

Halo Resources Ltd.
COMPENSATION AND BENEFITS COMMITTEE CHARTER

This Charter was approved by the Board of Directors of Halo Resources Ltd. on June 29, 2007 and replaces all previous charters, terms of reference or other similar documents prescribing the procedures, powers and duties of the Compensation Committee.

1. Name

There shall be a standing committee of the Board of Directors (the "**Board**") of Halo Resources Ltd. (the "**Corporation**") known as the Compensation Committee (the "**Committee**").

2. General Purpose

The Committee has been established to assist the Board by (i) reviewing and approving goals and objectives for the Chief Executive Officer (the "**CEO**"), (ii) evaluating the CEO's performance and making recommendations with respect to CEO compensation; (iii) making recommendations regarding non-CEO executive and director compensation, incentive compensation plans and equity-based plans ; and (iv) reviewing executive compensation disclosure prior to public disclosure.

3. Composition

The Committee membership shall be comprised of as many members as the Board shall determine, but in any event not fewer than three (3) members. The Committee's composition shall meet all independence, legal and regulatory requirements. The Board shall designate the Chair of the Committee and in so doing shall consider the recommendation of the Corporate Governance Committee. Each member shall continue to be a member until a successor is appointed, unless the member resigns, is removed or ceases to be a director. The Board may fill a vacancy at any time.

4. Committee Meetings

The Chairman of the Committee, following consultation with Committee members, shall determine the schedule and frequency of the Committee meetings provided that the Committee shall meet a minimum of once a year. Additional meetings will be scheduled as required in response to specific circumstances. A majority of the members of the Committee shall constitute a quorum for the transaction of business at any meeting of the Committee. The Chairman of the Committee shall be responsible for leadership of the Committee, including developing and setting the Committee's agenda in consultation with members of the Committee, the Board and management, presiding over meetings, making committee assignments and reporting to the Board. If the Chair is absent, the Committee members shall choose one (1) of their member to be Chair. To the extent

possible, a schedule for each of the meetings will be disseminated to Committee members as early in each year as practicable. A detailed agenda for each meeting will be disseminated to Committee members as far in advance of each meeting as is practicable.

5. Responsibilities

The Committee is mandated to carry out the following responsibilities:

a) Directors' Compensation

The Committee shall consider the form and amount of directors' compensation and make annual recommendations to the Board regarding same. The Committee shall periodically review such compensation, taking into consideration such factors as time commitment, compensation at comparable public corporations, and responsibilities, to ensure such compensation is reasonable, competitive, aligns the interests of directors with those of shareholders and is consistent with the time commitment, risks and responsibilities involved in being an effective director.

b) Executive Compensation

The Committee shall:

(a) Consider and make annual recommendations to the Board regarding compensation levels for the non-CEO executive officers of the Corporation, giving consideration to third party competitive data, information from independent consultants and the responsibilities and time commitments of each position, as well as:

- (i) base salaries and salary ranges for non-CEO executive officers;
- (ii) all bonus and benefit schemes;
- (iii) all special arrangements including automobile allowances and other perquisites;
- (iv) any termination provisions in respect of change of control of the Corporation;
- (v) deferred or other compensation;
- (vi) stock options and other equity-based compensation; and
- (vii) incidental benefits.

(b) Review, and oversee the administration by management of the Corporation's general compensation and benefit programs and assess the extent to which the programs are meeting their intended objectives.

(c) Review and approve the corporate goals and objectives relevant to the compensation of the CEO annually and in the context of the Corporation's strategic plan. Evaluate the performance of the CEO in light of those goals and objectives, and make annual recommendations to the Board regarding the compensation level of the CEO based on this evaluation.

(d) Assess the performance of the CEO and make recommendations as to the appropriate level of performance compensation (bonus). Bonuses will be awarded on the basis of achievement of specific current year financial and operating targets set by the Board

including, without limitation, relative shareholder return as well as achievement of the objectives outlined in the strategic plan.

(e) Review annually the objectives set by the CEO for executive officers in the context of the Corporation's strategic plan and, in concert with the CEO, review the performance assessment of individual executive officers and determine their levels of performance compensation and targets.

(f) Administer the incentive stock option plan and other equity based compensation plans and make recommendations to the Board with respect to the granting of options thereunder.

(g) Make recommendations to the Board with respect to any severance or similar termination payments proposed to be made to any current or former executive officer of the Corporation and extending any change in control or similar agreements to any officer of the Corporation.

(h) Review and approve any compensation report required by regulatory and statutory authorities for inclusion in the Corporation's annual management information circular or in its annual information form.

The Committee shall review and, where appropriate, make recommendations to the Board regarding all new employment, consulting, retirement and severance agreements and arrangements proposed for the Corporation's senior management. The Committee shall periodically evaluate existing agreements with the Corporation's senior management for continuing appropriateness.

5. Report to Board

The Committee shall report periodically, but no less than once annually, to the Board and shall submit to the Board the minutes of its meetings.

6. Other

Perform any other activities consistent with this Charter, the Corporation's by-laws or as delegated by the Board from time to time.

7. Resources

The Committee shall have the sole authority to retain (or terminate) such consultants or advisors as necessary to assist the Committee in carrying out its duties. The Committee shall be provided with the necessary funding to compensate any consultants or advisors retained by the Committee. The Committee shall have full access to the Corporation's books, records, facilities and personnel.

9. Performance Evaluation

The Committee shall prepare and review with the Board an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this charter. The performance evaluation shall also recommend to the Board any improvements to the Committee's charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee to make this report.

10. Review of Mandate

The mandate of the Committee will be reviewed by the Board at least once per year and modified if necessary.

11. Delegation of Authority

The Committee may delegate its authority and duties to subcommittees or individual members of the Committee as it deems appropriate.

12. Limitation on the Oversight Role of the Committee

Nothing in this Charter is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board of Directors are subject.

Each member of the Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Corporation from whom he or she receives information, and the accuracy of the information provided to the Corporation by such persons or organizations.