

**QUESTERRE ENERGY CORPORATION**  
**(the “Corporation”)**

**RESERVE COMMITTEE OF THE BOARD OF DIRECTORS**

**MANDATE**

**A. Composition and Process**

1. The Committee shall be comprised of not less than three (3) members of the Board of Directors, provided that the majority of the members shall be:
  - (a) individuals who are not and have not been during the preceding 12 months:
    - (i) an officer or employee of the Corporation or an affiliate of the Corporation;
    - (ii) a person who beneficially owns 10% or more of the outstanding voting securities of the Corporation; or
    - (iii) a relative of a person referred to above in clause (i) or (ii) residing in the same home as that person; and
  - (b) free from any business or other relationship which could reasonably be seen as to interfere with the exercise of their independent judgement.
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, members of the Committee and the *independent qualified Independent Evaluator or auditor* (as defined in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (“NI 51-101”) and hereinafter referred to as “Independent Evaluator”), establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members and other attendees with sufficient time for study prior to the meeting. The Independent Evaluator will also receive notice of all meetings of the Committee. The Committee may employ a list of prepared questions and considerations as a portion of its review and assessment process.
5. The Committee shall meet no less than one time per year and may call special meetings as required to discharge its responsibilities. 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 means of 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, the Chief Financial Officer and the Independent Evaluator.
7. The Mandate of the Committee shall be reviewed by the Board of Directors on an annual basis.

**B. Authority**

8. Appointed by and report to Board of Directors.

**C. Responsibilities**

9. In order to preserve the independence of the Independent Evaluator the Committee, to recommend to the Board of Directors:
  - (a) the Independent Evaluator to be engaged; and
  - (b) the compensation of the Independent Evaluator.
10. To review the appointment of the Independent Evaluator under NI 51-101 and in the case of any proposed change in such appointment, determine the reasons for the proposal and whether there have been disputes between the appointed Independent Evaluator and management.
11. To review, with reasonable frequency, the Corporation's procedures for providing information to the Independent Evaluator reporting on *reserves data* (as defined in NI 51-101 and hereinafter referred to as "Reserves Data") for the purposes of NI 51-101.
12. To review, with reasonable frequency, the procedures relating to the disclosure of information with respect to oil and gas activities including the Corporation's procedures for complying with the disclosure requirements and restrictions of NI 51-101.
13. To review all disclosure made by or on behalf of the Corporation, that the Corporation knows or ought reasonably to know is or will become available to the public and any document filed with a securities regulatory authority to ensure compliance with NI 51-101.
14. To review the annual filings required by NI 51-101 ("Annual Filings") and recommend approval of the contents and the filing of the Annual Filings to the Board of Directors.
15. Before approving the filing of the Reserves Data and the Annual Filings, meet with management and the Independent Evaluator to:
  - (a) determine whether any restrictions affect the ability of the Independent Evaluator to report on the Reserves Data without reservation; and
  - (b) review the Reserves Data and the report of the Independent Evaluator thereon.

**D. Reporting Requirements**

16. Annually to recommend approval of the content and the filing of the Annual Filings to the Board of Directors and as required to the Board of Directors to deal with current oil and gas issues.

September 2006