



Petro Matad Limited Corporate Governance, Social Action and Environmental Committee

The CGSAE Committee shall, among other things, regularly review the Company's corporate governance and system of internal non-financial controls, assign responsibilities for health, safety and environmental matters and community liaison, review the application of the Company's social action policies, review the application of the Company's environmental policies and prepare an annual environmental report in respect of the Company's activities for submission to the European Bank for Reconstruction and Development.

The detailed duties of the CGSAE Committee and the authority delegated to them by the Board from the terms of reference of the Committee are extracted and listed as follows:

1 Duties of the CGSAE Committee

1.1 The Committee shall, in conducting all of its duties in accordance with these Terms of Reference, act in a good faith in the best interests of the Company. In doing so, the Committee shall have regard (among other matters) to:

- 1.1.1 the promotion of the success of the Company for the benefit of its members as a whole;
- 1.1.2 the likely consequences of any decision in the long term;
- 1.1.3 the interests of the Company's employees;
- 1.1.4 the need to foster the Company's business relationships with suppliers, customers and others;
- 1.1.5 the impact of the Company's operations on the community and the environment;
- 1.1.6 the desirability of the Company maintaining a reputation for high standards of business conduct; and;
- 1.1.7 the need to act fairly as between the members of the Company.

1.2 The Committee shall:

- 1.2.1 keep the effectiveness of the corporate governance and system of internal non-financial controls of the Company and its group under regular review and make recommendations to the Board of Directors as necessary;
- 1.2.2 assign responsibilities for health, safety and environmental ("HSE") matters and community liaison, including considering and if appropriate, dealing with the appointment of, an HSE Manager and a Community Liaison Officer for the Company;
- 1.2.3 consider, formulate and review the application of social action policies for the Company, including in respect to human rights and ethical trading and ethical business practices, and to include:
 - (a) a consideration of the impact of the Company's social action policies on the reputation of the Group;
 - (b) a consultation with local communities in the Group's area of operations, to manage expectations of employment and economic benefits from the exploration programme; and
 - (c) producing a map of culturally-sensitive sites in the area with a view to considering these areas in the light of the Group's exploration programmes;

- 1.2.4 consider, formulate and review the application of environmental policies for the Company, including:
- (a) considering potential improvements to the Environmental and Social Action Plan (“**ESAP**”) prepared by Sustainability for the Company, and submitting a revised form of the ESAP to the EBRD;
 - (b) considering potential improvements to the Company’s Environmental Monitoring Programme;
- 1.2.5 prepare an annual environmental report in respect of the Company’s activities for submission to EBRD.
- 1.3 In carrying out its powers and authorities the Committee may:
- 1.3.1 receive reports and review activities from executive and specialist groups managing CGSAE matters across the Company’s operations;
 - 1.3.2 review best practice in key CGSAE programme areas by appropriate external reports, and by benchmarking with peer companies;
 - 1.3.3 review the Company’s internal communication, business unit liaison and training in relation to CGSAE policies and processes;
 - 1.3.4 review the Company’s external communication and reporting in respect of CGSAE programmes; and
 - 1.3.5 review the Company’s approach to sustainable development.

2 Authority

The Committee is authorised:

- 2.1 to seek information it requires from any employee of the Company in order to perform its duties;
- 2.2 call any member of the staff to be questioned at a meeting of the Committee as and when required;
- 2.3 commission any reports, surveys, or information which it deems necessary to help fulfil its obligations (within any budgetary restraints imposed by the Board); and
- 2.4 obtain, at the Company’s expense, outside legal or other professional advice on any matters within its terms of reference and secure the attendance at its meetings of outsiders with relevant experience and expertise if it considers this necessary.

Approved by the Board of Directors of the Company on 18th May 2010.