As of January 1, 2011

PennWest Exploration

RESERVES AND A&D COMMITTEE MANDATE

1. PURPOSE

The purpose of the Reserves and A&D Committee of the board of directors of Penn West Petroleum Ltd. ("**Penn West**") is to assist the Board in fulfilling its oversight responsibilities relating to the following:

(a) Review of the qualifications, experience, availability of staff, reserve audit approach and costs of independent engineering firms available to report on the quantity and value of Penn West's oil and natural gas reserves, annually;

(b) Review of Penn West's internal procedure in supplying historical volume data, operating cost data and ownership data to the independent engineering firm to be used as the basis along with other variables for future projections;

(c) Review of major assumptions and resulting outcomes used by independent reserves evaluators in preparation of their report on Penn West's reserves;

(d) Annual review of reserve revisions with the Vice President, Corporate Development and the independent reserves evaluators; and

(e) Review of certain types of acquisitions and divestments.

2. COMPOSITION OF COMMITTEE

(a) The Committee shall be comprised of not less than three directors and not more than five directors, the majority of whom shall qualify as independent directors, pursuant to National instrument 58-101 *Disclosure of Corporate Governance Practices* (as implemented by the Canadian Securities Administrators and as amended from time to time), and at least two of whom have experience in oil and gas reserve calculations.

(b) The Secretary to the Board shall act as Secretary of the Committee.

(c) A quorum shall be a majority of the members of the Committee.

(d) All Committee members should be free from any business or other relationship that could impair the exercise of independent judgment.

(e) Members should have or obtain sufficient knowledge of Penn West's business and oil and gas reserve evaluations to assist in providing advice and counsel on the reserve evaluation process and report.

3. MEETINGS

(a) The Committee shall meet at least four times per year and/or as deemed appropriate by the Committee Chair.

(b) Agendas, with input from management, shall be circulated to Committee members and relevant management personnel along with background information on a timely basis prior to the Committee meetings.

(c) Minutes of each meeting shall be prepared by the Secretary to the Committee.

(d) The Chief Executive Officer shall be available to attend all meetings of the Committee upon invitation by the Committee.

(e) The Vice President, Corporate Development and such other staff as are appropriate to provide information to the Committee shall be available to attend meetings upon invitation by the Committee.

(f) The Committee may at its discretion conduct discussions with independent engineering firms without senior management present.

4. SPECIFIC RESPONSIBILITIES

Reserves:

(a) Review Penn West procedures relating to the disclosure of information with respect to oil and gas reserve data, and in connection therewith shall:

(i) consider the adequacy of such procedures;

(ii) review the procedures for providing information to the qualified reserves evaluators or auditors;

(iii) review compliance with applicable regulations and policies; and

(iv) make appropriate reports and recommendations to the Board concerning the disclosure of Penn West oil and gas reserve data.

(b) Annually review the selection of the qualified reserves evaluators or auditors chosen to report to the Board on Penn West oil and gas reserves data, including:

(i) considering the expertise of the proposed firms, and, in particular, the responsible individuals;

(ii) considering the independence of the proposed firms;

(iii) in the case of the proposed change in the evaluators from the previous year, determining the reasons for such proposed change and whether any disputes have arisen between the previous qualified reserves evaluators or auditors and the management of Penn West; and

(iv) making a recommendation to the Board with respect to such selections.

(c) Annually, review and recommend to the Board for approval, the Engagement Agreement with the corporate entity (the “qualified reserves evaluator”) being appointed or re-appointed in accordance with the requirements of NI 51-101 and the Canadian Oil and Gas Evaluation Handbook.

(d) Review Penn West annual reserves estimates prior to public disclosure including:

(i) review the scope of work of the qualified reserves evaluators or auditors;

(ii) review the reserves estimates of the qualified reserves evaluators or auditors;

(iii) review any material change to Penn West reserves;

(iv) meet separately with Penn West management and with the qualified reserves evaluators or auditors with respect to such estimates; and

(v) make recommendations to the Board with respect to the content, filing and release of such disclosure, as applicable.

(e) Review reserves aspects of proposed material acquisitions and divestments requiring Board approval, and make recommendations to the Board regarding such transactions.

Asset Acquisitions and Divestments:

(f) Review and, if determined appropriate by the Committee, approve, any asset acquisition or disposition transaction (each, a "Committee Approved Transaction") having a value greater than Cdn. $50 million and less than Cdn. $200 million, provided that any corporate acquisition or disposition transaction and any asset acquisition or disposition transaction that would be considered a "Material Change" for Penn West pursuant to applicable securities laws, or that in the view of the Committee or management is appropriate for review by the full Board, shall be referred to the Board for further review, and further provided that the foregoing shall not in any way restrict the power of the Board (or any other committee constituted thereunder) to approve any asset or acquisition or disposition transaction;

(g) Review regular reports from management regarding asset and corporate acquisition and disposition transactions approved by the Chief Executive Officer pursuant to authorities delegated by the Board;

(h) Provide the Board with a regular report of Committee Approved Transactions approved pursuant to the authority delegated to the Committee;

Other:

(i) Generally, act as the steward of Penn West operational performance, including the review of performance criteria and making recommendations to the Board with respect to such.

(j) Review the valuation of Penn West land inventory and make recommendations to the Board regarding such.

5. REPORTING / AUTHORITY

(a) At the first Board meeting following a Committee meeting, the Committee will provide a verbal report to the Board of the material matters discussed and material resolutions passed at the Committee meeting. The draft minutes of the Committee meeting will subsequently be provided to all Board members as soon as practicable.

(b) Supporting schedules and information reviewed by the Committee shall be available for examination by any Director.

(c) The Committee shall have the authority to investigate any reserve related item of the Corporation and may request any employee to cooperate.

(d) The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at the expense of Penn West.

6. RESERVES COMMITTEE EVALUATION

(a) Review and reassess the adequacy of and compliance with the Reserves Committee Mandate annually and recommend to the Governance Committee and to the Board any changes to the mandate deemed appropriate by the Reserves Committee.

(b) In conjunction with the Governance Committee, identify Directors qualified to become Reserves Committee members and recommend appointments to and removals from the Reserves Committee.