

PAINTED PONY PETROLEUM LTD.
Corporate Governance Committee Charter

OVERALL ROLE AND RESPONSIBILITY

The Corporate Governance Committee (the “Committee”) shall

- (a) identify individuals qualified and suitable to become Board members and make recommendations to the Board in that regard, and
- (b) assist the Board of Directors in its oversight role with respect to
 - (i) the development of the Corporation’s corporate governance policies, practices and processes;
 - (ii) the effectiveness of the Board of Directors and its committees; and
 - (iii) the contributions of individual Directors, and
- (c) review on a periodic basis the composition of the Board members ensuring that an appropriate number of directors sit on the Board, as well as analyzing what competencies and skills the board, as a whole, should possess, and
- (d) assess what competencies and skills each existing director possess.

MEMBERSHIP AND MEETINGS

The Committee shall consist of two or more Directors appointed by the Board of Directors, all of whom shall be independent and unrelated to the Corporation and as such shall not be officers (other than a non-executive Chairman or Corporate Secretary who is not an employee of the Corporation) or employees of the Corporation or any of the Corporation’s affiliates.

Each of the members of the Committee shall satisfy the applicable independence requirements of the laws governing the Corporation, the applicable stock exchanges on which the Corporation’s securities are listed and applicable securities regulatory authorities.

The Chair of the Committee shall be appointed by the Board of Directors. Members of the Committee shall serve at the pleasure of the Board of Directors for such term or terms as the Board of Directors may determine.

The Committee shall meet as often as required, but not less frequently than one time a year. The Committee shall report to the Board of Directors on its activities after each of its meetings.

STRUCTURE AND OPERATIONS

The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution. The Committee may create one or more subcommittees and may delegate, in its discretion, all or a portion of its duties and responsibilities to such subcommittees.

The Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will

recommend changes to the Board of Directors for its approval.

SPECIFIC DUTIES

Corporate Governance

- Review periodically corporate governance practices and recommend appropriate policies, practices and procedures.
- Review periodically the adequacy and effectiveness of the Board of Directors' governance policies and make appropriate recommendations for their improvement.
- Review the corporate governance sections of the Proxy Circular distributed to shareholders.
- Assess shareholder proposals as necessary for inclusion in the Proxy Circular and Report to Policyholders, respectively, and make appropriate recommendations to the Board of Directors.

Composition and Compensation of the Board of Directors

- Recommend to the Board of Directors appropriate criteria for the selection of new Directors, periodically review the criteria adopted by the Board of Directors and, if deemed desirable, recommend to the Board of Directors changes to such criteria.
- Review periodically the skills, areas of expertise, backgrounds, independence and qualifications of the members of the Board of Directors.
- Consider the competencies and skills that the board considers to be necessary as a whole for the board to possess.
- Consider the competencies and skills that the board considers each existing director to possess, as well as the competencies and skills each new nominee will bring to the boardroom.
- Consider the appropriate size of the board, with a view to facilitating effective decision-making. In doing so, the board should consider the advice and input of the nominating committee.
- Identify and recommend qualified candidates to the Board of Directors, and recommend the slate of nominees for election by shareholders at the annual meeting.
- Review and recommend periodically to the Board of Directors the election of the Chair of the Board of Directors.
- Identify Directors qualified to fill vacancies on any committee of the Board of Directors (including the Committee), and recommend that the Board of Directors appoint the identified Director or Directors to the respective committee.
- Determine the nature and extent of an orientation and education program for new Directors.
- Review periodically the level of compensation for the Board of Directors and its committees and make recommendations to the Board of Directors with respect thereto.
- Assess periodically the performance, goals and objectives of the President and Chief Executive Officer and make appropriate recommendations to the Board of Directors.

General Review of the Board of Directors

- Review periodically the conflicts of interest and continuing qualifications of members of the Board of Directors.
- Review the relationship of the Board of Directors with management.
- Consider, and if appropriate, approve requests by members of the Board of Directors to engage outside advisors, at the Corporation's expense, with respect to matters before the Board of Directors or any committee.

INDEPENDENT ADVISORS

The Committee shall have the authority to retain such independent advisors as it may deem necessary or advisable for its purposes. The expenses related to such engagement shall be funded by the Corporation.