

SAVANNA ENERGY SERVICES CORP.

GOVERNANCE AND NOMINATION 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 “**Governance and Nomination 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: (i) review and advance the governance of the Corporation and ensure that the Corporation maintains a culture of good governance practice; and (ii) assess, monitor and make recommendations regarding additional and substitutional individuals as members of the Board.

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) Each Committee member should be familiar with corporate governance practices.
- (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 majority 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:

Corporate Governance

- (1) develop the Corporation's approach to corporate governance issues;
- (2) annually, review the mandate of the Board and the fulfilment of such mandate;
- (3) review and make recommendations in respect of reports prepared by management required or recommended on corporate governance (e.g. public reports to meet stock exchange guidelines);
- (4) receive and review management reports on corporate governance developments relevant to the Corporation;
- (5) review security holder proposals received by the Corporation and as required, assess the merits of such proposals and develop and recommend the Corporation's response;
- (6) annually, review the frequency and timing of Board and committee meetings and the quality, timeliness and sufficiency of information provided to the Board by management;
- (7) at least annually, appraise the standards of corporate governance of the Corporation in comparison to the "best practices" of peer issuers and make recommendations with respect to the further development of the standards of the Corporation in such respect;
- (8) consider and, if deemed appropriate, approve any proposals by any one or more of the members of the Board to engage outside advisors on behalf of:
 - (i) the Board, as a whole;
 - (ii) any committee of the Board;
 - (iii) the independent directors as a group; or
 - (iv) any single director;
- (9) review and make recommendations as to the institution and maintenance of effective working relationships: between independent directors and management for the full and

effective communication of information to the Board and its Committees and for the effective operation of the Board independent of management;

- (10) as required, review concerns of individual directors about matters that are not readily or easily discussed at full Board meetings, thereby ensuring the Board can operate independently of management and effectively as a group;

Constitution of the Board and Nominations to the Board

- (11) generally, assess, establish and develop a process for identifying, recruiting, appointing, re-appointing and providing ongoing development of members of the Board;
- (12) annually, assess the size, structure and composition of the Board taking into consideration the current strengths, skills and experience on the Board, current time demands on directors, proposed retirements, and the requirements and strategic direction of the Corporation;
- (13) as required, develop and approve director eligibility criteria;
- (14) as required, recommend a suitable candidate for the appointment to the office of Chair of the Board;
- (15) as required, recommend suitable candidates to the Board for consideration as members of the Board;

Board Member and Chair Evaluation

- (16) annually, in conjunction with the Chair of the Board, assess individual director performance and the evaluation of the performance of the Board as a whole, including their processes and effectiveness;
- (17) annually, evaluate the performance of the Chair of the Board;

Board Education

- (18) review and provide ongoing guidance to management to ensure that an appropriate orientation and continuing education program for individual members of the Board, the Board as a whole and newly recruited members of the Board is established and maintained;
- (19) monitor changes to applicable laws, regulations, rules and industry practices in regard to corporate governance and ensure that the Board is kept informed of relevant aspects thereof;

Board Committee Mandates

- (20) annually, assess and make recommendations as to the size, structure and composition (including independence and other qualifications) of each of the committees of the Board including recommending changes to the addition or elimination of committees of the Board and as to the composition (including the Chair) thereof;
- (21) annually, review and make recommendations as to the terms of reference of the committees of the Board;

- (22) annually, evaluate the performance of the committees of the Board;
- (23) as required, recommend suitable candidates for appointment to committees of the Board;

Disclosure

- (24) periodically, review and make recommendations as to the adequacy, integrity and effectiveness of disclosure policies and procedures implemented by the Corporation to ensure timely and adequate disclosure in accordance with all applicable laws, regulations and rules;

Board and Officer Risk Management

- (25) periodically, review and make recommendations as to the adequacy and appropriateness of systems and procedures for the control and minimization of director and officer liability having regard to applicable laws, rules and regulations and industry practice;
- (26) periodically, review and make recommendations as to the adequacy and appropriateness of insurance and indemnifications for the benefit of directors and officers of the Corporation;

Conflicts of Interest and Insider Trading

- (27) periodically, review and make recommendations as to policies and procedures implemented by the Corporation in respect of conflict of interest, insider trading and corporate ethics;
- (28) consider, and if deemed appropriate approve any waiver of the Code of Business Conduct and Ethics;

Officer Appointments

- (29) prior to each annual general meeting of shareholders of the Corporation, prepare recommendations of persons to be appointed as the senior officers of the Corporation and forward such recommendations to the Board at its first meeting immediately following the annual general meeting of shareholders;
- (30) review and recommend for approval appointments of the senior officers of the Corporation;
- (31) subject to such arrangements recommended by the Compensation Committee with respect to employment agreements concerning senior officers of the Corporation, review and recommend for approval termination and severance arrangements in respect of senior officers of the Corporation;
- (32) as required, implement and develop a plan for long term succession within the Corporation;

Other Duties and Responsibilities

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

The Governance 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 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 security holders; 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 Governance and Nomination Committee were approved by the Board of Directors of the Corporation on November 14, 2003 and may be amended, subject to approval by the Board of Directors, at any time.

Dated for reference: March 10, 2010