

LYCOS ENERGY INC.

CORPORATE GOVERNANCE AND COMPENSATION COMMITTEE MANDATE

I. ROLE AND OBJECTIVE

The corporate governance and compensation committee's (the "**Committee**") primary role is to assist the board of directors (the "**Board**") of Lycos Energy Inc. (the "**Corporation**") in meeting their responsibilities to the Corporation in respect of corporate governance and compensation.

Corporate Governance

In connection with corporate governance, the Committee will assist the Board in meeting their responsibilities to the Corporation to:

1. Review on an ongoing basis the effectiveness of the Board and its committees in fulfilling the mandate of the Board of Directors.
2. Develop for approval by the Board and periodically review the Corporation's approach to corporate governance matters.
3. Review and recommend to the Board for approval reports concerning the Corporation's corporate governance practices as required by any regulatory authority.
4. Act as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a full Board meeting, including the performance of management or individual members of management or the performance of the Board or individual members of the Board.
5. Develop and recommend to the Board for approval and periodically review structures and procedures designed to ensure that the Board can function independently of management.
6. Determine and recommend to the Board the appropriate size of the Board, its composition of members between independent directors and non-independent directors and minimum holdings of common shares for each director.
7. Develop a process for considering the skills and competencies of the Board as a whole and its individual members, to seek new members for the Board from time to time and consider and recommend to the Board the annual nomination of directors for election by shareholders.
8. Undertake an annual performance review and evaluation of each director and in the process ensure each Board member is aware of the contribution they are expected to make including the amount of time and energy expected of each director.
9. Prospectively recruit and recommend new members to fill Board vacancies as required. New members should have competencies, skills and personal qualities that complement existing Board members in carrying out the Board's mandate.
10. Review and recommend to the Board as to the acceptance of any offer to resign of any director of the Board.

11. Develop for approval by the Board and periodically review orientation and education programs for new directors.
12. Annually review and recommend to the Board Chairperson the appointments to each committee of the Board and any changes to the terms of reference of the committees.
13. Review and recommend compensation for directors of the Corporation and any other arrangements pursuant to which monies are payable to a director or a party related to a director.
14. Review the directors and officers insurance policy and recommend appropriate coverage levels.
15. Periodically review and monitor the Corporation's Corporate Disclosure Policy with a view to determining whether the Corporation is communicating effectively with shareholders, other stakeholders, the investment community and the public generally.
16. Establish a process for direct communications with shareholders and other stakeholders, including through the Whistleblower Policy.
17. Review and consider the engagement at the expense of the Corporation of professional and other advisors by any individual director when so requested by any such director.
18. Review such other matters of a corporate governance nature as may be directed by the Board from time to time.

Compensation

In connection with compensation, the Committee will assist the Board in meeting their responsibilities to the Corporation by reviewing and, as appropriate, approving:

1. Overall human resource policies, trends and/or organizational issues including in respect of recruitment, performance management, compensation, benefit programs, resignations/terminations, training and development, succession planning and organizational planning and design.
2. Compensation, including cash compensation consisting of salary and bonuses, and other compensation (other than shares or rights to shares except in the manner and on the terms authorized by the Board) awarded for all the Corporation staff including the officers of the Corporation (the "**Officers**"), as recommended by the chief executive officer (the "**CEO**"), but excluding compensation of the CEO.
3. In consultation with the Board, an annual performance review of the CEO, and the CEO's appraisal of the Officers' performance. The Committee shall review and provide recommendations to the Board on the compensation of the CEO. The Committee shall establish annual performance objectives for the Officers and CEO.
4. Executive compensation disclosure prior to the Corporation publicly disclosing this information.

5. Employment contracts or other major agreements for the Corporation's employees.

II. COMPOSITION

1. The Committee shall be composed of at least three directors appointed by the Board from amongst its members, all of whom shall be independent within the meaning of Section 1.4 of *National Instrument 52-110 Audit Committees*.
2. The Board shall annually appoint a chair to the Committee (the "**Chair**").
3. The secretary to the Board or another individual as selected by the Committee shall act as secretary of the Committee (the "**Secretary**").
4. A quorum shall be a majority of the members of the Committee.
5. All Committee members should be free from any direct or indirect material relationship being one that could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment.
6. Members should have or obtain sufficient knowledge of the Applicable Laws applicable to the Corporation and the Corporation's procedures and policies.
7. Members should have or obtain sufficient knowledge of the Corporation's corporate governance requirements to assist in providing advice and counsel on ongoing compliance and improvements to the Corporation's governance activities.

III. MEETINGS

1. The Committee shall meet (in person or by teleconference) at least two times per year or as deemed appropriate by the Chair.
2. Agendas, approved by the Chair, shall be circulated to Committee members and relevant management personnel along with background information on a timely basis prior to the Committee meetings.
3. Minutes of each meeting shall be prepared by the Secretary and distributed to the Committee expeditiously.
4. Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the CEO by the Chair.
5. The CEO shall be available to attend at all meetings of the Committee upon invitation by the Committee.
6. Members of management may be invited to attend any meetings.

IV. REPORTING / AUTHORITY

1. Following each meeting the Committee will report to the Board by way of providing copies of the minutes of such Committee meeting at the next Board meeting after a meeting is held (these may still be in draft form).
2. Supporting schedules and information reviewed by the Committee shall be available for examination by any director.
3. The Committee shall have the authority to investigate any ongoing or potential breach by the Corporation of Applicable Laws and may request any employee to cooperate.
4. The Committee shall undertake annually a review of the mandate of the Board and its committees and make recommendations to the Board as to proposed changes.
5. The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Corporation.