

SAVANNA ENERGY SERVICES CORP.

COMPENSATION COMMITTEE

TERMS OF REFERENCE

1. Constitution

Pursuant to By-Law No. 1 of Savanna Energy Services Corp. (the “**Corporation**”) and in intended compliance with applicable corporate and securities laws and the requirements of each exchange upon which securities of the Corporation are traded, the Board of Directors (the “**Board**”) of the Corporation hereby constitute, as a standing committee of the Board, a committee designated as the “**Compensation Committee**” (the “**Committee**”) which Committee is delegated the powers and subject to the terms of reference hereinafter set forth.

2. Mandate

The mandate of the Committee shall be to assess, monitor and make recommendations regarding compensation and benefits to officers, directors and employees of the Corporation or any of its subsidiaries.

3. Organization and Operation

- (1) The Committee shall be comprised of a minimum of three (3) members of the Board.
- (2) All of the members of the Committee shall be “independent” directors within the meaning set forth in Multilateral Instrument 52-110 or any rule or instrument implemented in substitution or addition thereto and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.
- (3) At least one of the members of the Committee shall have experience in executive compensation.
- (4) A minimum of one-quarter of the members of the Committee shall be residents of Canada.
- (5) The Committee shall have the power to appoint its chairman, who must be a resident of Canada.
- (6) Any member of the Committee may call a meeting of the Committee upon not less than 48 hours’ notice to the other members of the Committee.
- (7) The Committee shall meet at least once annually.
- (8) A quorum for meetings of the Committee shall be a majority of its members, provided that a minimum of one-quarter of the members of the Committee comprising such quorum must be residents of Canada.

- (9) Questions arising at any meeting of the Committee shall be decided by a majority of the votes cast.
- (10) The rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing meetings of the Board or as otherwise provided in the by-laws of the Corporation.
- (11) Except as set forth herein, the Committee may determine its own rules of procedure.

4. Duties and Responsibilities

In the discharge of its mandate, the Committee shall:

Officer Compensation

- (1) review and recommend for approval annual compensation and benefit packages in respect of the senior officers of the Corporation;
- (2) review and recommend for approval any and all bonuses to officers of the Corporation;
- (3) review and recommend for approval any written employment agreements in respect of the senior officers of the Corporation;
- (4) review and recommend for approval any corporate performance measures (targets) used to calculate awards under any compensation plan in respect of the senior officers of the Corporation;

Equity Incentive Plans

- (5) review and recommend for approval the terms of Equity Incentive Plans for employees and directors and any amendments thereto;
- (6) review and recommend for approval the form of agreements in respect of the grant of any equity incentive plan entitlements to employees and directors;
- (7) review and recommend for approval annual and other periodic awards from time to time under the Equity Incentive Plans for directors and employees; ;

Compensation Audit

- (8) as required or desired, directly engage an independent compensation consultant, to assess the appropriateness and competitiveness, in the aggregate or as to any part, of the Corporation's employee or director compensation programs, practices and arrangements (including, without limitation, any and all benefit plans);
- (9) in respect of senior officers of the Corporation, review each senior officer's individual compensation arrangements;

Director Compensation

- (10) from time to time, review and make recommendations as to the adequacy and form of Directors' compensation provided by the Corporation to ensure it reflects the responsibilities and risks of membership on the Board and participation on committees of the Board;

Performance Assessment

- (11) ensure objectives are in place against which performance of the senior officers of the Corporation can be measured and assessed;
- (12) in conjunction with the Chairman of the Board review annually with the Chief Executive Officer of the Corporation, the performance of the Chief Executive Officer;
- (13) review annually with the Chief Executive Officer of the Corporation, the performance of the other senior officers of the Corporation;

Compensation Disclosure

- (14) review and recommend for approval disclosure provided in publicly circulated documents, including the Corporation's annual proxy circular, in respect of compensation of the officers of the Corporation and its subsidiaries;

Human Resources

- (15) ensure the Corporation has in place programs to train and develop its staff and provide for the orderly succession of management.

Other Duties and Responsibilities

The responsibilities, practices and duties of the Committee outlined herein are not intended to be comprehensive. The Board may, from time to time, charge the Committee with the responsibility of reviewing other items of a corporate governance, disclosure, and compensation nature.

The Committee shall periodically report to the Board all decisions taken in exercising the powers conferred herein and the results of reviews undertaken and any associated recommendations.

5. Authority

The Committee shall have all power and authority necessary or desirable to fully and effectively discharge its mandate hereunder and, in that connection and without limitation, the Committee may:

- (1) investigate any corporate activity, in any area, that the Committee considers necessary or advisable, and, for such purposes and the performance of its other responsibilities, the Committee shall have unrestricted access to personnel and records of the Corporation and advisors to the Corporation;
- (2) make any recommendation to the Board, as it considers necessary or advisable, in respect of matters within its mandate, provided however that where the Committee intends to make any such recommendation, the recommendation shall first be presented to the Chair of the Board

before being communicated to the Board, unless the Committee concludes that such action would not be in the best interest of the Corporation and/or the securityholders; and.

- (3) engage and obtain the advice of outside advisors if necessary to properly discharge its functions, duties and responsibilities.

6. Limitation

The foregoing is (i) subject to and without limitation of the requirement that in exercising their powers and discharging their duties the members of the Committee act honestly and in good faith with a view to the best interests of the Corporation; and (ii) subject to and not in expansion of the requirement that in exercising their powers and discharging their duties the members of the Committee exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

These Terms of Reference for the Compensation Committee were approved by the Board of Directors of the Corporation on November 14, 2003 and may be amended, subject to approval of the Board of Directors, at any time.

Dated for reference March 10, 2010.