

ATHABASCA OIL CORPORATION

COMPENSATION AND GOVERNANCE COMMITTEE MANDATE

The Compensation and Governance 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. A majority of Committee members will be "independent" within the meaning of National Instrument 58-101 issued by the Canadian Securities Administrators or its successor instrument (**Independence Standards**). No director who is a member of management of the Company may be a member of the Committee.

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 with respect to corporate governance is to assist the Board in fulfilling its oversight responsibilities with respect to: (i) the development and implementation of principles and systems for the management of corporate governance; (ii) identifying qualified candidates and recommending nominees for director and Board Committee appointments; (iii) evaluations of the Board, committees of the Board (**Board Committees**), individual directors, the Board Chair, the Lead Director (if a Lead Director has been appointed) and Committee Chairs; and (iv) implementation and effectiveness of, and the compliance programs under, the Code of Business Ethics and Conduct, all with a view to ensuring the Company implements responsible and effective practices in corporate governance.

The Committee's primary purpose with respect to compensation is to assist the Board in fulfilling its oversight responsibilities with respect to: (i) key compensation and human resources policies; (ii) Chief Executive Officer objectives, performance reviews and compensation; (iii) compensation of senior management of the Company; (iv) management succession and development; and (v) reviewing executive compensation disclosure before its release.

SPECIFIC CORPORATE GOVERNANCE DUTIES

The Committee will:

Governance Leadership

1. Take a leadership role in developing the Company's approach to corporate governance.
2. Annually review and assess the performance of the corporate governance systems and, in the Committee's discretion, recommend any changes to the Board for consideration.
3. Take reasonable steps to ensure that the Board has appropriate structures and processes in place so that it can function independently of management.

4. Take reasonable steps to ensure systems are in place to verify compliance with all regulatory, corporate governance and disclosure requirements.

Code of Business Ethics and Conduct

5. Review and, in the Committee's discretion, recommend to the Audit Committee those sections of the Code of Business Ethics and Conduct setting out procedures 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.
6. Review and, in the Committee's discretion, recommend to the Board for consideration the Code of Business Ethics and Conduct.
7. Take all reasonable steps to oversee the implementation of the Company's Code of Business Ethics and Conduct, including reviewing with management the Code of Business Ethics and Conduct and the implementation and effectiveness of compliance programs under the Code of Business Ethics and Conduct.
8. Receive reports, as required, from management or, to the best of their knowledge, the external auditor that the subsidiaries of the Company are in conformity with applicable legal requirements and the Company's Code of Business Ethics and Conduct, including disclosures of insider and affiliated party transactions.
9. With the Audit Committee, the Board and the Board Chair and/or the Lead Director (if a Lead Director has been appointed), as appropriate, respond to potential conflict of interest situations.

Governance Documents

10. Regularly review the constating documents of the Company and its subsidiaries and, in the Committee's discretion, recommend any changes to the Board for consideration.
11. Once or more annually, as the Committee decides, review and assess the Company's Corporate Governance Policy and, in the Committee's discretion, recommend any changes to the Board for consideration.
12. Once or more annually, as the Committee decides, review and assess the Company's Code of Business Ethics and Conduct and, in the Committee's discretion, recommend any changes to the Board for consideration.
13. Regularly review, assess and, if appropriate, revise the Annual Directors' Evaluation Questionnaire for the evaluation of: the performance of individual directors, Board Committees, the Board, Committee Chairs, the Board Chair and the Lead Director (if a Lead Director has been appointed), measured against applicable Position Descriptions and Mandates; the skills of individual directors and the Board as a whole; the financial competency of individual directors; and the independence of individual directors.
14. Once or more annually, as the Committee decides, review and assess the Position Descriptions for the Board Chair, the Lead Director, each Committee Chair, an individual director, the Chief Executive Officer, the Chief Financial Officer and the Corporate Secretary and, in the Committee's discretion, recommend any changes to the Board for consideration.

15. Once or more annually, as the Committee decides, review and assess the Mandates for the Board, each Board Committee Chair and individual directors and, in the Committee's discretion, recommend any changes to the Board Committees and/or Board, as applicable, for consideration.
16. Once or more annually, as the Committee decides, review the Independence Standards and, in the Committee's discretion, recommend any changes to the Board for consideration.
17. Receive regular reports from the Corporate Secretary of any minor technical amendments made to any of the corporate governance documents set out in this section.

Governance Disclosure

18. Take reasonable steps to ensure that the Company's governance practices are fully disclosed in the annual Proxy Circular and other documents as required by applicable law.

Evaluations

19. Establish and implement procedures to evaluate the performance and effectiveness of the Board, Board Committees, all individual directors, the Board Chair, the Lead Director (if a Lead Director has been appointed) and the Committee Chairs.
20. Take reasonable steps to ensure annual completion and dissemination of the results of the Annual Directors' Evaluation Questionnaire for the performance and effectiveness of the Board, Board Committees, all individual directors, the Board Chair, the Lead Director (if a Lead Director has been appointed) and Committee Chairs, including individual director independence; individual director and overall Board skills; and individual director financial literacy.

Director Nominations

21. Annually review and assess the size, composition, operation and the competencies and skills of the Board and individual directors to promote effective decision-making and, in the Committee's discretion, make recommendations to the Board for consideration.
22. After consulting with the Board Chair and individual directors, annually review and assess the size, composition and Committee Chairs of all Board Committees and, in the Committee's discretion, make recommendations to the Board for consideration.
23. Identify and assess new candidates for appointment or nomination to the Board, considering the performance, independence, competencies, skills and financial literacy of the candidate to promote effective governance and satisfy applicable law and, in the Committee's discretion, make recommendations to the Board for consideration.
24. Annually review and, in the Committee's discretion, recommend to the Board for consideration the individual directors proposed to be nominated for election at the next annual general meeting of shareholders.
25. Annually review and, in the Committee's discretion, recommend to the Board for consideration those individual directors to be designated as independent under applicable law and those individual directors who are "financially literate" under applicable law.

26. Regularly review and assess the Company's policies on tenure and terms of individual directors, the Board Chair, the Lead Director (if a Lead Director has been appointed) and the Committee Chairs and, in the Committee's discretion, recommend any changes to the Board for consideration.

Share Ownership Policies

27. If such a policy is established, periodically review the policy on mandatory share ownership for directors and, in the Committee's discretion, recommend any changes to the Board for consideration.
28. If such a policy is established, periodically review the policy on mandatory share ownership for executive management and, in the Committee's discretion, recommend any changes to the Board for consideration.

Director Orientation / Education

29. Oversee the development and implementation of the director orientation program including: a business overview; a strategic overview; an overview of the Company's values and operating philosophies; and, an overview of the Company's activities and commitments to corporate social responsibility.
30. Oversee the development and implementation of an ongoing director education program including: education sessions on the Company's business by way of presentations; individual and/or group education sessions from internal personnel or external consultants on topics of importance to directors and the Company; and recommended formal educational opportunities through appropriate organizations to be made available to individual directors and paid for by the Company.

SPECIFIC COMPENSATION DUTIES

The Committee will:

Compensation and Human Resources Leadership

31. Review the Company's key Human Resources policies and, in the Committee's discretion, make recommendations to the Board for consideration.

Chief Executive Officer (CEO)

32. Annually review and, in the Committee's discretion, make recommendations to the Board for consideration regarding the CEO's short-term and long-term corporate goals and objectives and performance measurement indicators.
33. Annually: (i) review a report on CEO compensation from management or, in the Committee's discretion, an independent consultant; (ii) evaluate the performance of the CEO considering the Position Description of the CEO, and the CEO's short-term and long-term corporate goals and objectives and performance measurement indicators; and (iii) recommend annual CEO compensation, including long-term incentives.

34. Annually review temporary successors for the CEO in case of absence or disability and, in the Committee's discretion, make recommendations to the Board for consideration.
35. Annually review with the CEO, the Position Description for the CEO and, in the Committee's discretion, recommend any changes to the Board for consideration.

Compensation

36. Annually review the level and form of compensation of the Company's directors and, in the Committee's discretion, recommend any changes to the Board for consideration.
37. Annually review the level and form of compensation of the Company's Board Chair and Lead Director (if a Lead Director has been appointed) and, in the Committee's discretion, recommend any changes to the Board for consideration.
38. Annually review the recommendations of the CEO concerning overall compensation and other conditions of employment of executive management, other than the CEO, and, in the Committee's discretion, make recommendations to the Board for consideration.
39. Review and, in the Committee's discretion, recommend to the Board for consideration any significant changes to the overall compensation program and the Company's objectives related to executive compensation.
40. Review and recommend the Company's executive compensation disclosure to the Board for consideration, before its release.

Succession and Development

41. Annually review the executive management Succession and Development Plans and, after consultation with the CEO and in the Committee's discretion, make recommendations to the Board for consideration.
42. Review with the Board matters related to organizational structure at the officer level.

Compensation Programs

43. Regularly review all incentive compensation plans and equity-based plans and, in the Committee's discretion, make recommendations to the Board for consideration.
44. Review management's proposals for grants of equity-based incentives and, in the Committee's discretion, make recommendations to the Board for consideration.
45. As required under applicable law, review employee benefit plans and reports and, in the Committee's discretion, make recommendations to the Board for consideration.
46. In the Committee's discretion, grant authority to the Committee Chair to approve on-hire grants of equity-based incentives within the terms of previously approved equity-based plans, subject to such grants being ratified by the Board.

OTHER DUTIES

The Committee will:

Committee Meetings

47. Meet at least once 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.
48. Meet in separate, non-management, closed sessions with internal personnel or outside advisors, as needed or appropriate.
49. Meet in separate, non-management, in camera sessions, as needed or appropriate.
50. 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 Reporting

51. Following each Committee meeting, report to the Board on the activities, findings and any recommendations of the Committee.
52. Annually review and approve the Committee's report for inclusion in the Proxy Circular and review and recommend to the Board for inclusion in the Proxy Circular any proposed disclosure of executive compensation including the Compensation Discussion and Analysis and related tables.

Advisors/Resources

53. Have the sole authority to retain, oversee, compensate and terminate independent advisors to assist the Committee in its activities.
54. 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.
55. In consultation with the Board Chair or Lead Director (as appropriate), retain, oversee, compensate and terminate, as appropriate, independent advisors to assist any individual director as necessary.

Other

56. Carry out any other appropriate duties and responsibilities assigned by the Board.
57. 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 Corporate Secretary, who will report any amendments to the 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 11, 2015