



GOVERNANCE COMMITTEE CHARTER

ROLE AND RESPONSIBILITIES

The Governance Committee ("Committee") is a committee of the Board of Directors (the "Board", each member of the Board a "Director") to which the Board delegates its responsibility for oversight of corporate governance issues of Cathedral Energy Services Ltd. (the "Corporation").

The Committee shall assist the Board in assessing the effectiveness of the governance process within the Corporation and to recommend nominees for election as Directors of the Corporation.

MEMBERSHIP AND MEETINGS

The Committee shall be comprised of a minimum of two Directors, including a Committee Chair, all of whom should qualify as independent Directors pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices (as implemented by the Canadian Securities Administrators and as amended from time to time). The members of the Committee and its Chair shall be appointed by the Board. Appointments shall be made in accordance with procedures established by the Board from time to time.

The Committee shall meet as frequently as is necessary, but not less frequently than one time a year. The Committee shall report to the Board on its activities following each meeting. The President and Chief Executive Officer is expected to be available to attend the Committee's meetings or portions thereof. The Committee shall have the opportunity to meet without management present and with such officers or directors as it considers necessary. The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution.

The Corporation will adequately fund the budget of the Committee including, if necessary, external consultants retained by the Committee from time to time upon the approval of the Board. On an annual basis, the Committee shall report to the Board on the Committee's performance against its charter. The Committee shall review and assess the adequacy of this Charter periodically, and where necessary, recommend changes to the Board for its approval.

SPECIFIC DUTIES AND RESPONSIBILITIES

The duties and responsibilities of a member of the Committee are in addition to those duties set out for a member of the Board.

1) Corporate Governance

- (a) Periodically review the adequacy and effectiveness of the Board's governance policies and make appropriate recommendations for their improvement.
- (b) Monitor the effectiveness of the system of governance within the Corporation and recommend appropriate policies, practices and procedures to the Board.

2) Composition and Compensation of Board

- (a) Make recommendations to the Board as appropriate regarding the criteria for the selection of new Directors, periodically review the criteria adopted by the Board, and recommend any changes to the Board if deemed necessary.
- (b) Consider the appropriate size of the Board and its committees with a view to facilitate effective decision making.
- (c) Consider the competencies and skills that the Board considers to be necessary as a whole for the Board to possess, consider the competencies and skills that the Board considers each existing Director to possess, as well as the competencies and skills each new nominee will bring to the Board.
- (d) Consider policies, rules and guidelines for recommendation to the Board governing and regulating the affairs of the Board, such as tenure and retirement of Directors.
- (e) Assist in the identification and recommendation of suitable candidates to fill any vacancy on the Board which the Board may fill pursuant to the Corporation's governing law, Directors to be appointed to committees of the Board, and nominees for election or re-election as Directors, taking into account (c) above.
- (f) Consider potential director candidates as directed by the Board.
- (g) Oversee the nature and extent of an orientation and education program for Directors and new Directors, and make recommendations to the Board if required.

3) Board Effectiveness

- (a) Ensure that the information needs of the Board are being met and met on a timely basis.
- (b) Oversee procedures to evaluate the performance and contributions of individual members of the Board in their capacity of as Directors and as members of any committee, the effectiveness of a committee, and the effectiveness of the Board as a whole.
- (c) Review and assess the following matters and make recommendations annually to the Board with regard to:
 - i) the process related to meetings of the Board, including timing and frequency of meetings, content of agendas and information requirements of the Directors;
 - ii) Charters of the committees of the Board;
 - iii) the adequacy of Directors' and officers' liability insurance coverage;
 - iv) the skills, areas of expertise, backgrounds, independence and qualifications of the members of the Board;
 - v) the effectiveness of the Board as a whole and of each committee of the Board; and

vi) the relationship of the Board with senior management.

4) Consider and, if thought fit after consulting the President and Chief Executive Officer, approve requests from Directors or committees of the Board for the engagement of special advisors at the expense of the Corporation, in respect of any matter or issue for which independent advice is required. Review and/or approve such other matters related to the foregoing as are specifically delegated to it by the Board.

LIMITATION ON COMMITTEE MEMBERS' DUTIES

Nothing in this Charter is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard required by law. The purposes and responsibilities outlined in this charter are meant to serve as guidelines rather than inflexible rules and the Committee may adopt such additional procedures and standards it deems necessary from time to time to fulfil its responsibilities.