

# CanArgo Energy Corporation

## RESOLUTIONS ADOPTED REGARDING THE NOMINATION OF DIRECTORS

**Upon the Unanimous Written Consent of Directors dated as of February 28, 2005 the Board of Directors adopted the following Resolutions.**

**RESOLVED:** That the Board of Directors of the Corporation (the “Board”) deems it in the best interests of the Corporation and its stockholders, consistent with the requirements of the American Stock Exchange and the Securities and Exchange Commission, to adopt the following resolutions with regard to the process by which the Corporation nominates candidates for the position of director of the Corporation; and be it further

**RESOLVED:** That the Board hereby appoints an *Ad Hoc Committee* (the “Committee”) composed of at least three “independent” directors of the Board and delegates to the Committee the responsibility to identify individuals qualified to become members of the Board consistent with criteria approved by the Board, and to recommend to the Board the director nominees for the next annual meeting of shareholders. For purposes hereof, “independent” shall mean a director who both meets the American Stock Exchange and Securities and Exchange Commission definitions of “independence” as determined by the Board in its business judgment; and be it further

**RESOLVED:** That the Committee shall have the authority and responsibility to:

- i. Recommend to the Board candidates for election or reelection to the Board at each annual meeting of the shareholders of the Company.
- ii. Recommend to the Board candidates for election by the Board to fill vacancies occurring on the Board.
- iii. Consider shareholder nominees.
- iv. Establish the Board’s criteria for selecting new directors.
- v. Aid in attracting qualified candidates to serve on the Board.
- vi. Retain, consult with and seek advice from appropriate management personnel, outside consultants or attorneys on any of the above matters as the Committee may from time to time deem appropriate, including the sole authority to retain and terminate any search firm to be used to identify director candidates, and to approve such firms’ fees and other retention terms.
- vii. Appoint one or more subcommittees composed of one or more directors and delegate any of its authorities or responsibilities to such subcommittees, on any of the above matters, as the Committee may from time to time deem appropriate.
- viii. Report Committee actions to the Board.
- ix. Perform such other duties and responsibilities as may be assigned to the Committee, from time to time, by the Board and/or the Chairman and Chief Executive Officer;

**and be it further**

**RESOLVED:** That the Committee shall meet as often as it deems necessary or appropriate, in its judgment, either in person or telephonically, and at such times and places as the Committee determines. The Committee shall report to the full Board with respect to each meeting and shall make such reports to

shareholders as are required by applicable regulations or as are deemed advisable in the Committee's judgment. The majority of the members of the Committee shall constitute a quorum.