



**FIRST AMENDED AND RESTATED  
RESERVES COMMITTEE CHARTER**

**ADOPTED ON FEBRUARY 28, 2018**

**I. PURPOSE OF THE COMMITTEE**

The primary purpose of the Reserves Committee (the “*Committee*”) of the Board of Directors (the “*Board*” or, when referring to the individuals, the “*Directors*”) of Battalion Oil Corporation (the “*Company*”) created under this First Amended and Restated Reserves Committee Charter (this “*Charter*”) is to assist the Board with (a) oversight in the preparation by independent petroleum engineers (the “*Independent Engineers*”) of annual and any special reserve reports and/or audits of the estimated amounts of the Company’s consolidated hydrocarbon reserves and related information (the “*Reports*”) and (b) the other matters specifically delegated to the Committee in this Charter. The Committee shall report to the Board on its activities and discuss any material issues that arise in the performance of its duties hereunder.

The focus of the Committee under this Charter shall be (i) the integrity of the process of selecting the Independent Engineers and determining the scope of their Reports and the information and the standards on which they are based; and (ii) those other matters relating to the engagement of the Independent Engineers and their Reports specifically identified in this Charter.

The Committee shall not be responsible, however, for (x) the preparation of the Reports, or the accuracy of any estimates of hydrocarbon reserves made by the Independent Engineers or any Company personnel; (y) the determination as to whether any such Reports or estimates are prepared in accordance with accepted or required petroleum engineering or other standards; or (z) compliance with legal and regulatory requirements related to the Reports and any other reserve evaluation, preparation and disclosure, including conformance with U.S. Securities and Exchange Commission (“*SEC*”) reserve definitions or its other rules or regulations. Such preparation, determination, compliance and disclosure shall be the responsibility of the Company’s management, senior reserves engineering personnel and/or the Independent Engineers.

**II. COMPOSITION OF THE COMMITTEE**

The Committee shall be comprised of two or more Directors as determined by resolution of the Board, all of whom shall be independent (in accordance with (a) applicable SEC rules and regulations, if any; and (b) New York Stock Exchange (“*NYSE*”) rules and regulations or the rules and regulations of any exchange(s) on which the Company’s securities are traded) and free from any relationships that, in the opinion of the Board, would interfere with the exercise of objective judgment. At least one Director shall have experience in energy company reserve evaluations.

The members of the Committee shall be nominated by the Board to serve until their successors shall be duly elected and qualified. Unless the Board elects a Chairman to the Committee, a Chairman may be designated by a majority vote of the full Committee. Any vacancy on the Committee shall be filled by majority vote of the Board at the next meeting of the Board following the occurrence of the

vacancy or by resolution of the Board. No member of the Committee shall be removed except by majority vote of the Board.

### **III. MEETINGS AND PROCEDURES OF THE COMMITTEE**

The Committee shall fix its own rules of procedure, which shall be consistent with the bylaws of the Company and this Charter. The Committee shall meet as provided by its rules and as often as it determines appropriate and may hold special meetings as circumstances require.

The Committee shall meet at least twice a year. One such meeting shall be held shortly before the commencement of preparation of a Report by the Independent Engineers, and another meeting shall be held shortly after such Report (or a substantially final draft of such Report) is completed. Such meetings shall include executive sessions comprised of only the Committee members, whenever requested by any member of the Committee. Additionally, the Committee will periodically meet separately (with such frequency as the Committee shall deem necessary) with the Company's management and/or senior reserves engineering personnel, and the Independent Engineers.

A majority of the Committee members, present in person, by telephone, by video conference or by other appropriate means of communication, participating in a meeting shall constitute a quorum. If the Chairman of the Committee is not present at any meeting, one of the other members of the Committee shall be chosen by the Committee to preside. Minutes shall be kept for each meeting of the Committee and the Committee will report the results of its meetings to the Board. The Committee may form and delegate authority to subcommittees when appropriate.

### **IV. FUNDING AND RESOURCES**

The Committee shall be provided the funding and resources necessary to satisfy its responsibilities, including the authority to institute special investigations and engage independent counsel, special independent reserve engineers and other advisors and experts, as the Committee deems necessary in its sole discretion. The Company will provide funding for the ordinary administrative expenses of the Committee and for special activities and engagements, when the Committee deems them necessary or appropriate in its sole discretion.

### **V. AUTHORITY AND COMMITTEE RESPONSIBILITIES**

The Committee is granted the authority to perform each of the specific responsibilities enumerated below, in addition to any other duties delegated to it by the Board, and in consultation with the Company's management and senior reserves engineering personnel. The Committee is authorized to make such expenditures, at the Company's expense, and to access all Company books, records and facilities, as the Committee deems necessary to exercise its powers and to carry out its responsibilities as enumerated below or in any other section of this Charter.

1. The Committee shall have the sole authority to select, engage, terminate and determine funding, on at least an annual basis, for the Independent Engineers to prepare the Report required for such year, in addition to any such independent professional advisers, including but not limited to consulting firms and counsel, as the Committee determines may be appropriate to carry out its functions hereunder, the cost of which shall be borne by the Company.

2. The Committee shall review and approve, on at least an annual basis, the independence of the Independent Engineers.

3. The Committee shall review and approve, on at least an annual basis, the scope of each Report to be prepared by the Independent Engineers, having regard to industry practices and all applicable laws, rules and regulations. In this regard, the committee shall also designate and/or approve the general nature and scope of the information to be provided by the Company, including the Company's management and senior reserves engineering personnel to the Independent Engineers to prepare such Report.

4. The Committee shall review and approve, on at least an annual basis, the fees, expenses and terms of service for each engagement of the Independent Engineers.

5. After the preparation of each Report (or a substantially final draft of such Report), the Committee shall meet independently with the Independent Engineers to review and consider: (i) the actual process used by the Independent Engineers in the preparation of such Report and any matters of importance that arose in the preparation of such Report; (ii) whether the Independent Engineers encountered any material problems or difficulties in the preparation of such Report, including without limitation, difficulties with the scope or timeliness of the information furnished to them by the Company or any restrictions or access to information placed on the Independent Engineers by any Company personnel; (iii) whether there were any other difficulties in dealing with any Company personnel in the preparation of such Report; and (iv) any other matters of concern relating to the preparation of such Report. After such meeting, the Committee shall obtain and consider the response of the Company's senior reserves engineers and/or management (as appropriate) to any such problems, difficulties, restrictions, access, dealings or concerns. The Committee shall also determine whether the Company, or its management or senior engineering personnel had similar or other problems or concerns concerning the Independent Engineers and the preparation of their Report. To the extent the Committee determines appropriate, the Committee shall attempt to further investigate, resolve and/or eliminate any such problems, difficulties, restrictions, access, dealings or concerns with respect to personnel of the Company or the Independent Engineers.

6. The Committee shall report to the Board regarding (i) any change in the selection of the Independent Engineers or material change in their fees, expenses or engagement terms for the Report as compared to those for prior Reports; (ii) any significant changes in the process, scope, or other matters relating to the preparation of the Report as compared to prior Reports; (iii) any material problems, difficulties or similar matters encountered by the Company or the Independent Engineers with respect to the preparation of the Report; (iv) the general basis or principal factors contributing to material reserves adjustments of the Company from fiscal year to fiscal year required to be publicly reported by the SEC, NYSE or any other regulatory authority; and (v) any other material matters that come to the attention of the Committee concerning the Independent Engineers or their Reports.

7. The Committee shall conduct an annual performance evaluation of the Committee.

8. The Committee shall review and assess the adequacy of this Charter at least annually, and recommend to the Board any proposed changes for its consideration.

9. The Committee shall review such other matters within the scope of its responsibilities as the Committee shall determine from time to time, as delegated by the Board, or as may be required by applicable law, regulations or the rules of the Exchange, and make such recommendations to the Board with respect thereto as the Committee deems appropriate.

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