

COMPENSATION COMMITTEE CHARTER

FRAM EXPLORATION ASA

ADOPTED AT THE BOARD MEETING 11 APRIL 2011

1 THE PURPOSE OF THIS CHARTER

This is the Charter for the Compensation Committee adopted and approved in accordance with Section 2.9 of the Corporate Governance Policy for the Company. It shall apply to the Company and all companies in which the Company holds a direct or indirect ownership, or is able to exercise influence, such companies are together referred to herein as the "Group".

2 GENERAL FUNCTIONS, AUTHORITY AND ROLE

The Compensation Committee is appointed by the Board of Directors of the Company (the "Board") to assist the Board in fulfilling its responsibilities concerning the Company and the Group in respect of:

- Reviewing the compensation and benefits strategy for the members of executive personnel;
- Reviewing the performance of executive personnel versus the adopted corporate goals and objectives ; and
- Preparing matters relating to other material employment issues in respect of the executive personnel.

The Compensation Committee shall have the authority to review any matter within the committee's scope of responsibilities for the Group. In discharging its responsibilities under this charter, the Committee shall have full access to the records and personnel of the Company and/or the Group.

No decision making powers are vested with the Compensation Committee and all such authority remains with the Board. At least two members of the Compensation Committee must be present or participating in a meeting for the Committee to constitute a quorum.

The Compensation Committee shall prepare minutes and shall report to the Board on a regular basis. The report to the Board shall contain recommendations for Board action and decision when appropriate.

3 COMPOSITION AND INDEPENDENCE

The Compensation Committee shall consist of at least two members of the Board, both of whom shall be independent directors pursuant to the Norwegian Code on Corporate Governance.

The Board shall appoint one member of the Compensation Committee as chairperson.

4 RESPONSIBILITIES

The Compensation Committee's primary responsibilities include:

- Conducting a formal evaluation of executive personnel annually, applying firmly established performance objectives tied to:
 - impact on business performance;
 - ability to select and develop the right people for the management team;
 - scope of influence on outcomes;
 - fulfilment of shareholders expectations;
 - vision and strategy for the Company's future;
 - development of succession plans; and
 - effectiveness in managing external relations.
- Assessing the Group's compensation and benefits strategy by an annual review of the organisation's overall compensation plan and practices. This includes monitoring the effectiveness of the design, performance measures and award opportunities offered by the Company's executive compensation plans
- Overseeing the CEO's efforts to identify and develop potential successors for key executives
- Reporting from the Committee activities and actions to the Board through written minutes of meetings and ad hoc presentations at Board meetings
- Reviewing and reassessing the adequacy of this Charter annually and recommending any proposed changes to the Board for approval
- Preparing matters relating to any material employment issues of the executive personnel.

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