

ATHABASCA OIL CORPORATION

AUDIT COMMITTEE MANDATE

The Audit Committee (**Committee**) of the board of directors (**Board**) of Athabasca Oil Corporation (**Company**) has the oversight responsibility and specific duties described below and shall comply with the requirements of applicable laws.

COMPOSITION

The Committee will be comprised of at least three directors or such greater number as the Board may determine from time to time. Except to the extent that the Board determines that an exemption contained in National Instrument 52-110 issued by the Canadian Securities Administrators or its successor instrument (**NI 52-110**) is available and determines to rely thereon, all Committee members will be independent within the meaning of NI 52-110.

All Committee members will be "financially literate" (as defined in NI 52-110) unless the Board determines that an exemption under NI 52-110 from such requirement in respect of any particular member is available and determines to rely thereon.

Committee members will be appointed and removed by the Board. The Committee Chair will be appointed by the Board.

RESPONSIBILITIES

The Committee's primary purpose is to assist the Board in fulfilling its oversight responsibilities with respect to: (i) the integrity of annual and quarterly financial statements to be provided to the Company's shareholders and regulatory bodies; (ii) compliance with accounting and finance based legal and regulatory requirements; (iii) the external auditor's qualifications, independence and compensation, and communicating with the external auditor; (iv) the system of internal accounting and financial reporting controls that management has established; (v) performance of the external audit process and of the external auditor; (vi) financial policies; (vii) financial risk management practices; and (viii) transactions or circumstances which could materially affect the financial profile of the Company.

Management of the Company is responsible for preparing the quarterly and annual financial statements of the Company and for maintaining a system of risk assessment and internal controls to provide reasonable assurance that assets are safeguarded and that transactions are authorized, recorded and reported properly. The Committee is responsible for reviewing management's actions and has the authority to investigate any activity of the Company.

SPECIFIC DUTIES

The Committee will:

Audit Leadership

1. Have a clear understanding with the external auditor that it must maintain an open and transparent relationship with the Committee, and that the ultimate accountability of the external auditor is to the Committee, as representatives of the shareholders of the Company.
2. Provide an avenue for communication between each of the external auditor, financial and senior management and the Board. The Committee has the authority to communicate directly with the external auditors and financial and senior management.

Auditor Qualifications and Selection

3. Subject to required shareholder approval of the appointment of auditors of the Company, be solely responsible for recommending to the Board: (i) the external auditor for the purpose of preparing or issuing an auditor's report or performing other audit review or attest services for the Company; and (ii) the compensation of the external auditor. The Committee is directly responsible for overseeing the work of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting and reviewing, considering and making a recommendation to the Board regarding a proposed discharge of the external auditor when circumstances warrant. In all circumstances the external auditor reports directly to the Committee. The Committee is entitled to adequate funding to compensate the external auditor for completing an audit and audit report or performing other audit, review or attest services.
4. Evaluate the external auditor's qualifications, performance and independence. Take all reasonable steps to ensure that the external auditor does not provide non-audit services that would disqualify it as independent under applicable law.
5. Review the experience and qualifications of the senior members of the external audit team and the quality control procedures of the external auditor. Ensure that the lead audit partner of the external auditor is replaced periodically, according to applicable law. Take all reasonable steps to ensure continuing independence of the external audit firm. Present the Committee's conclusions on auditor independence to the Board.
6. Review and approve policies for the Company's hiring of senior employees and former employees of the external auditor who were engaged on the Company's account and make recommendations to the Board for consideration.

Process

7. Pre-approve all audit services (which may include consent and comfort letters in connection with securities offerings). Pre-approve and disclose, as required, the retention of the external auditor for non-audit services to be provided to the Company or any of its subsidiaries permitted under applicable law. In the discretion of the Committee, annually delegate to one or more of its independent members the authority to grant pre-approvals. Approve all audit fees and terms and all non-audit fees.
8. Meet with the external auditor prior to the audit to review the scope and general extent of the external auditor's annual audit including: (i) the planning and staffing of the audit; and (ii) an explanation from the external auditor of the factors considered in determining the audit scope, including the major risk factors.
9. Require the external auditor to provide a timely report setting out: (i) all critical accounting policies, significant accounting judgments and practices to be used; (ii) all alternative treatments of financial information within International Financial Reporting Standards (**IFRS**) that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditor; and (iii) other material written communications between the external auditor and management.
10. Take all reasonable steps to ensure that officers and directors or persons acting under their direction are aware that they are prohibited from coercing, manipulating, misleading or fraudulently influencing the external auditor when the person knew or should have known that the action could result in rendering the financial statements materially misleading.

11. Upon completion of the annual audit, review the following with management and the external auditor:
 - (a) The annual financial statements, including related notes and the Management's Discussion and Analysis of Financial Condition and Results of Operations (**MD&A**) of the Company for filing with applicable securities regulators and provision to shareholders, as required, as well as all annual earnings press releases before their public disclosure.
 - (b) The significant estimates and judgements and reporting principles, practices and procedures applied by the Company in preparing its financial statements, including any newly adopted accounting policies and the reasons for their adoption.
 - (c) The results of the audit of the financial statements and whether any limitations were placed on the scope or nature of the audit procedures.
 - (d) Significant changes to the audit plan, if any, and any serious disputes or difficulties with management encountered during the audit, including any problems or disagreements with management which, if not satisfactorily resolved, would have caused the external auditor to issue a non-standard report on the financial statements of the Company.
 - (e) The cooperation received by the external auditor during its audit, including access to all requested records, data and information.
 - (f) Any other matters not described above that are required to be communicated by the independent auditor to the Committee.

Financial Statements and Disclosure

12. At least quarterly, as part of the review of the annual and quarterly financial statements, receive an oral report from the Company's counsel concerning legal and regulatory matters that may have a material impact on the financial statements.
13. Based on discussions with management and the external auditor, in the Committee's discretion, recommend to the Board whether the annual financial statements and MD&A of the Company, together with any annual earnings press releases should be approved for filing with applicable securities regulators and provision to the Company's shareholders, as required, prior to their disclosure.
14. Review the general types and presentation format of information that it is appropriate for the Company to disclose in earnings news releases or other earnings guidance provided to analysts and rating agencies.
15. Review with management and the external auditor the quarterly financial statements and MD&A and quarterly earnings releases prior to their release and recommend to the Board for consideration the quarterly results, financial statements, MD&A and news releases prior to filing them with or furnishing them to the applicable securities regulators and prior to any public announcement of financial results for the periods covered, including a written report of the results of the external auditor's reviews of the quarterly financial statements, significant adjustments, new accounting policies, any disagreements between the external auditor and management and the impact on the financial statements of significant events, transactions or changes in accounting principles or estimates that potentially affect the quality of financial reporting.

Internal Control Supervision

16. As required by applicable law, review with management and the external auditor the Company's internal controls over financial reporting, any significant deficiencies or material weaknesses in their design or operation, any proposed major changes to them and any fraud involving management or other employees who have a significant role in the Company's internal controls over financial reporting.
17. Review with management, the Chief Financial Officer and the external auditor the methods used to establish and monitor the Company's policies with respect to unethical or illegal activities by employees that may have a material impact on the financial statements.
18. Meet with management and the external auditor to discuss any relevant significant recommendations that the external auditor may have, particularly those characterized as "material" or "serious". Review responses of management to any significant recommendations from the external auditor and receive follow-up reports on action taken concerning the recommendations.
19. Review with management and the external auditor any correspondence with regulators or government agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies of the Company (as required).
20. Review with management and the external auditor any off-balance sheet financing mechanisms, transactions or obligations of the Company.
21. Review with management and the external auditor any material related party transactions.
22. Review with the external auditor the quality of the Company's accounting personnel. This review may occur without the presence of management. Review with management the responsiveness of the external auditor to the needs of the Company.

Disclosure Controls and Procedures

23. Periodically assess and be satisfied with the adequacy of procedures in place for the review of public disclosure of financial information extracted or derived from the applicable financial statements (other than the annual and quarterly required filings) for the Company.

Financial Management

24. Regularly review current and expected future compliance with covenants under all financing agreements.
25. Annually review the instruments the Company and its subsidiaries are permitted to use for short-term investments of excess cash and, in the Committee's discretion, make recommendations to the Board for consideration.
26. Review the Company's compliance with required tax remittances and other deductions required by applicable law.

Financial Risk Management

27. Receive reports from management with respect to risk assessment, risk management and major financial risk exposures.

28. Discuss with management guidelines and policies with respect to financial risk assessment and financial risk management, including the processes management uses to assess and manage the Company's financial risk.
29. Annually review the insurance program including coverage for property damage, business interruption, liabilities, and directors and officers.
30. Review any other significant financial exposures of the Company to the risk of a material financial loss including tax audits or other activities.
31. Report to the Board on the financial risks of the Company and make recommendations to the Board for consideration.
32. Establish procedures (through approval of the relevant sections of the Code of Business Conduct) for: (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting and financial reporting controls, or auditing matters; and (ii) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
33. Once or more annually, as the Committee decides, review and assess the Company's Code of Business Conduct and, in the Committee's discretion, recommend any changes to the Board for consideration.

Committee Reporting

34. Following each meeting of the Committee, report to the Board on the activities, findings and any recommendations of the Committee.
35. Report regularly to the Board and review with the Board any issues that arise with respect to the quality or integrity of the financial statements of the Company, compliance with applicable law and the performance and independence of the external auditor of the Company.
36. Annually review and approve the information regarding the Committee required to be disclosed in the Company's Annual Information Form and Committee's report for inclusion in the annual Proxy Circular.
37. Prepare any reports required to be prepared by the Committee under applicable law.

Committee Meetings

38. Meet at least four times annually and as many additional times as needed to carry out its duties effectively. The Committee may, on occasion and in appropriate circumstances, hold meetings by telephone conference call.
39. Meet in separate, non-management, closed sessions with the external auditor at each regularly scheduled meeting.
40. Meet in separate, non-management, in camera sessions at each regularly scheduled meeting.
41. Meet in separate, non-management, closed sessions with any other internal personnel or outside advisors, as needed or appropriate.
42. A quorum for meetings of the Committee will be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board.

Committee Governance

43. Once or more annually, as the Compensation and Governance Committee (**CG Committee**) decides, receive for consideration that Committee's evaluation of this Mandate and any recommended changes. Review and assess the CG Committee's recommended changes and make recommendations to the Board for consideration.

Advisors/Resources

44. Have the sole authority to retain, oversee, compensate and terminate independent advisors to assist the Committee in its activities.
45. Receive adequate funding from the Company for independent advisors and ordinary administrative expenses that are needed or appropriate for the Committee to carry out its duties.

Other

46. With the CG Committee, the Board and the Board Chair, respond to potential conflict of interest situations, as required.
47. Carry out any other appropriate duties and responsibilities assigned by the Board.
48. To honour the spirit and intent of applicable law as it evolves, authority to make minor technical amendments to this Mandate is delegated to the Secretary, who will report any amendments to the CG Committee at its next meeting.

STANDARDS OF LIABILITY

Nothing contained in this Mandate is intended to expand applicable standards of liability under statutory, regulatory or other legal requirements for the Board or members of the Committee. The purposes and responsibilities outlined in this Mandate are meant to serve as guidelines rather than inflexible rules and, subject to applicable law and the articles and bylaws of the Company, the Committee may adopt such additional procedures and standards, as it deems necessary from time to time to fulfill its responsibilities.

Approved: December 11, 2009

Revised: March 14, 2012
 May 11, 2015
 July 26, 2017