



AUDIT COMMITTEE MANDATE

Purpose

The Audit Committee (the “**Committee**”) is a committee of the board of directors (the “**Board**”) of Bellatrix Exploration Ltd. (“**Bellatrix**” or the “**Company**”) to which the Board has delegated its responsibility for the oversight of the following: (i) the nature and scope of the annual audit; (ii) the oversight of management's reporting on internal accounting standards and practices; (iii) the review of financial information, accounting systems and procedures including internal control over financial reporting; (iv) the Company's compliance with legal and regulatory requirements; (v) the performance of the Company's internal audit function, if any; (vi) the qualifications, independence and performance of the Company's external auditors; and (vii) the quality and integrity of the Company's financial reporting and financial statements.

In addition, the Board has charged the Committee with the responsibility of recommending, for approval of the Board, the audited financial statements, interim financial statements and other mandatory disclosure releases containing financial information.

The primary objectives of the Committee are as follows:

1. Assist the Board in meeting its responsibility in respect of the preparation and disclosure of the financial statements of the Company and related matters.
2. Oversee the accounting and financial reporting processes of Bellatrix and the audits of Bellatrix's financial statements.
3. Provide better communication between the Board and external auditors.
4. Review and enhance the external auditors' independence.
5. Increase the credibility and objectivity of financial reports.
6. Strengthen the role of the Board by facilitating in depth discussions between members of the Committee, management of Bellatrix (“**Management**”) and external auditors.

The Committee, in its capacity as a committee of the Board and subject to the rights of shareholders of Bellatrix and applicable law, is directly responsible for overseeing the relationship of the

external auditors with Bellatrix, including the appointment, termination, compensation, retention and oversight of the work of the external auditors engaged by Bellatrix (including resolution of disagreements or disputes between Management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for Bellatrix. The external auditors will report directly to the Committee.

Committee Membership and Structure

The Committee will be comprised of three (3) or more directors. All members of the Committee shall qualify as independent for purposes of (a) National Instrument 52-110 — *Audit Committees* ("NI 52-110") (unless the Board determines that an exemption contained in NI 52-110 is available and determines to rely thereon); (b) the rules of the New York Stock Exchange; and (c) Rule 10A-3 ("Rule 10A-3") under the United States Securities Exchange Act of 1934, as amended, (the "**U.S. Exchange Act**") (unless the Board determines that an exemption contained in Rule 10A-3 is available and determines to rely thereon).

No member of the Committee shall have participated in the preparation of the financial statements of Bellatrix or any current subsidiary of Bellatrix at any time during the prior three years.

At least one member of the Committee shall be an "audit committee financial expert" within the meaning of that term under the U.S. Exchange Act and the rules adopted by the United States Securities and Exchange Commission (the "**SEC**") thereunder, unless the Board determines that the Committee shall not include an audit committee financial expert and provides the necessary disclosure with respect to such determination as required under the U.S. Exchange Act and the rules of the SEC thereunder. If at least one member of the Committee is not determined to be an audit committee financial expert then at least one member of the Committee shall have accounting or related financial management expertise, as determined by the Board in this business judgment.

All of the members of the Committee must be financially literate, as such qualification is interpreted by the Board, and have the ability to read and understand a set of financial statements, including a balance sheet, income statement, and cash flow statement (or such other comparable statements as are required under generally accepted accounting principles), that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Bellatrix's financial statements, and shall meet any other financial literacy requirements for audit committee members that may be imposed from time to time under Canadian or United States securities laws or any applicable stock exchange rules, unless the Board determines that an exemption from such requirements in respect of any particular member is available and determines to rely thereon.

Members of the Committee shall be appointed annually by the Board and will serve at the Board's discretion. Committee members may be removed from the Committee by the Board at any time, with or without cause, and vacancies will be filled through appointment by the Board. The Board shall appoint one member of the Committee as the Chair of the Committee (the "**Chair**").

Meetings and Administrative Matters

The Committee shall meet as often as necessary to carry out its responsibilities. The Committee Chair shall preside at each meeting. If the Committee Chair is not present at a meeting, the Committee members present at that meeting shall designate one of its members as the acting chair of such meeting.

Committee meetings may be held in person, by means of telephone, video, or other communication facilities so as to permit all persons participating in the meeting to hear each other, or by combination of any of the foregoing.

At all meetings of the Committee every question will be decided by a majority of the votes cast on the question. In case of an equality of votes, the Chair presiding at any meeting shall not be entitled to a second or casting vote.

A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board.

The Committee may invite such directors, officers and employees of the Company to its meetings as it deems appropriate to assist the Committee with the fulfilment of its duties and responsibilities. The Chief Financial Officer of Bellatrix will attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Chair.

The Committee shall meet with the external auditors at least once per year (in connection with the preparation of the year-end financial statements) and at such other times as the external auditors and the Committee consider appropriate. For certainty, the Committee shall meet separately, periodically with the external auditors.

The Committee shall meet separately, periodically, with Management and with the internal auditors (if any) or other personnel responsible for the internal audit function (if any).

The Committee may also retain, at the expense of Bellatrix, persons having special expertise and/or obtain independent professional advice, including, without limitation, independent counsel or other advisors, as the Committee determines is necessary in order for the Committee to carry out its duties.

Bellatrix shall provide, without any further approval of the Board required, for appropriate funding, as determined by the Committee, in its capacity as a committee of the Board, for payment of: (i) compensation to any external auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for Bellatrix, (ii) compensation to any advisors or other persons employed by the Committee; and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Minutes and Board Reporting

The Committee shall appoint a secretary who need not be a member of the Committee. The secretary shall keep minutes of the meetings of the Committee. Minutes of Committee meetings shall be sent to all Committee members. The Committee shall make regular reports to the Board.

Other Administrative Matters

The Committee has authority to communicate directly with the internal auditors (if any) and the external auditors of the Company. The Committee will also have the authority to investigate any financial activity of Bellatrix.

Any issues arising from meetings of the Committee that bear on the relationship between the Board and management should be communicated to the Chairman of the Board by the Committee Chair.

The Committee shall review and assess the adequacy of this Mandate at least annually, and shall recommend any proposed changes to the Compensation and Governance Committee and to the Board for approval.

Specific Responsibilities

It is the responsibility of the Committee to:

1. Oversee the work of the external auditors.
2. Satisfy itself on behalf of the Board with respect to Bellatrix's internal control systems identifying, monitoring and mitigating business risks; and ensuring compliance with legal, ethical and regulatory requirements.
3. Review and discuss with Management all significant commitments and business risks related to such commitments including, without limitation, commitments associated with farm-in agreements, joint-venture agreements, leases, marketing or transportation arrangements or agreements and all other operational or land agreements, contracts or arrangements.
4. Review and discuss with Management and the external auditors the annual and interim financial statements of the Company and related management's discussion and analysis ("**MD&A**") prior to their submission to the Board for approval and inclusion in securities law filings. The process should include but not be limited to:
 - a. reviewing changes in accounting principles and policies, or in their application, which may have a material impact on the current or future years' financial statements;
 - b. reviewing significant accruals, reserves or other significant estimates;
 - c. reviewing accounting treatment of unusual or non-recurring transactions;

- d. ascertaining compliance with covenants under loan agreements;
- e. reviewing disclosure requirements for commitments and contingencies;
- f. reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
- g. reviewing unresolved differences between Management and the external auditors;
- h. reviewing the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company; and
- i. obtaining explanations of significant variances with comparative reporting periods.

5. Review the financial statements, prospectuses, MD&A, annual information forms ("**AIF**"), annual reports filed with the SEC, and all public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to Board approval. The Committee shall meet to review and discuss the financial statements and MD&A with Management and the external auditor. The Committee must be satisfied that adequate procedures are in place for the review of Bellatrix's disclosure of all other financial information and will periodically assess the accuracy of those procedures.

6. Review and discuss earnings releases, as well as financial information and earnings guidance provided by the Company to analysts and rating agencies. Such discussion may be done generally, such as discussing the types of information to be disclosed and the type of presentation to be made. The Committee shall pay particular attention to any use of "pro forma" or "adjusted" non-GAAP information.

7. Meet with the external auditors annually prior to commencement of the audit to discuss planning and staffing of the audit.

8. At least annually, obtain and review a report by the external auditors describing: such auditors' internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of such external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by such external auditors, and any steps taken to deal with any such issues; and (to assess the external auditors' independence) all relationships between the external auditors and the Company.

9. Review analyses prepared by Management and/or the external auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.

10. On an annual basis, review and discuss with the external auditors all relationships such auditors have with Bellatrix and its affiliates in order to determine the auditors' independence, including without limitation:

- a. requesting, receiving and reviewing, on a periodic basis but at least annually, a formal written statement, consistent with applicable accounting standards, from the external auditors delineating all relationships that may reasonably be thought to bear on the independence of the external auditors with respect to Bellatrix;
- b. discussing with the external auditors any disclosed relationships or services that may affect the objectivity and independence of the external auditors; and
- c. taking, or recommending that the Board take, appropriate action to oversee the independence of the external auditors and to take appropriate action in response to the external auditors' report to satisfy itself of the external auditors' independence;

11. When there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change.

12. Review and discuss a report from the external auditors, at a minimum once quarterly and generally in conjunction with the review of any audit or review report prepared by the external auditors with respect to the annual or interim financial statements of the Company, regarding:

- a. all critical accounting policies and practices to be used;
- b. all alternative treatments of financial information within applicable generally accepted accounting principles that have been discussed with Management, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditors; and
- c. other material written communications between the external auditors and Management, such as any management letter or schedule of unadjusted differences.

13. Review and pre-approve, subject to any *de minimis* exceptions available under applicable laws, all audit and permitted non-audit services, including the terms thereof and the fees related thereto, to be provided to Bellatrix or its subsidiaries by the external auditors and consider the impact on the independence of such auditors. The Committee may establish detailed policies and procedures for pre-approval of the provision of audit services and permitted non-audit services by the external auditors. To the extent permitted by applicable laws, the Committee may delegate to one or more independent members of the Committee the authority to pre-approve such audit and non-audit services, provided (i) that such delegation must be detailed as to the particular service to be provided, (ii) the Committee's responsibilities may not be delegated to Management of Bellatrix, (iii) the applicable member(s) must report to the Committee at the next scheduled meeting such pre-approval, and (iv) such member(s) comply with such other procedures as may be established by the Committee from time to time.

14. Review and discuss with the external auditors any audit problems or difficulties, including any difficulties encountered in the course of the audit work, restrictions on the scope of the external auditors' activities or on access to requested information, any significant disagreements with Management, and Management's response. The review should include discussion of the responsibilities, budget and staffing of the Company's internal audit function (if any).

15. Review major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies.

16. Review with the external auditors the disclosures made to the Committee by Bellatrix's Chief Executive Officer and Chief Financial Officer during their certification process. In particular, the Committee shall review with the Chief Executive Officer, Chief Financial Officer and external auditors: (i) all significant deficiencies and material weaknesses in the design or operation of Bellatrix's internal control over financial reporting that could adversely affect Bellatrix's ability to record, process, summarize and report financial information required to be disclosed by Bellatrix in the reports that it files or submits under any applicable Canadian securities laws or the 1934 Act within the required time periods, and (ii) any fraud, whether or not material, that involves Management or other employees who have a significant role in Bellatrix's internal control over financial reporting.

17. Annually discuss with the external auditors whether they have become aware of any illegal acts in the course of the audit of Bellatrix's financial statements.

18. Review with external auditors (and internal auditor if one is appointed by Bellatrix) their assessment, if any, of the internal controls of Bellatrix, their written reports containing recommendations for improvement, and Management's response and follow-up to any identified weaknesses. The Committee will also review annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of Bellatrix and its subsidiaries.

19. Review and discuss risk assessment and risk management policies and procedures of the Company, including discussing the Company's major financial and cyber security risk exposures and the steps Management has taken to monitor and control such exposures (e.g., hedging, litigation and insurance);

20. Establish procedures for:

- a. the receipt, retention and treatment of complaints received by Bellatrix regarding accounting, internal accounting controls or auditing matters; and
- b. the confidential, anonymous submission by employees of Bellatrix of concerns regarding questionable accounting or auditing matters.

21. Establish clear hiring policies regarding the hiring by Bellatrix of partners and employees and former partners and employees of the present and former external auditors of the Company.
22. Review and evaluate the lead partner of the external auditors.
23. Ensure the rotation of partners on the audit engagement team of the external auditors in accordance with applicable law.
24. Consider whether, in order to assure continuing auditor independence, there should be regular rotation of the external auditors firm.
25. Present its conclusions with respect to the external auditors to the Board.
26. Review and satisfy itself on behalf of the Board that management has adequate procedures in place for reporting and certification under the *Extractive Sector Transparency Measures Act* (Canada) ("**ESTMA**") when the Company is required to comply with ESTMA.

Approved by the Board of Directors effective as of August 2, 2018