



MANDATE OF THE BOARD OF DIRECTORS

GENERAL

The Board of Directors (the "**Board**") of InPlay Oil Corp. (the "**Corporation**") is responsible for the stewardship of the Corporation. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of the Corporation. In general terms, the Board will:

- In consultation with the chief executive officer of the Corporation (the "**CEO**"), define the principal objectives of the Corporation.
- Supervise the management of the business and affairs of the Corporation with the goal of achieving the Corporation's principal objectives as developed in association with the CEO.
- Discharge the duties imposed on the Board by applicable laws.
- For the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

SPECIFIC

Executive Team Responsibility

- Appoint the CEO and senior officers, approve their compensation, and monitor the CEO's performance against a set of mutually agreed corporate objectives directed at maximizing shareholder value.
- In conjunction with the CEO, develop a clear mandate for the CEO, which includes a delineation of management's responsibilities.
- Ensure that a process is established as required that adequately provides for succession planning, including the appointing, training and monitoring of senior management.
- Establish limits of authority delegated to management.
- Approve any proposed significant changes in the management organization structure of the Corporation.

Operational Effectiveness and Financial Reporting

- Annual review and adoption of a strategic planning process and approval of the corporate strategic plan, which takes into account, among other things, the opportunities and risks of the business, including a review of the Corporation's progress towards the achievement of the goals established in the corporate strategic plan and, if necessary, revise and alter such plan in light of changing circumstances.

- Ensure that a system is in place to identify the principal risks to the Corporation and that the best practical procedures are in place to monitor and mitigate the risks.
- Ensure that processes are in place to address applicable regulatory, corporate, securities and other compliance matters.
- Ensure that an adequate system of internal control exists.
- Ensure that due diligence processes and appropriate controls are in place with respect to applicable certification requirements regarding the Corporation's financial and other disclosure.
- Review and approve the Corporation's financial statements and oversee the Corporation's compliance with applicable audit, accounting and reporting requirements.
- Approve annual operating and capital budgets.
- Review and consider for approval all amendments or departures proposed by management from established strategy, capital and operating budgets or matters of policy which diverge from the ordinary course of business.
- Review operating and financial performance results relative to established strategy, budgets and objectives.

Risk Management

- Review the principal business risks of the Corporation and actions taken by the Corporation to mitigate these risks.
- Review the principal financial risks of the Corporation, including but not limited to changes in commodity prices, interest rates, foreign currency exchange rates and credit.
- Review guidelines, policies and reports from Management with respect to risk assessment, risk management and major financial risk exposures, including the processes Management uses to assess and manage the Corporation's risk and exposures and if, in the Board's view, changes in guidelines and policies are desirable, make such changes, as applicable.
- Review the financial exposures undertaken by the Corporation together with any mitigating strategies, including hedging policies and practices and insurance, and consider these in light of the corporate risk management policies approved from time to time and related internal controls. Such exposures include physical and financial positions in commodities markets; derivatives strategies; capital commitments; sovereign and foreign exchange exposures; and exposure to interest rate fluctuations.
- Review the activities of the Corporation's treasury and marketing groups and the financial risks arising from those activities including any proposed authorities of Management from the Board for the hedging of the exposures.
- Review the Corporation's hedging activities including a summary of the hedge-related instruments at the end of each quarter.

- Annually review, and if desirable, recommend and/or approve changes to the insurance program including coverage for property damage, business interruption, liabilities, and directors and officers.
- Review any other significant financial exposures of the Corporation to the risk of a material financial loss including tax audits or other activities.
- Review the Corporation's financial strategy considering current and future business needs, including, capital markets and the Corporation's credit rating (if any) and review the Corporation's capital structure including debt and equity components, current and expected financial leverage, and interest rate and foreign currency exposures.

Integrity/Corporate Conduct

- Establish a communications policy or policies to ensure that a system for corporate communications to all stakeholders exists, including processes for consistent, transparent, regular and timely public disclosures, and to facilitate feedback from stakeholders.
- Approve a Code of Business Conduct and Ethics (the "**Code**") for directors, officers and employees and monitor compliance with the Code and approve any waivers of the Code for officers and directors.
- To the extent feasible, satisfy itself as to the integrity of the CEO and other executive officers of the Corporation and that the CEO and other executive officers create a culture of integrity throughout the Corporation.

Board Process/Effectiveness

- Ensure that Board materials are distributed to directors in advance of regularly scheduled meetings to allow for sufficient review of the materials prior to the meeting. Directors are expected to attend all meetings.
- Engage in the process of determining Board member qualifications with the Corporate Governance Committee including ensuring that a majority of directors qualify as independent directors pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (as implemented by the Canadian Securities Administrators and as amended from time to time) and that the appropriate number of independent directors are on each committee of the Board as may be required under applicable securities rules and requirements.
- Approve the nomination of directors.
- Provide a comprehensive orientation to each new director.
- Establish an appropriate system of corporate governance including practices to ensure the Board functions independently of management.
- Establish appropriate practices for the regular evaluation of the effectiveness of the Board, its committees and its members.
- Establish committees and approve their respective mandates and the limits of authority delegated to each committee.

- Review and re-assess the adequacy of the mandate of the committees of the Board on a regular basis, but not less frequently than on an annual basis.
- Review the adequacy and form of the directors' compensation to ensure it realistically reflects the responsibilities and risks involved in being a director.

GENERAL

- The Board may exercise or delegate any other powers consistent with this mandate, the Corporation's articles and by-laws, and any governing laws, as the Board deems necessary or appropriate.
- The powers of the Board may be exercised by a resolution passed at a meeting of the Board at which a quorum is present or by a resolution in writing signed by all of the directors entitled to vote on that resolution at a meeting of the Board.
- Each member of the Board is expected to understand the nature and operations of the Corporation's business, and have an awareness of the political, economic and social trends prevailing in all countries or regions in which the Corporation invests, or is contemplating potential investment.
- The Board may retain persons having special expertise and may obtain independent professional advice to assist it in fulfilling its responsibilities at the expense of the Corporation, as determined by the Board.
- If there is a vacancy in the Board, the remaining directors may exercise all the powers of the Board so long as a quorum remains in office.
- At each meeting of the Board, the independent directors shall have a meeting in the absence of non-independent directors and members of management.
- Subject to terms of the Disclosure, Confidentiality and Trading Policy and other policies and procedures of the Corporation, the Chairman of the Board will act as a liaison between stakeholders of the Corporation and the Board (including independent members of the Board).