

## **AUDIT COMMITTEE CHARTER**

### ***Policy Statement***

It is the policy of Ember Resources Inc. (the "Corporation") to establish and maintain an Audit Committee, composed entirely of independent directors, to assist the Board of Directors (the "Board") in carrying out their oversight responsibility for the Corporation's audit process (internal and external), internal controls, financial reporting and risk management processes. The Audit Committee will be provided with resources commensurate with the duties and responsibilities assigned to it by the Board including administrative support. If determined necessary by the Audit Committee, it will have the discretion to institute investigations of improprieties, or suspected improprieties within the scope of its responsibilities, including the standing authority to retain special counsel or experts.

### ***Composition of the Committee***

1. The Audit Committee shall consist of at least three directors. The Board shall appoint the members of the Audit Committee and may seek the advice and assistance of the Compensation Committee in identifying qualified candidates. The Board shall appoint one member of the Audit Committee to be the Chair of the Audit Committee.
2. Each director appointed to the Audit Committee by the Board must be independent. A director is independent if the director has no direct or indirect material relationship with the Corporation. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of the director's independent judgment. In determining whether a director is independent of management, the Board shall make reference to the then current legislation, rules, policies and instruments of applicable regulatory authorities.
3. Each member of the Audit Committee shall be "financially literate". In order to be financially literate, a director must be, at a minimum, able to read and understand financial statements that present a breadth and complexity of accounting issues generally comparable to the breadth and complexity of issues expected to be raised by the Corporation's financial statements.
4. A director appointed by the Board to the Audit Committee shall be a member of the Audit Committee until replaced by the Board or until his or her resignation.

### ***Meetings of the Committee***

1. The Audit Committee shall convene a minimum of four times each year at such times and places as may be designated by the Chair of the Audit Committee and whenever a meeting is requested by the Board, a member of the Audit Committee, the auditors, or a senior officer of the Corporation. Meetings of the Audit Committee shall correspond with the review of the quarterly financial statements. Such period reviews of the financial statements shall also include management's discussion and analysis of the results of the Corporation in the respective period and any related disclosure material such as press releases, business acquisition reports, required certificates from management regarding accuracy and completeness of disclosure of financial information and internal financial control systems and any applicable report of the external auditor on such certificates.
2. Notice of each meeting of the Audit Committee shall be given to each member of the Audit Committee and to the auditors, who shall be entitled to attend each meeting of the Audit Committee and shall attend whenever requested to do so by a member of the Audit Committee.

3. The agenda for meetings of the Audit Committee shall be approved in advance by the Chair of the Audit Committee. Notice of a meeting of the Audit Committee shall:
  - (a) be in writing;
  - (b) state the nature of the business to be transacted at the meeting in reasonable detail;
  - (c) to the extent practicable, be accompanied by copies of documentation to be considered at the meeting; and
  - (d) be given at least two business days prior to the time stipulated for the meeting or such shorter period as the members of the Audit Committee may permit.
4. A quorum for the transaction of business at a meeting of the Audit Committee shall consist of a majority of the members of the Audit Committee. However, it shall be the practice of the Audit Committee to require review, and, if necessary, approval of certain important matters by all members of the Audit Committee.
5. A member or members of the Audit Committee may participate in a meeting of the Audit Committee by means of such telephonic, electronic or other communication facilities, as permits all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.
6. In the absence of the Chair of the Audit Committee, the members of the Audit Committee shall choose one of the members present to be Chair of the meeting. In addition, the members of the Audit Committee shall choose one of the persons present to be the Secretary of the meeting.
7. The Chairman of the Board, senior management of the Corporation and other parties may be invited to attend meetings of the Audit Committee; however the Audit Committee (i) shall meet with the external auditors independent of management as necessary, in the sole discretion of the Committee, but in any event, not less than quarterly; and (ii) should meet separately with management; and (iii) may meet separately as a committee.
8. Minutes shall be kept of all meetings of the Audit Committee and shall be signed by the Chair and the Secretary of the meeting and shall be available to all members of the Audit Committee.

***Duties and Responsibilities of the Committee***

1. The Audit Committee's primary duties and responsibilities are to:
  - (a) review with management the identification and monitoring by management of the principal risks that could impact the financial reporting of the Corporation;
  - (b) monitor the integrity of the Corporation's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
  - (c) monitor the independence and performance of the Corporation's external auditors. The Corporation's external auditors are ultimately accountable to the Audit Committee and the Board and the external auditors shall report directly to the Audit Committee;
  - (d) deal directly with the external auditors to approve external audit plans, other (non-audit) services (if any) and fees;

- (e) directly oversee the external audit process and results and resolve any disagreements between management and the external auditor regarding financial reporting;
  - (f) provide an avenue of communication among the external auditors, management and the Board; and
  - (g) ensure that an effective "whistle blowing" procedure exists to permit stakeholders to express any concerns regarding accounting or financial matters to an appropriately independent individual.
2. The Audit Committee shall have the authority to:
- (a) inspect any and all of the books and records of the Corporation, its subsidiaries and affiliates;
  - (b) discuss with the management and senior staff of the Corporation, its subsidiaries and affiliates, any affected party and the external auditors, such accounts, records and other matters as any member of the Audit Committee considers necessary and appropriate;
  - (c) engage independent counsel and other advisors as it determines necessary to carry out its duties and approve the engagement letter for audit services to be provided by the external auditors or affiliates, together with estimated fees; and
  - (d) to set and pay the compensation for any advisors employed by the Audit Committee.
3. The Audit Committee shall, at the earliest opportunity after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as deemed appropriate.
4. The Audit Committee shall:
- (a) evaluate the independence and performance of the external auditors and annually recommend to the Board the appointment of the external auditor and the compensation of the external auditors;
  - (b) consider the recommendations of management in respect of the appointment of the external auditors;
  - (c) review the audit plan with the Corporation's external auditors and with management;
  - (d) discuss with management and the external auditors any proposed changes in major accounting policies or principles, the presentation and impact of significant risks and uncertainties and key estimates and judgments of management that may be material to financial reporting;
  - (e) review with management and with the external auditors significant financial reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues;
  - (f) review and resolve any problems experienced or concerns expressed by the external auditors in performing an audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;

- (g) review with senior management the process of identifying, monitoring and reporting the principal risks affecting financial reporting;
- (h) consider and review with management, the internal control memorandum or management letter containing the recommendations of the external auditors and management's response, if any, including an evaluation of the adequacy and effectiveness of the internal financial controls of the Corporation and subsequent follow-up to any identified weaknesses;
- (i) review, and if appropriate, recommend for approval by the Board, the audited annual financial statements, management discussion and analysis and related documents in conjunction with the report of the external auditors. In conjunction with the review of the year end audited financial statements, or as circumstances require, the Audit Committee shall review the year end oil and gas reserves report of the Corporation, as prepared by the Corporation's independent reserves evaluator;
- (j) review the quarterly unaudited financial statements, management's discussion and analysis and related documents, including the quarterly review report as prepared by the external auditors and, if appropriate, recommend for approval by the Board, the quarterly unaudited financial statements, management's discussion and analysis and related documents;
- (k) before release, review and, if appropriate, recommend for consideration and approval by the Board, all public disclosure documents containing audited or unaudited financial information, including annual and quarterly financial statements, management discussion and analysis, annual reports, annual information forms and press releases;
- (l) oversee any of the financial affairs of the Corporation, its subsidiaries and affiliates, and, if deemed appropriate, make recommendations to the Board, external auditors or management;
- (m) pre-approve all non-audit services to be provided to the Corporation, its subsidiaries and affiliates by the external auditors;
- (n) approve the engagement letter for non-audit services to be provided by the external auditors or affiliates, together with estimated fees, and considering the potential impact of such services on the independence of the external auditors;
- (o) when there is to be a change of external auditors, review all issues and provide documentation related to the change, including the information to be included in the Change of Auditors Notice and documentation required pursuant to National Instrument 51-102 (or any successor legislation) and the planned steps for an orderly transition period;
- (p) review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable securities laws, on a routine basis, whether or not there is to be a change of external auditors;
- (q) review with management at least annually, the financing strategy and plans of the Corporation; and
- (r) receive reports and certificates from management with respect to compliance with financial, regulatory, taxation and continuous disclosure requirements.

5. The Audit Committee shall review the amount and terms of any insurance to be obtained or maintained by the Corporation with respect to risks inherent in its operations and potential liabilities incurred by the directors or officers in the discharge of their duties and responsibilities.
6. The Audit Committee shall approve the appointments of the Chief Financial Officer and any key financial managers who are involved in the financial reporting process.
7. The Audit Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters, which are directed to the Audit Committee by any member of the Board, a securityholder of the Corporation, the external auditors, or senior management.
8. The Audit Committee shall periodically review with management the need for an internal audit function.
9. The Audit Committee shall review the Corporation's accounting and reporting of environmental costs, liabilities and contingencies.
10. The Audit Committee shall establish and maintain procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting controls, or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
11. The Audit Committee shall review and approve the Corporation's hiring policies regarding employees and former employees of the present and former external auditors or auditing matters.
12. The Audit Committee shall review with the Corporation's legal counsel as required but at least annually, any legal matter that could have a significant impact on the Corporation's financial statements, and any enquiries received from regulators, or government agencies.
13. In reference to the discharge of the duties of the Audit Committee members under this Charter, each member shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended, or may be construed, to impose on any member of the Audit Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject.
14. The Audit Committee shall assess, on an annual basis, the adequacy of this Charter and the performance of the Audit Committee.