

**COMPTON PETROLEUM CORPORATION
BOARD OF DIRECTORS**

CHARTER

MANDATE OF THE BOARD OF DIRECTORS

(A) Operation of the Board of Directors

The Board of Directors (the "**Board**") of Compton Petroleum Corporation (the "**Company**") is responsible under law for the management of the Company's business and affairs. The Board shall operate by delegating certain of its authorities, including the day to day conduct of the business of the Company to management and overseeing the activities of management, and by reserving certain powers to itself. The Board shall retain the responsibility of managing its own affairs, including selecting its Chair, constituting committees of the full Board and determining director compensation. Subject to the Articles and By-Laws of the Company and the *Business Corporations Act* (Alberta) (the "**ABCA**"), the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board and shall do so where it considers appropriate.

(B) General Responsibilities

The Board's fundamental responsibilities are to foster the long-term success of the Company consistent with the Board's fiduciary responsibility to the Company, to enhance and preserve long-term shareholder value and to provide stewardship in order that the Company meets its obligations on an ongoing basis and operates in a reliable and safe manner. In performing its functions, the Board should also consider the legitimate interests that its other stakeholders, such as employees, customers and communities, may have in the Company. In broad terms, the stewardship of the Company involves the Board in financial planning and reporting, strategic planning, risk management and mitigation, environmental, health and safety management and mitigation, review of reserves disclosure procedures and practices, acceptance of the content and filing of the Company's reserves data with applicable securities regulatory authorities, senior management determination, communication planning and internal control integrity.

(C) Specific Responsibilities

The Board's specific duties and responsibilities fall into the categories outlined below.

1. Legal Requirements

- (a) The Board has the oversight responsibility for directing management in order that the Company meets its legal and regulatory requirements and that documents and records are properly prepared, approved and maintained;
- (b) The Board has the statutory responsibility to:
 - (i) manage the business and affairs of the Company;

- (ii) act honestly and in good faith with a view to the best interests of the Company;
 - (iii) exercise the care, diligence and skill that reasonably prudent people would exercise in comparable circumstances;
 - (iv) act in accordance with its obligations contained in the ACBA and the regulations thereto, the securities legislation of each province and territory of Canada, other relevant legislation and regulation, including United States legislation and regulation applicable to the Company, and the Company's Articles and By-laws; and
 - (v) on the recommendation of the Audit, Finance and Risk Committee, recommend to the shareholders the appointment of an external auditor, and fix the remuneration of the external auditor if it has not been fixed by the shareholders.
- (c) The Board has the statutory responsibility for considering, as a full Board, the following matters which in law may not be delegated to management or to a committee of the Board:
- (i) any submission to the shareholders of a question or matter requiring the approval of the shareholders;
 - (ii) the filling of a vacancy among the directors or in the office of auditor or the appointment of additional directors;
 - (iii) the issuance of securities;
 - (iv) the declaration of dividends;
 - (v) the purchase, redemption or any other form of acquisition of shares issued by the Company;
 - (vi) the payment of a commission to any person in consideration of his/her purchasing or agreeing to purchase shares of the Company from the Company or from any other person, or procuring or agreeing to procure purchasers for any such shares;
 - (vii) the approval of management proxy circulars;
 - (viii) the approval of any take-over bid circular or directors' circular;
 - (ix) the approval of financial statements of the Company; and
 - (x) the adoption, amendment or repeal of By-Laws of the Company.

2. Composition of Board

The Board shall from time to time examine its size and composition and undertake, where appropriate, a program to reduce or increase the number of directors to a number which facilitates more effective decision making.

3. Compensation of Directors

The Board shall from time to time review, or appoint a committee to review, the adequacy and form of the compensation of the directors and shall ensure that such compensation realistically reflects the responsibilities and risks involved in being a director of the Company.

4. Outside Advisers

The Board shall implement a system whereby individual directors may engage an outside advisor (including legal counsel), at the expense of the Company, to provide consultation and advice in appropriate circumstances. The engagement of an outside advisor by a director shall be subject to the approval of the Board or the Corporate Governance Committee of the Board.

5. Independence

The Board has the responsibility to implement appropriate structures and procedures to permit the Board to function independently of management.

Such structures and procedures shall, at a minimum, include:

- (a) the appointment of a Chair of the Board, who shall be independent (as defined in section 2 of "Composition of the Board", below) and who shall be responsible for ensuring that the Board discharges its responsibilities independently of management; and
- (b) the requirement that a majority of the members of the Board shall be independent (as defined in section 2 of "Composition of the Board", below).

6. Strategy Determination

The Board has the responsibility:

- (a) to determine long-term goals, to establish an annual strategic planning process for the Company, and to participate with management directly or through its committees in approving the mission of, and the strategic plan for the Company by which the Company proposes to achieve its goals; and
- (b) to monitor progress in respect of the achievement of the goals established in the strategic plan and to initiate corrective action when required.

7. Committees of the Board and Independent Directors

The Board shall from time to time and at least annually, appoint and/or reappoint committees of directors and such committees shall have the responsibilities of meeting regularly and carrying out the duties and powers delegated to them by the Board as outlined in the respective committee charters. The committees of the Board shall at a minimum consist of:

- (a) Corporate Governance Committee;
- (b) Audit, Finance and Risk Committee; and
- (c) Engineering, Reserves and Operations Committee; and
- (d) Human Resources, Compensation, Environmental, Health and Safety Committee.

In order for independent directors (as defined in Section 2 of "Composition of the Board", below) of the Company to serve as a more effective check on management, the independent directors shall meet at regularly scheduled sessions, without management present.

8. Managing Risk

The Board has the responsibility to understand the principal risks of the business in which the Company is engaged, to achieve a proper balance between risks incurred and the potential return to shareholders, and to confirm that there are systems in place which effectively monitor and manage those risks with a view to the long-term viability of the Company. The Board also has a responsibility to understand and review the derivative and hedge policies of the Company.

9. Appointing, Training and Monitoring Senior Management

The Board has the responsibility:

- (a) to appoint the Chief Executive Officer (the "**CEO**"), to monitor and assess CEO performance, to determine CEO compensation, and to provide advice and counsel in the execution of the CEO's duties;
- (b) to consider the advice of the CEO and the recommendations of the Human Resources, Compensation, Environmental, Health and Safety Committee in approving the appointment and remuneration of all Company officers; and
- (c) to consider the advice and recommendation of the Human Resources, Compensation, Environmental, Health and Safety Committee to satisfy itself that adequate provision has been made for the training, development and continuing education of management and for the orderly succession of management.

10. Reporting and Communication

The Board has the responsibility:

- (a) to verify that the Company has in place policies and programs to enable the Company to communicate effectively with its shareholders, other stakeholders and the public generally;
- (b) to verify that the financial performance of the Company is adequately reported to shareholders, other security holders and regulators on a timely and regular basis;
- (c) to verify that the financial results are reported fairly and in accordance with generally accepted accounting principles and standards;
- (d) to verify the timely reporting of any other developments that have a significant and material impact on the value of the securities of the Company; and
- (e) to report annually to shareholders on its stewardship of the affairs of the Company for the preceding year.

11. Monitoring and Acting

The Board has the responsibility:

- (a) to verify that the Company operates at all time within applicable laws and regulations to the highest ethical and moral standards;
- (b) to approve and monitor compliance with significant policies and procedures by which the Company is operated, including its Code of Business Conduct and Ethics;
- (c) to review and approve recommendations of the Corporate Governance Committee to determine criteria for qualification of individuals to be a member of the Board;
- (d) to review and approve the annual budget, annual financing plans, any payment of dividends and new financing;
- (e) to review and approve quarterly financial reports and the annual report;
- (f) to verify that the Company sets high environmental standards in its operations and is in compliance with environmental laws and legislation;
- (g) to verify that the Company has in place appropriate programs and policies for the health and safety of its employees in the workplace;
- (h) to monitor the Company's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;

- (i) to take action when performance falls short of its goals and objectives or when other special circumstances warrant;
- (j) to review and direct management to establish the necessary processes and procedures to meet the Board's expectations regarding timely scheduling of Board and Committee meetings, receipt of materials, reports, presentations and other information from management in a timely and efficient manner, in order to permit the Board to properly carry out its duties and responsibilities.
- (k) to verify that the Company has implemented adequate internal control and information systems which ensure the effective discharge of its responsibilities; and
- (l) to determine the advisability, from time to time, of implementing a policy requiring a minimum level of ownership by directors and senior officers in the capital of the Company.

(D) General

1. The Board shall also be responsible for:

- (a) reviewing and assessing this Charter annually and revising it in accordance with the recommendations of the Corporate Governance Committee;
- (b) annually evaluate the performance of the Board, Chair of the Board and individual directors in accordance with an evaluation process established by the Board to assess the effectiveness and performance of the Board, committees of the Board and Chairman thereof;
- (c) considering the recommendations of the Corporate Governance Committee with respect to the Charter of each of the committees of the Board and revising such charters accordingly, as appropriate; and
- (d) performing any other activities consistent with this Charter, the Company's Articles and By-Laws and any other governing law and regulation as the Board deems necessary or appropriate in order to carry out its mandate.

2. This Charter shall not be taken to create a level of duty, or increase the liability of the Company, the Board, or any of its directors or management, beyond that otherwise provided by applicable law. The systematic identification, management and delegation of the business and affairs of the Company contained in this Charter are intended to improve the process of the Company's corporate governance.

COMPOSITION OF THE BOARD

1. The Board shall be comprised of at least three directors.
2. Each member of the Committee shall be “independent” as affirmatively determined by the Board, and as defined in the Company’s Standards of Independence attached hereto.
3. At least half of the members of the Board shall be resident Canadians, as that term is defined in the ABCA.
4. The Chair of the Board shall be appointed annually by the Board to oversee the Board carrying out its responsibilities effectively.
5. Each member of the Board shall have such skills and abilities appropriate to his or her appointment as a director as shall be determined by the Board.

MEETINGS OF THE BOARD

1. The Board shall meet at such times and places as designated by the Chair of the Board at least on a quarterly basis, and whenever a meeting is requested by a member of the Board or a senior officer of the Company.
2. Notice of each meeting of the Board shall be given to each member of the Board.
3. Notice of a meeting of the Board shall:
 - (a) be in writing (which may be communicated by electronic facsimile or other communication facilities);
 - (b) state the nature of the business to be conducted 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 24 hours preceding the time stipulated for the meeting.

4. A quorum for the transaction of business at a meeting of the Board shall consist of a majority of the members of the Board and such quorum of directors may exercise all the powers of the directors, provided that at least half of the directors present at a meeting shall be resident Canadians.
5. A member of the Board may participate in a meeting of the Board by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate adequately with each other. A member of the Board participating in the meeting by any such means is deemed to be present at that meeting.
6. In the absence of the Chair of the Board, the members of the Board, shall choose one of the members present at the meeting to be Chair of the meeting and, in the absence of the Secretary of the Company, the Board shall choose one of the members of the Board present at the meeting to be the Secretary of the meeting.
7. Management of the Company may attend meetings of the Board, as deemed appropriate by the Board, and shall attend meetings of the Board when requested to do so by the Board.
8. Minutes shall be kept of all meetings of the Board and shall be signed by the Chairman and Secretary of the meeting. The minutes shall be maintained with the Company's records, shall include copies of all resolutions passed at each meeting, and shall be available for review by members of the Committee, the Board and management.

COMPTON PETROLEUM CORPORATION STANDARDS OF INDEPENDENCE

Compton Petroleum Corporation (“Compton” or “the Company”) has adopted the following standards for determining whether a director is independent within the meaning of applicable Canadian and United States securities laws and the New York Stock Exchange corporate governance rules.

These Standards will be periodically reviewed and may be modified by Compton’s Board of Directors (“the Board”). Except where required by applicable law or the rules of the New York Stock Exchange, the criteria set forth in these standards are not intended to constitute rigid rules that govern the Board’s determination of whether a director is independent from the Company or an interpretation of any applicable law, rule or regulation.

To be considered independent for purposes of these standards, the Board must affirmatively determine on an annual basis that the director being reviewed has no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Company’s Board, be reasonably expected to interfere with the exercise of a member’s independent judgment. In each case, the Board shall consider all relevant facts and circumstances.

Additionally, a director will not be deemed to be independent if:

- (a) the director is, or has been within the last three years, an employee or executive officer of the Company, or an immediate family member⁽¹⁾ of the director is, or has been within the last three years, an executive officer of the Company;
- (b) the director is a current partner or employee of a firm that is the Company’s internal or external auditor, or was within the last three years, a partner⁽²⁾ or employee of that firm and personally worked on the Company’s audit within that time;
- (c) an immediate family member of the director is a current partner of a firm that is the Company’s internal or external auditor, or is a current employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or was, within the last three years a partner or employee of that firm and personally worked on the Company’s audit within that time;
- (d) the director, or an immediate family member of the director, is or has been within the last three years, an executive officer of an entity on which any of the Company’s current executive officers serves or served at that same time on the entity’s compensation committee;
- (e) the director or an immediate family member of the director who is employed as an executive officer of the Company has received, during any twelve month period within the last three years, more than \$75,000 in direct compensation from the Company, other than 1) director and committee fees, 2) pension or other forms of deferred compensation for prior service provided that such compensation is not contingent in any way on continued service and 3)

compensation for previously acting as an interim chief executive officer of the Company or previously acting as a chairman of the board on a part-time basis;

- (f) the director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues;
- (g) the director accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any subsidiary entity of the Company, other than as remuneration for acting in the director's capacity as a member of the board or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or is an affiliated entity of the Company or any of its subsidiary entities.

Other compensatory fees includes acceptance of a fee by an immediate family member or an entity in which the director is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the Company or any subsidiary entity of the Company. Compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company if the compensation is not contingent in any way on continued service.

- (h) the director is an affiliated⁽³⁾ person of the Company.

⁽¹⁾ An immediate family member is defined as a director's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares the director's home.

⁽²⁾ A partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

⁽³⁾ Affiliated person of another person means:

(a) any person directly or indirectly owning, controlling, or holding with power to vote, 5% or more of the outstanding voting securities of such other person;

(b) any person 5% or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by such other person;

(c) any person directly or indirectly controlling, controlled by, or under common control with, such other person;

(d) any officer, director, partner, copartner, or employee of such other person;

(e) if such other person is an investment company, any investment adviser thereof or any member of an advisory board thereof; and

(f) if such other person is an unincorporated investment company not having a board of directors, the depositor thereof.