



SEVEN GENERATIONS
E N E R G Y

SEVEN GENERATIONS ENERGY LTD. RESERVES COMMITTEE MANDATE

Section 1 Purpose

The Reserves Committee (the “**Committee**”) is a committee of the board of directors (the “**Board**”) of Seven Generations Energy Ltd. (the “**Corporation**”). The primary function of the Committee is to assist the Board by:

- (a) appointing and approving, on behalf of the Board, an independent reserves and resource evaluator (the “**Evaluator**”);
- (b) overseeing the work of the Evaluator, including understanding the nature and resolution of disagreements between the Evaluator and management if any such disagreement requiring resolution arises while recognizing that the Corporation normally seeks an independent evaluation of reserves and resources and, by that definition, complete agreement should be expected in rare circumstances and an independent evaluator accepting the mediation of the Committee a rare subset of that; and
- (c) reviewing the Corporation’s procedures relating to disclosure of information with respect to oil and gas reserves and resources.

Section 2 Composition and Meetings

- (a) The Committee should be comprised of at least two (2) directors of the Corporation or such greater number as the Board may determine, each of whom should be (or should become within a reasonable period of time after appointment) familiar with oil and gas reserve and resource evaluation practices.
- (b) The majority of the Committee members shall meet the independence requirements set forth in National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* (“**NI 51-101**”).
- (c) The members of the Committee and its Chair shall be elected from the duly elected directors of the Corporation by the Board on an annual basis, or until they are removed by the Board or until they cease to be a director or their successors are duly appointed. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

- (d) The members of the Committee may be removed or replaced by the Board at any time. The Chair may be removed by the Board or the Committee, in consultation with the Board, at any time. Any member shall automatically cease to be a member of the Committee on ceasing to be a director. The Board may fill vacancies on the Committee. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all of the powers of the Committee, so long as a quorum remains.
- (e) The Committee may delegate any or all of its functions to any of its members or any sub-set thereof, or other persons, from time to time as it sees fit.
- (f) The Committee shall meet at least two times per annum or more frequently as circumstances require. The Committee may ask members of management or others to attend meetings or to provide information as necessary. The Committee shall have full access to all information it deems appropriate for the purpose of fulfilling its role.
- (g) The Committee may if considered appropriate, conduct or authorize investigations into any matters within the Committee's scope of activities. The Committee is empowered to retain independent counsel, oil and gas reserves and resource evaluators, accountants or other experts and other professionals to assist it in the conduct of any such investigation or otherwise as it determines necessary to carry out its duties. The Committee may set and pay (at the expense of the Corporation) the compensation for any such advisors.
- (h) At all meetings of the Committee every question shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall not be entitled to a second or casting vote; rather any matter in which the Committee is split will be taken to the full Board for resolution.
- (i) A quorum for the transaction of business at any meeting of the Committee shall be a simple majority of its members in any case but not less than two (2).
- (j) Meetings of the Committee shall be held from time to time and at such place as any member of the Committee shall determine upon 48 hours' notice to each of its members. The notice period may be waived by all members of the Committee. Each of the Chair of the Board, the Chief Executive Officer, the President, the Chief Financial Officer or the Corporate Secretary shall also be entitled to call a meeting.
- (k) Agendas shall be circulated to Committee members along with background information on a timely basis prior to the Committee meetings. Under normal circumstances it is the expectation that the Committee Chair will have a chance to review and provide commentary on a meeting agenda but it is not essential. Minutes of each meeting will be recorded, reviewed for errors or omissions with the Committee Members and filed with the Corporate

Secretary who will make them available to any director wishing to review them.

- (l) The Committee Chair will report on the activities and decisions that the Committee has made according to its delegated authorities at quarterly (or more frequent) meetings of the full Board.
- (m) Any issue arising from these meetings that bear on the relationship between the Board and management should be communicated to the whole Board by the Committee Chair.

Section 3 Role

In addition to the matters described in Section 1, and any other duties and authorities delegated to it by the Board from time to time, the role of the Committee is to:

(1) *General*

- (a) Review and recommend to the Governance and Nominating Committee changes to this Mandate, as considered appropriate from time to time.
- (b) Review management's summary in the Corporation's disclosure documents the Committee's composition and activities, as required.

(2) *Reserves and Resources*

- (a) Consult with management regarding the selection of an Evaluator to evaluate the Corporation's reserves and resources.
- (b) Specify that the Evaluator's report must contain all of the information that the Corporation is required to file and/or disclose and that it must be delivered in sufficient time to enable the Committee and the Board to review and then to meet the Corporation's reporting obligations in accordance with all applicable laws and agreements.
- (c) Evaluate the Evaluator's qualifications, performance and independence.
- (d) Review the terms of the Evaluator's engagement for any evaluation of the Corporation's reserves and resources, including scope of work, schedule of work and delivery of final reports and the proposed fees.
- (e) Review with reasonable frequency the Corporation's procedures for providing information to the Evaluator.
- (f) When there is a proposed change in the Evaluator or a proposed addition of an Evaluator, the Committee will review all issues related to such change, including the reasons for such change and whether there was a dispute between the Evaluator and management of the Corporation, and planned steps for an orderly transition.

- (g) Review the Evaluator's report (and any material interim updates of reserves and/or resources in accordance with NI 51-101 requested of the Evaluator) and review all significant changes in scope, assumptions, methodologies and major revisions from prior year reports.
- (h) Ensure there is a clear understanding with the Evaluator that the Evaluator 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. The Evaluator must be given discretionary access to the full Board through any of the directors of the Corporation.
- (i) As appropriate, meet with the Evaluator to review any problems experienced by the Evaluator in preparing the reserve and/or resource evaluation (including any restrictions imposed by the Corporation or significant issues on which there was a disagreement with the Corporation) and to discuss any other matters the Committee or the Evaluator wishes to raise.
- (j) Review common evaluation parameters of the NI 51-101 compliant reserve and resource evaluation, including finding and development costs, reserve addition costs, net asset value, and any other parameter that the Committee may desire. Determine which, if any, of the evaluation parameters appear to the Evaluator to be unusual for assets of a similar nature to the Corporation's assets that were evaluated by the Evaluator.
- (k) Review the period by period evaluation of reserves and resources in respect of the historical accuracy of the evaluation of reserves and resources, production, capital costs, operating costs, product prices, etc.
- (l) Review with reasonable frequency the Corporation's procedures relating to the disclosure of information with respect to oil and gas property evaluations, including its procedures for complying with the disclosure requirements and restrictions of NI 51-101.
- (m) Before approving the filing of reserves data and the report of the Evaluator, meet with management of the Corporation and the Evaluator to determine whether any restrictions affect the ability of the Evaluator to report on reserves data without reservation and to review the reserves data and the report of the Evaluator.
- (n) Make recommendations to the Board as to whether to approve the content and filing of Forms 51-101F1 and 51-101F3 under NI 51-101 and the filing of Form 51-101F2 under NI 51-101.
- (o) Periodically, receive and review reports from the Corporation and/or the Evaluator on regulatory or industry standards concerning reserve and resource assessments and reserve committees.

- (p) Review annually the Corporation's provisions for and experience in respect of abandonment and reclamation costs to ensure adequate provision for the future abandonment and reclamation of all wells, plants and facilities.
- (q) For acquisitions beyond management's Grant of Authorities, review proposed acquisitions in respect of projected recovery and evaluation thereof and in respect of environmental liability assumption.

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