



BOARD DIVERSITY AND TERM LIMIT POLICY

The Board of Directors (the "**Board**") of Twin Butte Energy Ltd. ("**Twin Butte**") believes that Board nominations should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the Board at the time. Twin Butte is committed to a meritocracy and believes that considering the broadest group of individuals who have the skills, knowledge, experience and character required to provide the leadership needed to achieve the business objectives of Twin Butte, without reference to their age, gender, race, ethnicity or religion, is in the best interests of Twin Butte and all of its stakeholders. The Board recognizes benefits of diversity within the Board but will not compromise the principles of a meritocracy by imposing quotas or targets.

The Compensation, Nominating and Corporate Governance Committee (the "**Committee**") of the Board has established a "skills matrix" outlining the skills and experience which they believe are required by the members of the Board. This skills matrix is reviewed annually by the Committee and updated as necessary. The Committee also annually reviews the skills and experience of the current directors of Twin Butte. The Committee also assesses the knowledge and character of all nominees to the Board to ensure general compliance with the skills matrix.

<i>Executive Leadership</i>	Experience as a Chief Executive Officer or equivalent.
<i>Enterprise Risk Assessment</i>	Board or executive experience in evaluating and managing risks in the oil and natural gas business.
<i>Value Creation</i>	Board or executive experience in evaluating, and executing on, value creation opportunities through acquisitions, divestiture, mergers or developmental opportunities.
<i>Health, Safety and Environment</i>	Board or management experience with environmental compliance and workplace health and safety in the oil and gas industry.
<i>Operations</i>	Management experience with oil and natural gas operations.
<i>Reserves and Resource Evaluation</i>	Board experience with, or management responsibility for, oil and natural gas reserve and resource evaluation and reporting.
<i>Compensation and Human Resources</i>	Management experience in human resources and executive compensation.
<i>Accounting and Finance</i>	Financial literacy in reading financial statements, financial accounting and operational accounting experience as well as corporate finance knowledge and experience usually from senior accounting and financial management, audit firm background or banking experience.
<i>Legal, Regulatory and Governmental</i>	Broad understanding of corporate, securities, land tenure and oil and natural gas law, regulatory regimes in western Canada and governmental royalty, incentive and taxation policies usually through management experience or a legal background.

<i>Corporate Governance</i>	Broad understanding of good corporate governance usually through experience as a board member or as a senior executive officer.
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The Committee maintains an "evergreen list" of potential Board nominees. In establishing the "evergreen list" the Committee considers both the criteria outlined above and Board diversity. The Committee is authorized under its mandate and terms of reference to retain persons having special expertise and may obtain independent professional advice to assist in fulfilling its responsibilities.

The Board does not believe that fixed term limits are in the best interest of Twin Butte. The Committee considers both the term of service of individual directors, the average term of the Board as a whole and turnover of directors over prior three years when proposing a slate of nominees. The Committee considers the benefits of regular renewal in the context of the needs of the Board at the time and the benefits of the institutional knowledge of the Board members.