

QUESTERRE ENERGY CORPORATION
(the “Corporation”)

COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

MANDATE

A. Composition and Process

1. The Committee shall be comprised of not less than two (2) members of the Board of Directors, the majority of whom shall be unrelated, outside directors. An unrelated director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could be reasonably be perceived to, materially interfere with the director’s ability to act with a view to the best interests of the Corporation other than interests and relationships arising from shareholdings.
2. Members shall serve one year terms and may serve consecutive terms, which is encouraged to ensure continuity of experience.
3. The Chairman shall be a director appointed by the Board of Directors for a one (1) year term, and may serve any number of consecutive terms.
4. The Chairman shall, in consultation with management and the members of the Committee, establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting.
5. The Committee shall meet at least two times per year and may call special meetings as required. A quorum at meetings of the Committee shall be its Chairman and one of its other members. The Committee may hold its meetings, and members of the Committee may attend meetings, by teleconference.
6. The minutes of Committee meetings shall accurately record the decisions reached and shall be distributed to Committee members with copies to the Board of Directors, the Chief Executive Officer and the Chief Financial Officer.

B. Authority

7. Appointed by and report to Board of Directors.

C. Responsibilities

8. To review management prepared policies and recommend to the Board of Directors on the following matters:
 - (a) Compensation policies and guidelines for senior officers, as well as supervisory and management personnel of the parent and subsidiary companies;
 - (b) Corporate benefits (car, life insurance, retirement plan, expense accounts, etc.);
 - (c) Incentive Plan, along with global payment information as it applies to senior management bonus, and discretionary bonus plans;
 - (d) Evaluation of the performance and compensation of the Chief Executive Officer and other senior management;

- (e) Policy regarding the Incentive Stock Option Plan of the Corporation and the granting of Stock Options to members of the Board of Directors, management and employees of the Corporation;
- (f) Compensation levels for members of the Board of Directors, as well as for Committee members, including the compensation of the Chairman of the Board and any Chairman of Board Committees;
- (g) Succession plan for the Chief Executive Officer and for key employees of the Corporation; and
- (h) Any material changes in Human Resources policy, procedure, remuneration and benefits.

D. Reporting Requirements

- 9. As required to deal with current issues.

December 2007