonable expenses incurred in connection with their duties as Committee members.

### **MEETINGS AND MINUTES**

The Committee shall hold such regular or special meetings as its members shall deem necessary or appropriate. Minutes of each meeting of the Committee shall be prepared and distributed to each director of the Company and the Secretary of the Company promptly after each meeting. The Chair of the Committee shall report to the Board from time to time, or whenever so requested by the Board. Meetings may, at the discretion of the Committee, include members of the Company’s management, independent advisors and consultants or any other persons whose presence the Committee believes to be necessary or appropriate. Those in attendance may observe meetings of the Committee, but may not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event are not entitled to vote. At the discretion of the Committee Chair, any director who is not a Committee member may attend Committee meetings as a guest. The Committee shall meet in executive session as required and discussions may include such topics as the Committee members determine.

A majority of the Committee's members will constitute a quorum. The Committee will act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent in lieu of a meeting.

#### **AUTHORITY**

The Committee is delegated all authority of the Board as may be required or advisable to fulfill the purposes of the Committee. Without limiting the generality of the preceding statements, the Committee has the authority, and is entrusted with the responsibility to take the following actions. The Committee shall have authority to pay, at the expense of the Company, ordinary administrative expenses that, as determined by the Committee, are necessary or appropriate in carrying out its duties. The Committee shall have full access to all books, records, facilities and personnel of the Company as deemed necessary or appropriate by any member of the Committee to discharge his or her responsibilities hereunder. The Committee shall have authority to require that any of the Company's personnel, counsel, or any other consultant or advisor to the Company attend any meeting of the Committee or meet with any member of the Committee or any of its special legal, accounting or other advisors and consultants. The approval of this Charter by the Board shall be construed as a delegation of authority to the Committee with respect to the responsibilities set forth herein.

#### **RESPONSIBILITIES**

The Committee shall oversee the Company's (i) annual review of its oil and gas reserves, (ii) procedures for evaluating and reporting its oil and gas producing activities, (iii) compliance with applicable regulatory and securities laws relating to the preparation and disclosure of information with respect to its oil and gas reserves, and (iv) consult with the Audit Committee on such matters relating to the Company's oil and gas reserves which impact the Company's financial statements. The Committee's functions and procedures should remain flexible to address changing circumstances most effectively. To implement the Committee's purpose and policy, the Committee shall be charged with the following functions and processes with the understanding, however, that the Committee may supplement or (except as otherwise required by applicable laws or rules) deviate from these activities as appropriate under the circumstances:

**1. *Review of Disclosure Procedures.*** To review at least annually the Company's procedures relating to disclosure of information with respect to the oil and gas activities of the Company, including its procedures for complying with the disclosure requirements and restrictions of National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101").

**2. *Evaluation and Retention of Consultants.*** To evaluate the performance of the qualified independent reserve evaluator(s) or auditor(s) (the "**Consultants**") appointed by the Company and retained to assist the Company in the annual and any quarterly evaluation or review of the Company's oil and gas reserves data, to annually assess their qualifications and independence and to determine whether to retain or to terminate the Consultants. In the case of any proposed change in the appointment of the Consultant(s), determine the reasons for the proposed change and whether there have been any disputes between the appointed Consultant(s) and management of the Company.

**3. *Approval of Engagements.*** To determine and approve the engagements of the Consultants and the compensation to be paid, at the Company's expense, to the Consultants.

**4. *Provision of Information to the Consultants.*** To annually review the Company's procedures for providing information to the Consultant(s) who report on the Company's reserves data for the purposes of NI 51-101.

**5. *Review and Recommendation.*** To review: (i) the content and filing of the Company's statement of reserves data and other oil and gas information specified in Form 51-101F1, (ii) the filing of the report of the Consultant(s) on the Company's reserves data in accordance with Form 51-101F2, and (iii) the content and filing of the Company's report of management and directors on oil and gas disclosure in accordance with Form 51-101F3, or such other reserves or resources disclosure documentation prepared by the Company for dissemination to the public, as applicable, and make a recommendation to the Board as to whether to approve the content and filing of such documents.

Prior to recommending that the Board approve the filing of the statement of reserves data and other oil and gas information and the report of the Consultant(s) on the Company's reserves data with the applicable regulatory authorities, to meet with management and the Consultant(s) to: (i) determine whether any restrictions affect the ability of the Consultant(s) to report on the reserves or resources data of the Company without reservation; and (ii) review the reserves data and the report of the Consultant(s) thereon.

**6. *Press Releases.*** To review and discuss with management (i) any press releases to be issued by the Company which disclose the Company's oil and gas reserves, and (ii) the substance of the Company's oil and gas reserves' information provided to analysts and ratings agencies, which discussions in each case may be general discussions of the type of information to be disclosed and, if appropriate, make recommendations to the Board regarding the issuance of such press releases.

**7. *Separate Sessions.*** Periodically, to meet in separate sessions to discuss any matters that the Committee believes should be discussed privately with the Committee.

**8. *Correspondence with Regulators.*** To consider and review with management, outside counsel, as appropriate, and, in the judgment of the Committee, such special counsel, and other consultants and advisors as the Committee deems appropriate, any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's oil and gas reserves.

**9. *Regulatory Initiatives.*** To review with counsel, and management, as appropriate, any significant regulatory or other legal or accounting initiatives or matters that may have a material impact on the Company's oil and gas reserves if, in the judgment of the Committee, such review is necessary or appropriate.

**10. *Annual Charter Review.*** To review and assess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.

**11. Report to Board.** To report to the Board of Directors such other matters as the Committee deems appropriate from time to time or whenever it shall be called upon to do so.

**12. Reserves Committee Evaluation.** To conduct an annual evaluation of the performance of the Committee.

**13. General Authority.** To perform such other functions and to have such powers as may be necessary or appropriate in the efficient and lawful discharge of the foregoing.

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While the Committee members have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the Committee members, except to the extent otherwise provided under applicable federal or state law.