



Nations Petroleum

AUDIT COMMITTEE

Members: Al Njoo (Chair), Charles Pepper

The Audit Committee shall assist Board oversight of:

- The integrity of the company's financial statements;
- The company's compliance with legal and regulatory requirements;
- The independent auditor's qualifications and independence;
- The performance of the company's internal audit function and external independent auditor (Company's auditor)

The Audit Committee's duties and responsibilities are to:

- Recommend the auditors who will be proposed at the annual shareholders' meeting for appointment as the Company's external auditor for the ensuing year to the Board;
- Overseeing the internal audit function of the Company and its relationship with the Company's auditor and management;
- Reviewing, evaluating and ensuring the independence of the Company's auditor;
- Discuss the annual audited financial statements (and the MD&A) with management and the independent auditor;
- Review with the independent auditor any audit problems or difficulties and management's response;
- Review and approve of the company's hiring policies of former employees of the independent auditor;
- Obtain advice and assistance, as appropriate, from outside legal, accounting, and or other advisors pertaining to the audited financial statements;
- Review corporate policies with respect to financial risk assessment and risk management;
- Reviewing and obtaining reasonable assurance that the Company's internal financial control and information systems are properly designed and effectively implemented to produce accurate, appropriate and timely financial information;
- Reviewing corporate policies within the scope of its responsibility and monitoring compliance with such policies;
- Reviewing insurance coverage of significant business risks;
- Meet separately, periodically, with management, with internal auditors, and with the independent auditor;
- Report regularly to the company's Board of Directors