

BONAVISTA ENERGY CORPORATION

BOARD OPERATING GUIDELINES

The Board of Directors provides supervision of the management over the business and affairs of the Corporation. Among other things, the Board of Directors is given responsibility for all matters relating to offerings of securities of the Corporation, take-over bids or similar transactions involving the Corporation or its subsidiaries, the terms, amendment or execution of material contracts on behalf of the Corporation, the voting of securities held by the Corporation, the redemption of Common Shares, any borrowings or acquisitions made by the Corporation or its subsidiaries and the approval of the Corporation's public disclosure documents.

The Board of Directors of Bonavista Energy Corporation (the "Corporation") is responsible for the stewardship of the Corporation, the other subsidiaries, partnerships and trusts (collectively, "Bonavista"). The Board of Directors is currently comprised of eight members, of whom six are independent Directors, within the meaning contemplated by Canadian securities laws. Six of the eight members of the Board of Directors are independent for the purposes of all of the tests under Canadian securities laws.

In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of Bonavista. In general terms, the Board has taken responsibility for:

- adoption of corporate strategy and a strategic planning process;
- adoption, on an annual basis, of corporate objectives;
- identification of the Corporation's principal business risks and the system to manage such risks;
- senior management succession planning, including the appointment, training and monitoring thereof;
- the disclosure policy for the Corporation; and
- the integrity of the Corporation's internal control and management information systems.

Currently the Board of Directors meets a minimum of five times per year and each Committee meets at least once a year. In addition, the Board of Directors conducts a session with independent Directors only at the end of each Board of Directors Meeting. In 2009, the Board of Directors held five independent sessions.

The Board of Directors discharges its responsibilities acting either in its entirety or through one of its Committees. The Board of Directors has an Audit Committee, a Corporate Governance Committee, a Compensation Committee and a Reserves Committee.