
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): May 21, 2018

Petrolia Energy Corporation

(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction of incorporation)

000-52690
(Commission File Number)

86-1061005
(I.R.S. Employer Identification No.)

710 N. Post Oak Rd., Ste. 512, Houston, Texas
(Address of principal executive offices)

77024
(Zip Code)

Registrant's telephone number, including area code: **832-941-0011**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01 Other Events

On May 21, 2018, the Board of Directors of Petrolia Energy Corporation (the “Company”) adopted charters of the Audit Committee, Compensation Committee and Nominating and Corporate Governance Committee of the Board of the Directors (collectively, the “Committees”), copies of which are filed herewith as Exhibits 99.1, 99.2 and 99.3, respectively.

On the same date, the Board of Directors appointed the following members of the Board of Directors to the Committees:

Compensation Committee

Chairman: Joel Oppenheim
Member: Saleem Nizami

Audit Committee

Chairman: Leo Womack
Members: Joel Oppenheim and Saleem Nizami

Nominating and Corporate Governance Committee

Chairman: Ivar Siem
Member: Leo Womack

The Board of Directors also adopted the Whistleblower Protection Policy, a copy of which is attached hereto as Exhibit 14.1, on May 21, 2018.

Item 9.01 Financial Statements and Exhibits

<u>Exhibit No.</u>	<u>Description</u>
14.1*	Whistleblower Protection Policy
99.1*	Charter of the Audit Committee
99.2*	Charter of the Compensation Committee
99.3*	Charter of the Nominating and Corporate Governance Committee

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Petrolia Energy Corporation

/s/ Tariq Chaudhary

Tariq Chaudhary
CFO

Date: May 24, 2018

EXHIBIT INDEX

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<u>99.3*</u>	Charter of the Nominating and Corporate Governance Committee

* Filed herewith.

**PETROLIA ENERGY CORPORATION
WHISTLEBLOWER PROTECTION POLICY**

I. INTRODUCTION

Petrolia Energy Corporation (the “**Company**”) is committed to providing a workplace that is conducive to open discussion of its business practices. It is Company policy to comply with all applicable laws, including laws that protect employees against unlawful discrimination or retaliation by their employer as a result of their lawfully reporting of information regarding, or their participating in, investigations involving alleged corporate fraud or other alleged violations of rules and regulations (the “**Laws**”) relating to among other things, corporate reporting, accounting, internal accounting controls, auditing and financial disclosure matters, including all Securities and Exchange Commission (SEC) and securities-related Laws (collectively, the “**Financial Practices**”) by the Company, its officers and directors, or other Persons.

To promote compliance with all applicable laws, rules and regulations, the Board of Directors adopted its Code of Ethical Business Conduct (the “**Code**”) that reiterates the standards of conduct and ethical behavior that the Company expects of its directors, officers, employees, contractors, consultants and agents (collectively, “**Persons**” and individually, a “**Person**”). The Board of Directors has adopted this Whistleblower Protection Policy (the “**Policy**”) to emphasize its commitment to compliance with the highest ethical standards, and to adhere with rules and regulations promulgated pursuant to the Sarbanes Oxley Act of 2002.

It is of utmost importance to the Company to investigate all claims or complaints of fraudulent or otherwise illegal or inappropriate acts relating to its Financial Practices. The Company will take all appropriate action to remedy such violations should they occur, but the Company’s ultimate goal is to prevent and deter all violations of Financial Practices Laws. To accomplish this goal, the Company encourages all employees and other interested persons to report any potential violations of Financial Practices Laws. In addition, the Company believes that employees and other interested persons should be able to make such complaints confidentially and anonymously and without the threat of retaliation.

II. WHISTLEBLOWER PROTECTION POLICY

Federal laws prohibit retaliatory action by public companies against their employees who take certain lawful actions when they suspect wrongdoing on the part of their employer. In furtherance of the Company’s obligations under federal law, neither the Company nor any of its directors, officers, employees, contractors, consultants or agents, may discharge, demote, suspend, threaten, harass, or in any other manner discriminate against an employee because of any lawful act done by the employee to:

- a) Provide information to or otherwise assist in an investigation by a federal regulatory or law enforcement agency, any member of Congress or committee of Congress, or any Person with supervisory authority over the employee (or such other Person working for the Company who has the authority to investigate, discover or terminate an employee), where such information or investigation relates to any conduct that the employee reasonably believes constitutes a violation of federal mail fraud, wire fraud, bank fraud or securities fraud laws, any SEC rule or regulation, or any other federal law relating to fraud against shareholders; or
- b) File, testify, participate in, or otherwise assist in a proceeding relating to alleged violations of any of the federal fraud or securities laws described in (a) above.

III. COMPLIANCE PROCEDURES

A. Monitoring Compliance and Disciplinary Action

The Company's management, under the supervision of its Board of Directors or a committee thereof, or, in the case of accounting, internal accounting controls or auditing matters, the Audit Committee, shall take reasonable steps from time to time to; (i) monitor compliance with the Company's adopted Code, including the establishment of monitoring systems that are reasonably designed to investigate and detect conduct in violation of the Code; and (ii) when appropriate, impose and enforce appropriate disciplinary measures for violations of the Code.

Disciplinary measures for violations of the Code may include, but are not limited to, oral or written reprimands, warnings, counseling, probation or suspension with or without pay, demotions, reduction in salary, restitution, and termination of employment or service to the Company.

Management of the Company shall periodically report to the Board of Directors or a committee thereof on these compliance efforts including, without limitation, periodic reporting of alleged violations of the Code of Ethics and the actions taken with respect to any such violation.

B. Reporting Illegal or Unethical Behavior

Persons are required to act proactively by asking questions, seeking guidance and reporting suspected violations of the Code and other policies and procedures of the Company, as well as any violation or suspected violation of applicable law, rule or regulation arising in the conduct of the Company's business or occurring on the Company's property. If any Person believes that actions have taken place, may be taking place, or may be about to take place that violate or would violate the Code of Ethics, he or she is obligated to bring the matter to the attention of the Company.

The best starting point for a Person seeking advice on ethics related issues or reporting potential violations of the Code will usually be his or her immediate supervisor. However, if the conduct in question involves his or her supervisor, if the Person has reported the conduct in question to his or her supervisor and does not believe that he or she has dealt with it properly, or if the Person does not feel that he or she can discuss the matter with his or her immediate supervisor, the Person should raise the matter, confidentially, to the Board of Directors.

C. Submitting Concerns About Accounting, Internal Controls or Auditing Matters

The Company is committed to achieving compliance with all applicable laws and regulations, including those relating to accounting standards and audit practices. The Company's Audit Committee is responsible for overseeing treatment of complaints regarding these matters. In order to facilitate the reporting of suspected accounting and audit related violations by Persons, the Audit Committee has established the following procedures for the confidential and/or anonymous submission of concerns regarding questionable accounting and auditing matters.

If a Person is not sure if the matter he or she is concerned about relates to accounting or auditing matters, the Person should ask his or her immediate supervisor, or contact the Board of Directors and report such concerns in writing to the Audit Committee at the following address:

Petrolia Energy Corporation
Attn: Board of Directors – Audit Committee
710 N. Post Oak Rd., Ste. 512
Houston, Texas 77024

Petrolia Energy Corporation
Whistleblower Protection Policy
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Any information submitted by a Person will be treated in a confidential manner, except to the extent necessary: (i) to conduct a complete and fair investigation; or (ii) for review of Company operations by the Company's Board of Directors, its Audit Committee or the Company's independent public accountants and the Company's counsel. However, if a Person wishes to remain anonymous, it is not necessary for the Person to give his or her name or position in any notification. Whether a Person identifies himself or herself or not, and in order that a proper investigation can be conducted, a Person is encouraged to give as much information as possible to enable the Company to undertake a proper investigation, including where and when the incident occurred, names and titles of the individuals involved and as much other detail as such reporting Person can provide.

All complaints should be marked "**Confidential**" and "**Private**" when possible. All complaints should be made in good faith and with the reasonable belief that a violation has occurred or may occur in the future. If the complaint is found to have been made maliciously or in bad faith, the employee making the bad faith complaint will face appropriate disciplinary action, which may include discharge.

D. Policy Against Retaliation

The Company will not permit any negative or adverse actions to be taken against any Persons who in good faith report a possible violation of the Code, including any concerns regarding questionable accounting or auditing matters, even if the report is mistaken, or against any Person who assists in the investigation of a reported violation. Any act of alleged retaliation should be reported immediately and will be promptly investigated.

Retaliation in any form will not be tolerated by the Company. Disciplinary measures for any acts of retaliation may include, but are not limited to, oral or written reprimands, warnings, counseling, probation or suspension with or without pay, demotions, reduction in salary, restitution and termination of employment or service with the Company.

IV. INVESTIGATING A COMPLAINT

After reviewing the complaint, the Chair of the Audit Committee will use his reasonable judgment to determine whether enough evidence exists to begin a formal investigation. The Chair of the Audit Committee may confer with other internal (e.g., management) and external (e.g., outside counsel or independent auditors) advisors in making this determination. The Chair of the Audit Committee shall communicate his decision to the Person who made the complaint (unless it was made anonymously), the full Audit Committee and Board of Directors and members of management when appropriate. All parties involved with a complaint or subsequent investigation shall treat all correspondence confidentially and shall not reveal any information about the complaint to another party unless such a communication is necessary and authorized in conjunction with the investigation or this Policy.

If the Chair of the Audit Committee determines that a formal investigation should be made, the full Audit Committee shall review all of the facts and evidence then existing and make a determination as to whether a formal investigation should proceed. If the full Audit Committee decides that a formal investigation is appropriate, then the Chair of the Audit Committee shall oversee and conduct the formal investigation in accordance with the guidelines in this Policy. The Chair of the Audit Committee shall regularly report his progress to the full Audit Committee, and shall make a final report to the Audit Committee and the Board of Directors when the investigation is completed. The Chair of the Audit Committee may retain outside counsel or other advisors if he deems it necessary to carry out the investigation.

If the Chair of the Audit Committee determines that there is insufficient evidence to proceed with a formal investigation, then he shall report this finding to the Audit Committee and the Audit Committee shall retain any documents associated with the initial investigation in accordance with Section VI of this Policy.

V. CORRECTIVE ACTION

After the formal investigation, the Audit Committee shall determine what corrective action, if any, is appropriate. The Audit Committee shall, when appropriate, inform Company management of a violation so that management may take the appropriate or required corrective action, including reporting the violation to the appropriate governmental authorities.

VI. RETENTION OF DOCUMENTS

All complaints submitted in written form and all written materials produced or acquired pursuant to an investigation under this Policy shall be kept confidential to the extent possible (consistent with the need to conduct an adequate investigation) and shall be retained by the Audit Committee for not less than seven years.

**Petrolia Energy Corporation (the “Company”)
Audit Committee Charter**

Role:

The Audit Committee of the Board assists the Board in fulfilling its responsibility for oversight of and integrity of the accounting, auditing, and reporting practices of the Company, and such other duties as directed by the Board. The Committee’s purpose is to oversee the accounting and financial reporting processes of the Company, the audits of the Company’s financial statements, the qualifications of the public accounting firm engaged as the Company’s independent auditor to prepare or issue an audit report on the financial statements of the Company and internal control over financial reporting, and the performance of the Company’s internal audit function and independent auditor. The Committee reviews and assesses the qualitative aspects of financial reporting to shareholders, the Company’s processes to manage business and financial risk, and compliance with significant applicable legal, ethical, and regulatory requirements. The Committee is directly responsible for the appointment (subject to shareholder ratification), compensation, retention, and oversight of the independent auditor.

Membership:

The membership of the Committee will consist of at least three directors of the Company, all of which members shall satisfy the definition of “**independent**” and the requirements of Audit Committee members set forth under the listing standard of the NASDAQ Capital Market, or such other exchange(s) upon which the Company’s securities are then listed from time to time (the “**Exchange**”). If the Committee is comprised of at least three members who meet the criteria above, one additional director who is not “**independent**” as defined under the rules of the Exchange and is not currently an executive officer or employee or a family member of an executive officer, may be appointed to the Committee if the Board, under exceptional and limited circumstances, determines that such individual’s membership on the Committee is required by the best interests of the Company and its shareholders and such member otherwise fits within the requirements of the Exchange (with such member being defined as an “**Excepted Member**”). An Excepted Member may not serve longer than two years.

At least one member of the Committee shall be a “**financial expert**” as defined in Regulation S-K, Item 407(d)(5)(ii) and shall have an understanding of generally accepted accounting principles, and be able to read and understand financial statements, including the Company’s balance sheet, statements of operations and statements of cash flow. The Board shall review and designate the Committee member(s) that meets the “**financial expert**” criteria. All Committee members shall have an understanding of internal control over financial reporting and an understanding of audit committee functions.

No Committee member shall have participated in the preparation of the financial statements of the Company at any time during the three years preceding becoming a member of the Committee (unless such member qualifies as an Excepted Member). The Board appoints the members of the Committee and the chairperson. The Board may remove any member from the Committee at any time with or without cause. Each Committee member may be required to satisfy certain independence requirements of applicable securities laws, rules or guidelines and any other applicable regulatory rules. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the full Board.

Generally, no member of the Committee may serve on more than three audit committees of publicly traded companies (including the Audit Committee of the Company) at the same time. For this purpose, service on the audit committees of a parent and its substantially owned subsidiaries, if any, counts as service on a single audit committee.

Operations:

The Board shall designate one member of the Committee to act as its chairperson. The Committee will meet a minimum of four times a year (once a quarter). Additional meetings may occur as the Committee or its chair deems advisable. The Committee will cause to be kept adequate minutes of its proceedings, and will report on its actions and activities at the next quarterly meeting of the Board. Committee members will be furnished with copies of the minutes of each meeting and any action taken by unanimous consent. The Committee is governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board. The Committee is authorized to adopt its own rules of procedure not inconsistent with (a) any provision of the Company's Certificate of Formation, (b) any provision of the Bylaws of the Company, or (c) the laws of the State of Texas.

Communications:

The independent auditor reports directly to the Committee. The Committee is expected to maintain free and open communication with the independent auditor, the internal auditors, and management. This communication will include periodic private executive sessions with each of these parties.

Authority:

The Committee's role is one of an oversight function. The Committee is not intended to replace the Company's management, internal auditors and outside auditors. It is the responsibility of the Company's management to prepare the Company's financial statements and to develop and maintain adequate systems of internal accounting and financial controls, and it is the internal and outside auditors' responsibility to review and, when appropriate, audit these financial statements and internal controls.

The Committee recognizes that the financial management and the internal and outside auditors have more knowledge and information about the Company than do Committee members. Consequently, in carrying out its oversight responsibilities, the Committee cannot provide any expert or special assurance as to the Company's financial statements or internal controls or any professional certification as to the outside auditors' work. In carrying out its oversight responsibilities, the Committee shall undertake the activities and have the authority as described in this Charter.

The Committee will have the resources and authority necessary to discharge its duties and responsibilities. The Committee has sole authority to retain and terminate outside counsel or other experts or consultants, as it deems appropriate, including sole authority to approve the firms' fees and other retention terms. The Company will provide the Committee with appropriate funding, as the Committee determines, for the payment of compensation to the Company's independent auditor, outside counsel, and other advisors as it deems appropriate and administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention. The Committee will have access to the Company's books, records, facilities, and personnel. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company, and the Committee will take all necessary steps to preserve the privileged nature of those communications.

The Committee may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee.

Performance Evaluation:

The Committee shall review its own performance and reassess the adequacy of this Charter at least annually in such manner as it deems appropriate, and submit such evaluation, including any recommendations for change, to the full Board for review, discussion and approval.

Relationship With Auditors:

The Committee shall have sole authority and be directly responsible for the appointment, retention, compensation, oversight, evaluation and termination (subject to stockholder ratification, if applicable) of the work of the Company's outside auditors engaged, including resolution of disagreements between Company 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. The Company's outside auditors shall report directly to the Committee.

The Committee shall review and pre-approve: (i) auditing services (including those performed for purposes of providing comfort letters and statutory audits); and (ii) non-auditing services that exceed a de minimis standard established by the Committee, which are rendered to the Company by its outside auditors (including fees).

The Committee shall:

(i) If required by any applicable law or rule of the Exchange (or such other exchange upon which the Company's securities are listed), request from the outside auditors, at least annually, a written report describing: (a) the outside auditors' internal quality-control procedures; and (b) any material issues raised by the most recent internal quality-control review or peer review of the outside auditors, or by any inquiry or investigation by government or professional authorities, within the preceding five years, with respect to one or more independent audits carried out by the outside auditors, and any steps taken to deal with any such issues;

(ii) If required by applicable law or rule of the Exchange (or such other exchange upon which the Company's securities are listed), review and discuss with the outside auditors any relationships or services that may impact the objectivity and independence of the outside auditors; and

(iii) Receive from the independent auditor annually a formal written statement delineating all relationships between the independent auditor and the Company consistent with Independence Standards Board Standard No. 1, as may be modified or supplemented by such other standards as may be set by law or regulation or Exchange rules; and discuss with the independent auditor in an active dialogue any such disclosed relationships or services and their impact on the independent auditor's objectivity and independence and present to the Board its conclusion with respect to the independence of the independent auditor.

After reviewing the foregoing reports and the outside auditors' work throughout the year, the Committee shall evaluate the outside auditor's qualifications, performance and independence. This evaluation shall include the review and evaluation of the lead partner(s) of the outside auditors. In making its evaluation, the Committee may take into account the opinions of management and the Company's internal auditors (or other personnel responsible for the internal audit function) and shall take appropriate action in response to the outside auditors' report and the opinions of those the Committee consults to satisfy itself of the outside auditors' independence and adequate performance.

The Committee should further consider whether, in order to assure the continuing independence of the outside auditors, there should be regular rotation of the lead audit partner (in addition to what may already be required by law or regulation).

The Committee shall establish hiring policies with respect to employees and former employees of the outside auditors.

The Committee shall review and discuss with management, the outside auditors and the internal auditors the performance and adequacy of the Company's internal audit function, including the internal auditors' responsibilities, budget, and staffing.

Responsibilities:

Financial Statements and Reporting:

1. Reviewing the disclosures made by the Chief Executive Officer and the Chief Financial Officer in connection with their required certifications accompanying the Company's periodic reports to be filed with the Securities and Exchange Commission, including disclosures to the Committee of (a) significant deficiencies in the design or operation of internal controls, (b) significant changes in internal controls and (c) any fraud involving management or other employees who have a significant role in the Company's internal controls.
2. Reviewing and discussing the Company's quarterly financial results and related press releases, if any, with management and the independent auditors prior to the release of such information to the public.

Internal Audit:

1. Reviewing with the management the proposed scope and plan for conducting internal audits of Company operations and obtaining reports of significant findings and recommendations, together with management's corrective action plans.
2. Seeking to ensure the corporate audit function has sufficient authority, support and access to Company personnel, facilities and records to carry out its work without restrictions or limitations.
3. Reviewing the corporate audit function of the Company, including its charter, plans, activities, staffing and organizational structure.
4. Reviewing progress of the internal audit program, key findings and management's action plans to address findings.

Compliance:

1. Periodically reviewing the Company's policies with respect to legal compliance, conflicts of interest and ethical conduct.
2. Seeking to ensure the adequacy of procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting control or auditing matters, including the confidential submission of complaints by employees regarding such matters.
3. Recommending to the Board any changes in ethics or compliance policies that the Committee deems appropriate.

In addition to the above responsibilities and those other responsibilities included in this charter, the Committee will undertake such other duties as the Board of Directors delegates to it, and will report periodically to the Board regarding the Committee's examinations and recommendations.

Financial Reporting Process and Financial Statements:

The Committee shall meet regularly with management. The Committee shall meet, at least annually, with the Company's outside auditors in a private session.

The Committee shall review and discuss with management and the outside auditors on a quarterly basis prior to filing quarterly or annual financial statements: (i) the audited financial statements to be included in the Company's Annual Report on Form 10-K (or the Annual Report to Stockholders if distributed prior to the filing of the Form 10-K); (ii) the quarterly financial statements to be included on Form 10-Q; (iii) the Company's disclosures in the "**Management's Discussion and Analysis of Financial Condition and Results of Operation**" contained therein; (iv) the Company's disclosure controls and procedures (including any significant internal control deficiencies or material weaknesses and any changes implemented in light of material control deficiencies or weaknesses); and (v) any fraud that involves management or other employees who have a significant role in the Company's internal controls.

In connection with the annual audit and the outside auditors review of the financial information included in the Company's Quarterly Reports on Form 10-Q, the Committee shall, prior to the filing of the Form 10-K or Form 10-Q, discuss with the outside auditors the results of their audit or review, and the matters required to be discussed by Statement on Auditing Standards No. 61 (SAS 61), as amended and/or supplemented. In addition, the Chairman or his designee shall, before the quarterly earnings press releases are released, discuss with the outside auditors the results of their review of quarterly earnings press releases.

The Committee shall request from the Company's outside auditors and, where applicable, the Company's internal auditors, timely reports concerning:

- a) Major issues regarding accounting principles and financial statement presentations, including all critical accounting policies and practices and any changes in the selection or application of accounting principles;
- b) All significant financial reporting issues and judgments, including all critical accounting estimates and alternative treatments of financial information within generally accepted accounting principles that have been discussed with the management of the Company, the ramifications of the use of such alternative estimates or treatments and the estimate/treatment preferred by the auditors;
- c) The effect of regulatory or accounting initiatives, as well as off-balance sheet transactions, on the financial statements; and
- d) Any material written communication between the auditors and the management of the Company (such as any management letter or schedule of unadjusted differences).

The Committee shall review with the outside auditors and the internal auditors any audit problems or difficulties encountered (including any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management) and management's response. The Committee shall be responsible for the resolution of disagreement among the Company's management, the outside auditors and the internal auditors regarding financial reporting.

The Committee shall review with the internal auditor and the external auditor their annual audit plans and the degree of coordination of such plans.

Based on the above review and discussions, the Committee shall determine whether to recommend to the Board that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K.

The Committee shall prepare the report of the audit Committee required by the rules of the SEC included in the Company's annual proxy statement.

The Committee shall periodically discuss with management the types of information to be disclosed and the types of presentation to be made in quarterly earnings press releases and with respect to financial information and earnings guidance provided to analysts and rating agencies or otherwise made public.

Risk Management:

The Committee shall discuss with management, the internal auditors and the outside auditors, the Company's policies with respect to risk assessment and risk management. This discussion should cover the Company's major financial risk exposures and the steps management has taken to monitor and control these exposures.

The Committee shall review the annual audit report regarding officers' expense accounts and perquisites and the results of any surveys of compliance with any business conduct policies of the Company.

Compliance with Laws, Regulations and Ethics Codes:

The Committee shall review with the Company's general counsel, the internal auditors and other appropriate parties, as applicable, legal matters that may have a material impact on the Company's financial statements, the Company's compliance policies and procedures and any material reports received from or communications with regulators or government agencies.

The Committee shall review and pre-approve any related party transactions and other matters pertaining to the integrity of management, including potential conflicts of interest, or adherence to standards of business conduct as required by the policies of the Company.

The Committee shall (i) review all requests for waivers of any code of conduct and ethics policies or procedures that the Company has adopted including requests from executive, operating or financial officers and management of the Company and from any other individuals that conduct business on behalf of the Company or who are involved with the preparation of financial statements or in the assessment of the Company's internal disclosure controls over financial reporting, and (ii) promptly disclose any waivers that are required by regulation or listing standards to be disclosed publicly.

The Committee shall establish, oversee and regularly review the adequacy and performance of procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting control and/or auditing matters; and (ii) the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.

The Committee shall have authority to establish, monitor and maintain a Whistleblower Protection Policy for the Company that facilitates the reporting of suspected wrongdoings of the Company, and prohibits retaliatory action against employees who report suspected wrongdoings when they reasonably believe violations of laws, rules or regulations have occurred.

Related Party Transactions:

(a) The Committee will review any issues relating to conflicts of interests and all related party transactions of the Company ("**Related Party Transactions**").

(b) The Committee will analyze the following factors, in addition to any other factors the Committee deems appropriate, in determining whether to approve a Related Party Transaction:

- (1) fairness of the terms for the Company (including fairness from a financial point of view);
- (2) materiality of the transaction;
- (3) bids / terms for such transaction from unrelated parties;
- (4) structure of the transaction;
- (5) the policies, rules and regulations of the U.S. federal and state securities laws;
- (6) the policies of the Committee; and
- (7) interests of each related party in the transaction.

(c) The Committee will only approve a Related Party Transaction if the Committee determines that the terms of the Related Party Transaction are beneficial and fair (including fair from a financial point of view) to the Company and are lawful under the laws of the United States. In the event multiple members of the Committee are deemed a related party, the Related Party Transaction will be considered by the disinterested members of the Board of Directors in place of the Committee.

(d) The following transactions will be exempted from the Policy and will be governed by the Company's other applicable policies:

- (1) payment of compensation by the Company to its officers or directors for service to the Company in their stated capacity;
- (2) transactions available to all employees or all shareholders of the Company on the same terms; and
- (3) transactions which, when aggregated for any related party, involve less than \$120,000 and are approved by the Chief Executive Officer, who is not a related party in the transaction.

(e) Approval of a Related Party Transaction may be conditioned upon the Company and the related party taking any or all of the following additional actions, or any other actions that the Committee deems appropriate:

- (1) requiring the related party to resign from, or change position within, an entity that is involved in the Related Party Transaction with the Company;
- (2) assuring that the related party will not be directly involved in negotiating the terms of the Related Party Transaction;
- (3) limiting the duration or magnitude of the Related Party Transaction;
- (4) requiring that information about the Related Party Transaction be documented and that reports reflecting the nature and amount of the Related Party Transaction be delivered to the Committee on a regular basis;
- (5) requiring that the Company have the right to terminate the Related Party Transaction by giving a specified period of advance notice; or
- (6) appointing a Company representative to monitor various aspects of the Related Party Transaction.

(f) If the Company or a related party becomes aware that any Related Party Transaction exists that has not been previously approved or ratified under this policy, it will promptly submit the transaction to the Committee or Chair of the Committee or disinterested members of the Board of Directors for consideration. The Committee or Chair of the Committee or Board will evaluate the transaction under this policy and will consider all options, including ratification, amendment or termination of the Related Party Transaction.

(g) All Related Party Transactions are to be disclosed in the Company's applicable filings with the SEC, as required by the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and related rules and regulations. All Related Party Transactions will be disclosed to the Committee and any material Related Party Transaction will be disclosed to the Board of Directors.

(h) The Committee is prohibited from approving or ratifying any Related Party Transaction whereby the Company directly or indirectly, including through any subsidiary, extends or maintains credit, arranges for the extension of credit, or renews an extension of credit, in the form of a personal loan to or for any director or executive officer (or equivalent thereof) of the Company.

**Petrolia Energy Corporation (the “Company”)
Compensation Committee Charter**

Role:

The Compensation Committee’s role is to discharge the Board of Directors (the “**Board’s**”) responsibilities relating to compensation of the Company’s executives and to oversee and advise the Board on the adoption of policies that govern the Company’s compensation and benefit programs.

Membership:

The membership of the Committee will consist of at least two directors of the Company, who shall satisfy the definition of “**independent**” under the listing standard of the NASDAQ Capital Market, or such other exchange(s) upon which the Company’s securities are then listed from time to time (the “**Exchange**”). If the Committee is comprised of at least three members, one director who is not “**independent**” as defined under the rules of the Exchange and is not currently an executive officer or employee or a family member of an executive officer, may be appointed to the Committee if the Board, under exceptional and limited circumstances, determines that such individual’s membership on the Committee is required by the best interests of the Company and its shareholders (with such member being defined as an “**Excepted Member**”). An Excepted Member may not serve longer than two years.

The Board may remove any member from the Committee at any time with or without cause. Each Committee member may be required to satisfy certain independence requirements of applicable securities laws, rules or guidelines and any other applicable regulatory rules. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the full Board.

Operations:

The Board shall designate one member of the Committee to act as its chairperson. The Committee will meet a minimum of once a year. Additional meetings may occur as the Committee or its chair deems advisable. The Committee may also meet periodically in executive session without Company management present. The Committee will cause to be kept adequate minutes of its proceedings, and will report on its actions and activities at the next quarterly meeting of the Board. Committee members will be furnished with copies of the minutes of each meeting and any action taken by unanimous consent. The Committee is governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board. The Committee is authorized to adopt its own rules of procedure not inconsistent with (a) any provision of the Company’s Certificate of Formation, (b) any provision of the Bylaws of the Company, or (c) the laws of the State of Texas.

Authority:

The Committee will have the resources and authority necessary to discharge its duties and responsibilities. The Committee has sole authority to retain and terminate outside counsel, compensation consultants, or other experts or consultants, as it deems appropriate, including sole authority to approve the fees and other retention terms for such persons. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Committee will take all necessary steps to preserve the privileged nature of those communications.

Except as otherwise delegated by the Board or the Committee, the Committee will act on behalf of the Board. The Committee will serve as the “**Committee**” established to administer equity-based and employee benefit plans, and as such will discharge any responsibilities imposed on the Committee under those plans, including making and authorizing grants, in accordance with the terms of those plans. The Committee may delegate to one or more executive officers the authority to make grants of stock options and stock awards to eligible individuals who are not executive officers. Any executive officer to whom the Committee grants such authority shall regularly report to the Committee grants so made. The Committee may revoke any such delegation of authority at any time.

The Committee may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee to perform certain of its duties from time to time.

Performance Evaluation:

The Committee shall review its own performance and reassess the adequacy of this Charter at least annually in such manner as it deems appropriate, and submit such evaluation, including any recommendations for change, to the full Board for review, discussion and approval.

Responsibilities:

Subject to the sole determination of the Board, the principal responsibilities and functions of the Compensation Committee are as follows:

1. Review the competitiveness of the Company's executive compensation programs to ensure (a) the attraction and retention of executives, (b) the motivation of executives to achieve the Company's business objectives, and (c) the alignment of the interests of key leadership with the long-term interests of the Company's shareholders. Assist the Board in establishing CEO annual goals and objectives.
2. Review trends in executive compensation, oversee the development of new compensation plans, and, when necessary, approve the revision of existing plans.
3. Review and approve the compensation structure for executives.
4. Oversee an evaluation of the performance of the Company's executive officers and approve the annual compensation, including salary, bonus, incentive and equity compensation, for the executive officers. Review and approve compensation packages for new executive officers and termination packages for executive officers.
5. Review and make recommendations concerning long-term incentive compensation plans, including the use of equity-based plans.
6. Periodically review the compensation paid to non-employee directors and make recommendations to the Board for any adjustments. No member of the Committee will act to fix his or her own compensation except for uniform compensation to directors for their services as a director.
7. Review periodic reports from management on matters relating to the Company's compensation practices.
8. Produce an annual report of the Compensation Committee on executive compensation for the Company's annual proxy statement in compliance with and to the extent required by applicable Securities and Exchange Commission rules and regulations and any relevant listing authority.
9. Obtain or perform an annual evaluation of the Committee's performance and make applicable recommendations about, among other things, changes to the charter of the Committee.
10. Take whatever other action that the Board shall reasonably request in its sole determination.

The Committee shall also have the following responsibilities and authority as dictated by the Exchange:

- (A) The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser.
- (B) The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the Committee.
- (C) The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other adviser retained by the Committee.
- (D) The Committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the Committee, other than in-house legal counsel, only after taking into consideration factors set forth in the Exchange's rules.

Notwithstanding the above, the Chief Executive Officer of the Company may not be present during voting or deliberations on his or her compensation.

**Petrolia Energy Corporation (the “Company”)
Nominating and Corporate Governance Committee Charter**

Role:

The Nominating and Corporate Governance Committee’s role is to determine the slate of director nominees for election to the Company’s Board of Directors (the “**Board**”), to identify and recommend candidates to fill vacancies occurring between annual shareholder meetings, to review, evaluate and recommend changes to the Company’s Corporate Governance Guidelines, and to establish the process for conducting the review of the Chief Executive Officer’s performance.

Membership:

The membership of the Committee will consist of at least two directors of the Company, who shall satisfy the definition of “**independent**” under the listing standard of the NASDAQ Capital Market, or such other exchange(s) upon which the Company’s securities are then listed from time to time (the “**Exchange**”). If the Committee is comprised of at least three members, one director who is not “**independent**” as defined under the rules of the Exchange and is not currently an executive officer or employee or a family member of an executive officer, may be appointed to the Committee if the Board, under exceptional and limited circumstances, determines that such individual’s membership on the Committee is required by the best interests of the Company and its shareholders (with such member being defined as an “**Excepted Member**”). An Excepted Member may not serve longer than two years.

Operations:

The Board shall designate one member of the Committee to act as its chairperson. The Committee will meet a minimum of once a year. Additional meetings may occur as the Committee or its chair deems advisable. The Committee may also meet periodically in executive session without Company management present. The Committee will cause to be kept adequate minutes of its proceedings, and will report on its actions and activities at the next quarterly meeting of the Board. Committee members will be furnished with copies of the minutes of each meeting and any action taken by unanimous consent. The Committee is governed by the same rules regarding meetings (including meetings by conference telephone or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board. The Committee is authorized to adopt its own rules of procedure not inconsistent with (a) any provision of the Company’s Certificate of Formation, (b) any provision of the Bylaws of the Company, or (c) the laws of the State of Texas.

Authority:

The Committee will have the resources and authority necessary to discharge its duties and responsibilities. The Committee has sole authority to retain and terminate outside counsel, compensation consultants, or other experts or consultants, as it deems appropriate, including sole authority to approve the fees and other retention terms for such persons. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Committee will take all necessary steps to preserve the privileged nature of those communications.

Except as otherwise delegated by the Board or the Committee, the Committee will act on behalf of the Board.

The Committee may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee to perform certain of its duties from time to time.

Performance Evaluation:

The Committee shall review its own performance and reassess the adequacy of this Charter at least annually in such manner as it deems appropriate, and submit such evaluation, including any recommendations for change, to the full Board for review, discussion and approval.

Responsibilities:

The Committee will have the authority, to the extent it deems necessary or appropriate, to retain a search firm to be used to identify director candidates. The Committee shall have sole authority to retain and terminate any such search firm, including sole authority to approve the firm's fees and other retention terms. The Committee shall also have authority, to the extent it deems necessary or appropriate, to retain other advisors. The Company will provide the appropriate funding, as determined by the Committee, for payment of compensation to any search firm or other advisors employed by the Committee.

Specific responsibilities and duties of the Committee include:

- a) Establishing criteria for selection of new directors and nominees for vacancies on the Board;
- b) Approving director nominations to be presented for stockholder approval at the Company annual Meeting;
- c) Identifying and assisting with the recruitment of qualified candidates for Board membership and for the positions of Chairman of the Board and Chairman of the committees of the Board;
- d) Recommending to the Board to accept or decline any tendered resignation of a director;
- e) Considering any nomination of director candidates validly made by stockholders;
- f) Reviewing any director conflict of interest issues and determining how to handle such issues;
- g) Insuring a review at least annually of incumbent directors' performance and attendance at Board and committee meetings in connection with the independent directors' decision regarding directors to be slated for election at the Company's annual meeting;
- h) Providing appropriate orientation programs for new directors;
- i) Develop and periodically review and recommend to the Board appropriate revisions to the Company's corporate governance framework, including its Certificate of Formation and Bylaws;
- j) Monitor compliance with the corporate governance guidelines; and
- k) Reviewing and assessing the adequacy of the Company's corporate governance policies and practices at least annually and recommending any proposed changes to the Board.

The Committee will also provide periodic reports to the Board and will propose any necessary actions to the Board. The Committee will also be responsible for the review and reassessment of the adequacy of this Charter annually and for recommending any proposed changes to the Board for approval.

Nomination Process:

The Committee has the authority to lead the search for individuals qualified to become members of the Board of the Company and to select or recommend to the Board nominees to be presented for stockholder approval. The Committee will select individuals who have high personal and professional integrity, have demonstrated ability and sound judgment and are effective, in conjunction with other director nominees, in collectively serving the long-term interests of the Company's stockholders. The Committee may use its network of contacts to compile a list of potential candidates, but may also engage, if it deems appropriate, a professional search firm. The Committee may meet to discuss and consider candidates' qualifications and then choose a candidate by majority vote.

The Committee will consider nominees for the Board recommended in good faith by the Company's stockholders, provided those nominees meet the requirements of the Exchange and applicable federal securities law. Stockholders should submit the candidate's name, credentials, contact information and his or her written consent to be considered as a candidate. These recommendations should be submitted in writing to the Company Secretary. The proposing stockholder should also include his or her contact information and a statement of his or her share ownership (how many shares owned and for how long). The Committee may request further information about stockholder recommended nominees in order to comply with any applicable laws, rules or regulations or to the extent such information is required to be provided by such stockholder pursuant to any applicable laws, rules or regulations.