

**CELTIC EXPLORATION LTD.**  
**(the “Corporation”)**

**DISCLOSURE COMMITTEE MANDATE**

**Purpose**

1. The Purpose of the Disclosure Committee is to:
  - (a) ensure that written and oral communications to the public, legal and regulatory authorities and applicable exchanges about the Corporation are:
    - (i) timely, factually and accurate;
    - (ii) broadly disseminated in accordance with all applicable legal, regulatory and reviewed and approved by the Disclosure Committee prior to their distribution;
  - (b) regularly conduct reasonable investigations of all disclosure to be released to ensure that there are no reasonable grounds to believe that
    - (i) documents or oral statement contain misrepresentations; and
    - (ii) the Corporation is failing to make timely disclosure;
  - (c) assist the Corporation in adopting, updating and abiding by a Disclosure Policy;
  - (d) ensure that the Corporation takes immediate steps to rectify failures to make timely disclosure and correct any misrepresentations in any publicly disclosed documents or public oral statements;
  - (e) assist the Chief Executive Officer and Chief Financial Officer in meeting their obligations to:
    - (i) certify the disclosure in the Corporation’s annual and interim filings;
    - (ii) oversee the Corporation’s disclosure controls and procedures;
    - (iii) ensure timely collection and evaluation of financial and non-financial information;
    - (iv) capture information that is relevant to an assessment of the need to disclose developments and risks that pertain to the Corporation’s businesses; and
    - (v) certify that they have conducted an evaluation of the effectiveness of the Corporation’s disclosure controls and procedures as of the end of the period covered by the Corporation’s annual filings;
  - (f) assist the Corporation with:
    - (i) designing and operating the Corporation’s disclosure controls and procedures;
    - (ii) conducting an annual evaluation of the Corporation’s disclosure controls and procedures; and

- (iii) disclosing, in the Corporation's annual management discussion and analysis, the Disclosure Committee's conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by the annual filings based on the evaluation conducted; and
- (g) encourage the Corporation to comply with the disclosure standards contained in National Policy 51-201 regarding timely disclosure, selective disclosure, issues of materiality, risks associate with certain disclosure and best disclosure practices.

### **Duties**

#### 2. The duties of the Disclosure Committee are to:

- (a) determine:
  - (i) the benchmarks for a preliminary assessment of materiality;
  - (ii) when developments justify public disclosure;
  - (iii) the appropriateness and timing for public release of material information;
  - (iv) when information should remain confidential; and
  - (v) what steps the Corporation will take to control inside information;
- (b) ensure that the Disclosure Committee is kept fully apprised of all pending material developments relating to the Corporation;
- (c) review, prior to disclosure being filed or oral statements being made, all documents filed with securities regulators, written statements made in the Corporation's annual and quarterly reports, news releases, letters to shareholders, presentations by executive officers, information contained on the Corporation's website, electronic communications by the Corporation, oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls and all publicly disclosed documents regarding the Corporation;
- (d) designate authorized spokespersons (in addition to the Chief Executive Officer) to make announcements on behalf of the Corporation;
- (e) ensure that the consent of experts is received prior to the inclusion of an expert's report, or a summary or statement therefrom, in a disclosure document or public oral statement;
- (f) consider whether to respond, if requested by a exchange on which the Corporation's securities are listed, to market rumours causing price volatility; and
- (g) determine the length of blackout and quiet periods and the parties to whom they apply to prevent trading on undisclosed material information.

#### 3. In discharging its duties the Disclosure Committee will:

- (a) take the lead role in coordinating the gathering, evaluation and review of information necessary to carry out its purpose and duties and organizing the drafting of the Corporation's disclosure documents using the information that it has gathered;
- (b) ensure that:
  - (i) all information relevant to the Corporation's disclosure obligations are reported to the persons responsible for the evaluation and dissemination of the information;
  - (ii) quarterly and annual reports are drafted sufficiently in advance of their filing deadlines to permit time for thoughtful review prior to filing;
  - (iii) drafts are circulated back down through the reporting channels from which the information came, as well as up through senior management for their review;
  - (iv) reviewers review the entire report so that the report is thoroughly vetted and cross-checked and no important information is omitted; and
  - (v) the Chief Executive Officer and Chief Financial Officer have a checklist to assist them in determining what they have to do to complete their certification of interim and annual financial statements;
- (c) maintain a list of the participants involved in the preparation of each of the reports to be filed with securities regulatory authorities and the persons to whom drafts of the report have been circulated for review;
- (d) identify any material:
  - (i) weaknesses in the disclosure controls and procedures and any other deficiency that would significantly adversely affect the Corporation's ability to collect, process or disclose required information on a timely basis; and
  - (ii) changes in disclosure controls and procedures, including corrective actions that the Corporation has taken or is taking with regard to the identified weaknesses or deficiencies;
- (e) ensure the Chief Executive Officer and Chief Financial Officer, in conducting their review of the effectiveness of the Corporation's disclosure controls and procedures, are reviewing the performance of the disclosure process in terms of identified weaknesses and mistakes as well as evaluating ways that the Corporation's systems can evolve with its business so that weaknesses do not arise in the future, in particular with respect to:
  - (i) inaccuracies or omissions identified during the review phase of the reporting process to determine the source and cause so that any patterns in the errors are identified and addressed;
  - (ii) any comments received from securities regulatory authorities on the Corporation's filings, as well as questions asked by investors and analysts (especially recurring questions) are identified and addressed;
  - (iii) the sources used in the gathering process, including an evaluation of the people involved, are determined to continue to be the best source for information as personnel and responsibilities change;

- (iv) the sources used continue to devote adequate time and attention to the disclosure process; and
- (v) the time allowed for each step of the process, including all necessary reviews, continues to be adequate.

4. The Disclosure Committee is responsible to arrange for:

- (a) the maintenance of a file containing all public information about the Corporation including continuous disclosure documents, news releases, analysts' reports, transcripts or tape recordings of conference calls, debriefing notes, notes from meetings and telephone conversations with analysts and investors, and newspaper articles regarding the Corporation;
- (b) regular updates to and monitoring of the Corporation's website to ensure the information is accurate, complete, up-to-date and securities law compliant;
- (c) all links from the Corporation website to a third party website to advise readers that he or she is leaving the Corporation's website and that the Corporation is not responsible for the contents of the linked site;
- (d) investor relations material on the website to include a notice that advises the reader that the information posted was accurate at the time of posting but may be outdated by subsequent disclosure;
- (e) all data posted to the website, including text and audiovisual material, to contain a date of issuance or posting;
- (f) records to be retained for at least two years regarding the date that material information is posted and/or removed from the Corporation's website; and
- (g) responses to electronic inquiries to contain only information that has already been publicly disclosed.

#### **Exercise of Judgment**

5. The Disclosure Committee may:

- (a) in making decisions regarding materiality, consult with the Corporation's legal advisors, independent counsel engaged by the Disclosure Committee, regulators or exchange personnel regarding the disclosure to be made;
- (b) disclose an immediate statement regarding material information with additional details to follow by further news release;
- (c) determine which developments will be disclosed at the proposal stage or prior to an event, and which will only be disclosed upon a decision being made by the Board or management with the expectation of concurrence by the Board; and
- (d) provide updates to material information every 30 days or pursuant to an earlier announcement regarding the date that updates would be disclosed.

### **Confidential Information**

6. If the Disclosure Committee reasonably determines that disclosure may be unduly detrimental to the Corporation (for example if disclosure would prejudice negotiations in a corporate transaction), the Disclosure Committee must:
  - (a) take steps to ensure that:
    - (i) the Corporation keeps the information completely confidential;
    - (ii) there is no selective disclosure of confidential information to third parties;
    - (iii) the information is not disclosed to any officers, consultants, employees or advisors of the Corporation except in the necessary course of business; and
    - (iv) parties who obtain the information in the necessary course of business are aware that the information must be kept confidential;
  - (b) ensure that the confidential information is the subject of a confidential material change report filed with the applicable securities regulators;
  - (c) periodically (at least every 5 days) review the confidential information to determine whether it may be released;
  - (d) only withhold material information from public disclosure where there is a reasonable basis to do so;
  - (e) promptly arrange for the Corporation to disclose the information to the public as soon as it determines that the basis for maintaining confidentiality ceases to exist; and
  - (f) ensure, if material information being treated as confidential becomes disclosed in some manner, that the Corporation promptly discloses the information in the proper manner.

### **Composition**

7. The Disclosure Committee will be comprised of the Chief Executive Officer, the Chair of the Board and such additional directors as may be appointed to the Disclosure Committee by the Board.

### **Meetings**

8. The Disclosure Committee is responsible to meet as often as required to discharge its duties.
9. The Chair of the Disclosure Committee appointed by the Board will, in consultation with the members, determine the schedule, time and place of meetings.
10. A quorum for a meeting of the Disclosure Committee shall be a majority of members present in person or by telephone conference call.
11. Notice of the time and place of every meeting shall be given in writing, by email or facsimile to each member of the Disclosure Committee at least 24 hours prior to the time fixed for such meeting, provided that a member may in any manner waive a notice of meeting and the Committee may hold impromptu meetings on two hours notice in the event of material

developments arising which require the Committee to immediately exercise its discretion regarding disclosure.

12. The Disclosure Committee has the authority to delegate authority to individuals or sub-Committees of the Disclosure Committee.

### **Governance**

13. The Disclosure Committee will review and update the Disclosure Policy and the Disclosure Committee Mandate on an annual basis and as needed to ensure compliance with changing legal, regulatory and exchange requirements.

### **Reporting**

14. The Disclosure Committee is responsible, following each meeting, to report to the Board regarding its activities, findings and recommendations.

### **Materials**

15. The Disclosure Committee has access to all books, records, facilities and personnel of the Corporation necessary for the discharge of its duties.

### **Advisors**

16. The Disclosure Committee shall have the power to retain, instruct, compensate and terminate independent advisors to assist the Disclosure Committee in the discharge of its duties at the expense of the Corporation.

Adopted and approved by the Board: February 27, 2006