

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

**NOMINATING COMMITTEE MANDATE**

**Purpose**

1. The purpose of the Nominating Committee is to:
  - (a) Identify suitable candidates for the Board of Directors of the Corporation (the “**Board**”);
  - (b) make recommendations to the Board regarding nominating candidates for election to the Board at annual meetings of the shareholders; and
  - (c) arrange for orientation and continuing education for directors.

**Duties**

2. The duties of the Nominating Committee are to:
  - (a) annually review the composition, skills, size and tenure of directors in advance of annual general meetings and whenever individual directors indicate that their status as members may change;
  - (b) identify qualified candidates, taking into account candidates’ independence, financial acumen, skills and time available to devote to the duties of the Board;
  - (c) assess the competencies and skills each director possesses, the Board as a whole possesses, the nominees will bring the Board if elected and the Board as a whole should possess;
  - (d) assess the appropriate size of the Board with a view to facilitating effective decision making;
  - (e) advise directors of the time and resources directors are expected to contribute to the Board;
  - (f) recommend nominees for election as directors and appointment as members and the Chair of Committees together with the reasons for their recommendations;
  - (g) co-ordinate an orientation program for new directors to include:
    - (i) a director manual regarding the duties of the Board, individual directors, each Committee, the Board Chair, Chair of each Committee, the Chief Executive Officer, the Chief Financial Officer and other executive officers of the Corporation;
    - (ii) information regarding the nature and operation of the Corporation’s business and organizational structure; and
    - (iii) copies of the Board and Committee Mandates, position descriptions, the Code of Business Conduct and Ethics and other governance policies;
  - (h) arrange for the directors to receive:
    - (i) distributions of updated information regarding the Corporation’s business, market and competitors;

- (ii) presentations as appropriate to advise of corporate developments, changes in industry conditions and changes in legal and regulatory requirements affecting the Corporation; and
  - (iii) tours of the Corporation's facilities to interact with executive officers, management and employees in order to stay abreast of industry developments and the evolving business of the Corporation; and
- (i) recommend the removal of directors from Committees and the Board in the event of conflicts of interest, breach of the Code of Business of Conduct and Ethics or otherwise.

### **Composition**

3. All members of the Nominating Committee will, at all times, be independent as defined in then current laws applicable to the Corporation and will possess the qualifications required by the Board for the discharge of the duties of the Nominating Committee.

### **Meetings**

4. The Nominating Committee is responsible to meet as often as required to discharge its duties.
5. The Chair of the Nominating Committee appointed by the Board will, in consultation with the members, determine the schedule, time and place of meetings.
6. A quorum for a meeting of the Nominating Committee shall be a majority of members present in person or by telephone conference call.
7. Notice of the time and place of every meeting shall be given in writing, by email or facsimile to each member of the 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.
8. The Nominating Committee has the authority to delegate authority to individuals or sub-Committees of the Nominating Committee.

### **Reporting**

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

### **Governance**

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

### **Advisors**

11. The Nominating Committee has the power and the duty, at the expense of the Corporation, to retain, instruct, compensate and terminate independent advisors to assist the Nominating Committee in the discharge of its duties.

Adopted and approved by the Board: June 6, 2011