

TRANSATLANTIC PETROLEUM CORP.
(the “Company”)

TERMS OF REFERENCE

OF THE

BOARD OF DIRECTORS

GENERAL

National Policy 58-201 Corporate Governance Guidelines and National Instrument 58-101 Disclosure of Corporate Governance Practices (collectively, the “**Instruments**”) became effective on June 30, 2005. These Instruments mandate corporate governance policies for reporting and provide the framework for disclosure of these policies to the public.

The Board considers good corporate governance to be essential to the fiduciary obligations of the directors to its shareholders and integral to the ongoing good management and development of the Company. The Board has developed the Guide to Corporate Governance which is set forth below.

1. COMPOSITION OF THE BOARD

The Board had determined that the Company requires between 4 and 7 directors to effectively manage the Company’s affairs. The directors are elected annually at the Company’s annual general meeting of shareholders and must meet the requirements of the stock exchange on which the Company’s shares are listed and the requirements of the applicable securities legislation and the Company’s corporate legislation.

The Chair of the Board shall be a non-employee director, and ensure that the Board can function independently of management and that the Board’s agenda will enable it to successfully carry out its duties.

2. MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors meets in person at least two times per year. The Board also holds additional unscheduled meetings from time to time as business needs require.

The independent directors of the Board meet, without members of management, at each regularly scheduled board meeting held in person.

3. MANDATE

The mandate of the Board is to supervise the management of the Company and to act in the best interests of the Company. The Board acts in accordance with the Business

Corporations Act (Alberta); the Company's Articles of Incorporation and by-laws; the Company's Code of Conduct and the charters of the Board's committees and other applicable laws and policies. The Board approves all significant decisions that affect the Company before they are implemented. As part of its overall responsibility for the stewardship of the Company, the Board assumes responsibility for the following:

a. *Stewardship*

The Board sets and supervises standards of corporate governance that create a culture of integrity throughout the Company, and guides the operations of the Company and management in compliance with the Company's constituting documents and Alberta corporate law, securities legislation in each jurisdiction in which the Company is a reporting issuer, and other applicable laws. The Board also monitors compliance with the Company's Code of Conduct.

b. *Strategic Planning*

The Board is actively involved in the Company's strategic planning process. The Board discusses and reviews all materials relating to strategic planning with management. The Board is responsible for reviewing and approving the strategic plans for the Company. Following the completion of each year, the Board undertakes a review of the Company's strategic plans to assess the strengths, weaknesses and overall results of the plan. The Board also receives reports of management on a regular basis throughout the year on the current and proposed operations of the Company.

c. *Dealing with Risks*

The Board, as part of the strategic planning process, identifies and evaluates principal risks and considers how to monitor and manage the risks. The principal risks to the Company have been identified as risks relating to the environment, safety, securities markets, commodity prices and currency fluctuations, legislative and title issues, oil and gas operations and the fact that oil and gas exploration and development activities are inherently risky. The Board assesses risks in conjunction with its review of Company opportunities and has instructed management to assist the Board in identifying risks and to promptly alert the Board when a risk has materialized. The Board may from time to time appoint management, board members or advisors to assist in assessing different risks.

d. *Succession Planning*

The Board, through the Compensation Committee, annually identifies the key individuals of the Company and, in consultation with management, determines how best to replace such individuals with individuals who have the required expertise. Management is assigned the responsibility of training and advising any new persons of the Company's policies and practices. The CEO has primary

responsibility for supervising and reviewing the performance of other senior management.

e. *Communication Policy*

The Board is responsible for adopting a Corporate Disclosure Policy that governs communication with shareholders and others and reflects the Company's commitment to timely, effective and accurate corporate disclosure in accordance with all applicable laws and with a view to enhancing the Company's relationship with its shareholders.

f. *Internal Control And Management Information Systems*

The effectiveness and integrity of the Company's internal control and management information systems contribute to the effectiveness of the Board and the Company. To maintain the effectiveness and integrity of the Company's financial controls, the Board, through the Audit Committee which consists solely of independent directors, implements and monitors internal control and management information systems.

g. *Approach to Corporate Governance*

The Board has appointed a Corporate Governance Committee composed entirely of independent directors, and which has overall responsibility for developing the Company's approach to corporate governance including keeping informed of legal requirements and trends regarding corporate governance, monitoring and assessing the functioning of the Board and committees of the Board, and for developing, implementing, and monitoring good corporate governance practices. The Corporate Governance Committee is also responsible for identifying individuals qualified to become new board members and recommending to the Board the new director nominees.

Individual directors may engage an outside adviser at the expense of the Company in appropriate circumstances, subject to the approval of the Chair of the Corporate Governance Committee.

j. *Feedback*

The Board is responsible for ensuring the Company has appropriate processes in place to effectively communicate with its shareholders. The Company's website facilitates feedback from shareholders by permitting requests for information and sending messages directly to the Company.

i. *Expectations and Responsibilities of Directors*

The Board is responsible for determining the committees of the Board that are required to effectively manage certain aspects of the Board's duties, and for ensuring that the committees have the requisite independence, competency and skill. The Board approves and annually reviews the charters of the committees, and conducts, with the assistance of the Corporate Governance Committee, annual reviews of the performance of the committees and their chairs.

Directors are responsible for attending Board meetings as well as meetings of committees of which the director is a member. Directors are responsible for reviewing meeting materials in advance of the meeting.

4. POSITION DESCRIPTIONS

The Board has developed position descriptions for the: Chair of the Board, the Chair of each Board Committee and the CEO.

The Board, together with the CEO, has developed a position description for the CEO, which includes a delineation of management's responsibilities, as well as the corporate objectives that the CEO is responsible for meeting. The Compensation Committee, however, is responsible for reviewing and approving those specific goals and objectives relevant to CEO compensation.

5. ORIENTATION AND CONTINUING EDUCATION

The Board takes measures to ensure that all new directors receive a comprehensive orientation regarding (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer's business. Each new director is provided with a copy of the Corporate Governance Manual, which provides a comprehensive introduction to the board, its committees and its directors.

The Board takes the following measures to provide continuing education for its directors in order that they maintain the skill and knowledge necessary for them to meet their obligations as directors:

- i. The Corporate Governance Manual is updated annually and a revised copy is given to each director.
- ii. Technical presentations at Board meetings, when applicable, focusing on either a particular property or a summary of various properties. The Q&A portions of these presentations are a valuable learning resource for the non-technical directors.

The Board ensures that proposed Directors are able to devote sufficient time and energy to being a director. The Board provides continuing education opportunities for all the directors so that directors may maintain or enhance their skills and abilities as directors,

as well as to ensure their knowledge and understanding of the issuer's business remains current.

6. CODE OF BUSINESS CONDUCT AND ETHICS

The Board has adopted a written code of business conduct and ethics (the "Code") applicable to directors, officer, employees and consultants of the Company. The Code sets standards designed to promote integrity and deter wrongdoing,

The Board will ensure that a copy is made available to any person or company upon request, without charge.

The Board is responsible for monitoring compliance with the Code. Any waivers from the Code that are granted for the benefit of the Company's directors or executive officers will be granted by the Board only.

7. NOMINATION OF DIRECTORS

The Board has appointed a Corporate Governance Committee composed entirely of independent directors. The Corporate Governance Committee is responsible for identifying individuals qualified to become new board members and recommending to the Board the new director nominees for the next annual meeting of shareholders. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the company, the ability to devote the time required and a willingness to serve.

The Board adheres to the following process, with the input and advice of the Corporate Governance Committee, prior to nominating or appointing individuals as directors:

- a. The Board determines the appropriate size of the Board, with a view to facilitating effective decision-making. At the present time, the appropriate size is considered to be between four and seven members.
- b. The Board considers what competencies and skills the Board as a whole should possess. In doing so, the Board also considers the needs of each committee.
- c. The Board assesses what competencies and skills each existing director possesses.

8. COMPENSATION

The Board has appointed a Compensation Committee composed entirely of independent directors.

The Compensation Committee is responsible for reviewing and approving the CEO's compensation; evaluating the CEO's performance, making recommendations to the Board with respect to non-CEO officer and director compensation, incentive-compensation plans and equity-based plans; and reviewing executive compensation disclosure in advance of the disclosure becoming public.

The Board has the responsibility for determining the vesting period applicable to stock options.

The Compensation Committee reviews the compensation for directors and officers of other companies that it determines to be equivalent to the Company in respect of size of market capitalization, stage of development of that company, number and stage of development of that company's exploration properties, and any other factors that the committee deems relevant.

9. REGULAR BOARD ASSESSMENTS

The Board assesses, on an annual basis and in consultation with the Corporate Governance Committee, the required competency and skill required by the board and its committees.

The Board, its committees and each individual director will be assessed on an annual basis regarding his, her or its effectiveness and contribution. The Corporate Governance Committee evaluates the performance of the Board and the Chair and the directors.

EFFECTIVE DATE

This Mandate was implemented by the Board as of March 15, 2006 and is amended effective May 20, 2008.