

ARAWAK ENERGY LIMITED

Terms of Reference Environment, Health and Safety Committee of the Board of Directors of Arawak Energy Limited

Adopted on May 7, 2008

The Environment, Health and Safety Committee (the "Committee") of the board of directors (the "Board") of Arawak Energy Limited (the "Company") shall have the oversight responsibility, authority and specific duties as described below.

COMPOSITION

The Committee will be comprised of three or more directors as determined by the Board. A majority of the members of the Committee shall satisfy the independence requirements of applicable securities laws, rules or guidelines, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules. In particular, a majority of the members of the Committee shall have no direct or indirect material relationship with the Company which could reasonably be expected to interfere with the member's independent judgment. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the full Board and shall be reviewed at least annually.

Members of the Committee shall be appointed from time to time by the Board. Each member shall serve until his successor is appointed, unless he shall resign or be removed by the Board or he shall otherwise cease to be a director of the Company. The Board shall fill any vacancy if the membership of the Committee is less than three directors.

The Chair of the Committee may be designated by the Board or, if it does not do so, the members of the Committee may elect a Chair by vote of a majority of the full Committee membership.

OPERATION

The Committee shall have access to such officers and employees of the Company and to such information respecting the Company as it considers to be necessary or advisable in order to perform its duties and responsibilities. The Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay the compensation for any such counsel and advisors, such engagement to be for the Company's sole account and expense.

Meetings of the Committee shall be conducted as follows:

1. The Committee shall meet at least annually at such times and at such locations as the Chair of the Committee shall determine.
2. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or by other telecommunication device that permits all persons participating in the meeting to hear each other.
3. The Chair shall, in consultation with management, establish the agenda for the meetings and instruct management to ensure that properly prepared agenda materials are circulated to the Committee with sufficient time for study prior to the meeting. Such materials shall include

monthly management reports as well as the findings of significant external and internal EH&S investigations, assessments, reviews and audits.

4. Every question at a Committee meeting shall be decided by a majority of the votes cast.
5. The Chief Executive Officer of the Company shall be available to advise the Committee, and may attend meetings at the invitation of the Chair of the Committee. Other management representatives may be invited to attend.
6. A Committee member, or any other person selected by the Committee, shall be appointed at each meeting to act as secretary for the purpose of recording the minutes of each meeting.
7. The Committee may delegate from time to time to any person or committee of persons any of the Committee's responsibilities that lawfully may be delegated.

The Committee, through its Chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee on a confidential basis any matter involving the health, safety or environmental practices of the Company.

RESPONSIBILITIES

The Committee is part of the Board. Its primary function is to assist the Board in fulfilling its oversight responsibilities with respect to reviewing the health, safety and environment policies and practices of the Company, assessing the effectiveness of these policies and practices and making recommendations to the Board with respect to modifications and enhancements thereto.

The Committee shall provide the Board with a summary of all meetings together with a copy of the minutes from such meetings. Where minutes have not yet been prepared, the Chair shall provide the Board with oral reports on the activities of the Committee. All information reviewed and discussed by the Committee at any meeting shall be referred to in the minutes and made available for examination by the Board upon request to the Chair.

SPECIFIC DUTIES

1. Annually review the Company's health, safety and environment policies and emergency response plan and procedures and, if appropriate, make recommendations to the Board with respect thereto.
2. Assess whether the Company's health, safety and environment policies are effectively implemented, comply with applicable legislation and conform with industry standards.
3. Review corporate environment, health and safety activities and performance, including:
 - (a) any contravention of an existing environment, health or safety regulation;
 - (b) any event or potential event that would, in the opinion of management, constitute a significant environment or safety occurrence;
 - (c) non-compliance issues;
 - (d) significant external or internal audit reports;
 - (e) significant legislative and regulatory changes; and
 - (f) outstanding litigation as it relates to health, safety or environment matters.

4. Review the Company's method of communicating health, safety and environment policies and procedures.
5. Establish reporting procedures relating to health, safety and environmental matters by management to ensure adequate reports are made to the Committee and/or the Board on a regular basis.
6. Review, in consultation with the Audit Committee of the board of directors of the Company, insurable risks related to health, safety and environment issues and evaluate cost/insurance benefits associated with those risks.
7. Advise and make recommendations to the Board on matters relating to health, safety and the environment.
8. Perform any other activities consistent with this mandate and, generally, governing laws as the Committee or the Board deems necessary or appropriate.