

Endeavour International Corporation

Board Governance Guidelines

Overview

The purpose of these guidelines is to delineate Endeavour's values with respect to Board governance, to set forth the principles to be used by the Board in corporate governance and to outline the overall skill set desired in the Board. The company is strongly committed to the principle of independence for its Board and member directors. It believes strongly that a diverse Board contributes to the decision-making ability of the company, especially with respect to the long-term outlook of the company and the strategic alternatives it chooses to pursue. The paramount principle governing all Board decision processes is its adherence to strong representation of stockholder interests.

The Board plays a key role in shaping the long-term strategy of Endeavour, carefully monitoring performance with respect to strategic direction, assessing major risk factors and reviewing measures to address and mitigate such risks. The Board will be involved with all major decisions and will periodically evaluate the performance of top management, as well as its own performance. The specific operating guidelines that implement these broad principles are specified in the remainder of this document.

In discharging their obligations, directors should be entitled to rely reasonably on the honesty and integrity of their fellow directors and Endeavour's executives, as well as their outside advisors and auditors. The directors shall be entitled to (i) have the company purchase reasonable directors' and officers' liability insurance on their behalf; (ii) the benefits of indemnification under the company's articles of incorporation and by-laws; and (iii) exculpation as provided by state law and the company's articles of incorporation.

The Board may discharge its responsibilities either directly or by delegating them to its committees. The Board and each Board committee shall have the full power and authority to hire, at the expense of the company, independent financial, accounting, legal or other advisors, as necessary to fulfill their duties, without consulting or obtaining the approval of any officer of the company. The Board shall also have full access to senior management of the company and other employees on request to discuss the business and affairs of the company.

Board Membership and Committee Structure

The Board has the following committees: Audit, Governance and Nominating, and Compensation. The Board has the flexibility to form a new committee or disband a current committee and will appoint members of the committees based on the recommendations of the Chairman and the Governance and Nominating Committee. It is the policy of the Board that only independent directors serve on the Audit, Governance and Nominating and Compensation Committees.

A majority of the Board will consist of independent directors. A director will be considered as independent if he or she meets the standards of independence required by the American Stock

Exchange (“AMEX”) and federal and state statutes and regulations applicable to the company and such other standards as the Board may require based upon the business judgment of the director. The ownership of stock in Endeavour by directors is required and the ownership of a substantial amount of stock is not in itself a basis for a director to be considered as not independent. The Governance and Nominating Committee annually will review compliance with the definition of independence by each of the independent directors and report its findings to the Board.

When the Board designates the members of the committees, the desires of individual directors and the suggestions of the Chairman specifically should be considered. Prior to election of directors at the annual meeting of stockholders, the Governance and Nominating Committee and the Chairman will report to the Board regarding committee membership.

The Board shall determine the appropriate size of the Board within the requirements of the company’s articles of incorporation and by-laws.

Board Meetings, Attendance and Agendas

Directors are expected to make every effort to attend each Board meeting and each meeting of any committee on which he or she sits. Attendance in person is preferred but attendance by teleconference will be permitted if necessary. Directors are also expected to make every effort to attend in person the Annual Meeting of Stockholders.

The Chairman will establish the agenda for each Board meeting. Each director is free to suggest the inclusion of items on the agenda and is free to raise, at any Board meeting, subjects that are not on the agenda for that meeting. When possible, the Chairman should be informed in advance of any items that a member wishes to raise at a Board meeting. Every effort should be made to have materials for the meetings given to members as far in advance as possible to allow for proper preparation.

The Chairman of the Audit Committee will act as chair of all executive sessions of the independent directors of the Board and as the liaison director for any informal confidential communications with the Chief Executive Officer outside of the normal committee and Board procedures. The independent directors will meet in executive session following each Board meeting without the presence of management.

During at least one Board meeting each year, the Board will review long-term strategic plans and the principal issues that the company faces in the future.

Director Education

Endeavour encourages all directors to attend director education programs appropriate to their individual backgrounds to stay abreast of developments in corporate governance and “best practices” relevant to their contribution to the Board as well as their responsibilities with respect to their specific committee assignments. The company will reimburse the directors for the costs associated with attending such director education programs.

Board Membership Criteria

The Governance and Nominating Committee is responsible for reviewing, with the Board on an annual basis, the appropriate skills and characteristics required of directors in the context of the current make-up of the Board. This assessment should include issues of diversity, age, and skills. The skill set of the overall Board provides a basis for the evaluation and establishes guidelines for an overall set of skills inherent in the group of members of the Board. In all cases, the skills an individual brings to the Board should be discussed in the context of the overall needs for expertise on the Board.

Each member brings a unique and valuable perspective to the governance of the company. When these unique skill sets are combined in an environment of collegial interaction and respect, they provide the overall skill set of the Board and provide a strong governance structure. They fall into the two primary areas of business skills and interpersonal social skills.

Business Skill Set

- Demonstrated and recognized leadership and success in a professional area important to the company.
- Executive experience, especially in the industry.
- Financial expertise including experience with executive accounting, commercial banking, investment banking, mergers and acquisitions, structured financing, corporate finance, institutional management and investing. Knowledge of SEC procedure and regulation is a positive.
- Board experience in other companies with a focus on the industry.
- Legal expertise with a focus on securities, mergers and acquisitions, investments and corporate practice.
- International expertise with a focus on project development, currency management and flow, markets structure, and socio-political context.
- Clear independence.

Individual Personal and Social Skill Set

- High personal integrity.
- Values compatible and consistent with Endeavour values.
- Proven sound, social and business judgment.
- Tough minded but fair team player.
- Supportive but challenging of management.
- Personal desire and willingness to advance Endeavour.

- Respected and active externally.

Qualifications of the Board as a Whole

The Board of the company should possess, as a group, the knowledge, experience and skills necessary to develop, and oversee the implementation of the strategic vision of Endeavour, and such other qualities as the Board shall identify from time to time.

- Experience developing and implementing a strategy and long-term plan for a public company.
- An understanding of the operations and economics of the company.
- Knowledge of the exploration and production industry including technical knowledge, a familiarity with industry leaders and a knowledge of related service and downstream industries.
- Financial sophistication including at least one director who qualifies as an audit committee financial expert and sufficient numbers of financially literate directors so that all members of the Audit Committee will be financially literate.
- An understanding of industry issues relating to safety, environmental protection, information technology, public reporting, oil and gas marketing, executive compensation and competitive and strategic challenges faced by the company.
- A diversity of experience, professional expertise and age.

Selection Process

In fulfilling the duties of the Committee pursuant to the Committee Charter, the Governance and Nominating Committee shall, for positions not currently filled, identify the personal characteristics needed in a director nominee so that the Board as a whole will possess the *Qualifications of the Board as a Whole* as identified herein and as needed on the Board at the time of the selection of a director nominee. It is expected that the characteristics needed in a director nominee will depend on the skills of current directors and the current needs of the company. The Committee shall consider, through such means as the Committee considers appropriate, potential director nominees thought to possess the *Business Skill Set* and the *Individual Personal and Social Skill Set* as identified herein.

The directors believe that the Governance and Nominating Committee Charter provides adequate and proper procedures for identifying director nominees and, therefore, it is not necessary to include further procedural requirements with regard to the consideration of any director candidates.

Service on Other Boards

Recognizing the substantial time commitment required of directors, it is expected that directors will serve on the boards of other public companies only to the extent that, in the judgment of the Board, such services do not detract from the directors' ability to devote the necessary time and attention to Endeavour. Generally, directors who serve as CEO's should not be on the boards of more than three (3) other public companies, and all other directors should limit their service to no more than five (5) public-company boards.

Stockholder Participation in the Selection of Director Nominees

Any stockholder wishing to recommend a candidate for director should submit the recommendation in writing to our Corporate Secretary. The written notice should contain the name and address of the stockholder recommending the candidate, the candidate's name and address, a description of all arrangements or understandings (if any) between the stockholder and the director nominee, a comprehensive biography of the director nominee containing at a minimum such information as would be required to be included in a proxy statement filed under then-current Securities and Exchange Commission rules, and an indication of the individual's willingness to serve as a director. The notice should be sent to: Endeavour International Corporation, 1001 Fannin St., Suite 1600, Houston, Texas 77002. The Governance and Nominating Committee will consider all candidates recommended by any stockholder who complies with the foregoing procedures on the same basis as candidates recommended by our Directors and other sources.

Directors Who Change Job Responsibilities

Individual directors who change the principal employment position he or she held when elected to the Board should notify the Chairman of the Governance and Nominating Committee. It is not the sense of the Board that the directors who retire or change from the position they held when they came on the Board should necessarily leave the Board. There should, however, be an opportunity for the Board via the Governance and Nominating Committee to review the continued appropriateness of Board membership under these circumstances.

Term Limits and Retirement

The Board does not believe it should establish term limits. While term limits could help ensure fresh ideas and viewpoints, they hold the disadvantage of losing the contribution of directors who have been able to develop, over a period of time, increasing insight into the company and its operations and, therefore, provide an increasing contribution to the Board as a whole.

As an alternative to term limits, the Governance and Nominating Committee, in consultation with the Chairman, will review each director's continuation on the Board at the conclusion of his or her term. This will also allow each director the opportunity to conveniently confirm his or her desire to continue as a member of the Board. The Governance and Nominating Committee Chairman will report the results of the review to the Board.

Consistent with this philosophy, the Board does not believe it should establish a mandatory retirement age.

Director and Officer Compensation Review

Responsibility for compensation decisions for officers resides with the Compensation Committee of the Board, and responsibility for compensation decisions for directors resides with the Board.

Management will report once a year to the Governance and Nominating Committee about the status of the company's Board compensation in relation to other similar companies, both in the peer group and outside the group. For those comparisons outside of the peer group, companies of similar size and market presence should be used. Changes in director compensation, if any, should come at the suggestion of the Governance and Nominating Committee as a recommendation to the Board for its decision.

Similarly, management will report to the Compensation Committee annually about the compensation of officers and will recommend any required changes in the level of compensation. In conjunction with the recommendations, comparative studies within the peer group will be presented to the Committee. For Section 16(b) officers of the company, the Compensation Committee will consider compensation changes, if any, annually.

Evaluation of the Chief Executive Officer

The Compensation Committee should annually perform an evaluation of the Chairman and Chief Executive Officer, and the Chair of the Compensation Committee will discuss the results with the Chairman and report the results to the Board. The evaluation should be based on criteria including accomplishment of long-term strategic objectives, development of the management team, and other appropriate issues. Succession planning should also be discussed.

Annual Board Evaluation

The Board will perform an annual evaluation of its own performance and will provide the means for each director to privately evaluate his or her own performance. The Governance and Nominating Committee annually will review the structure of the evaluation process and recommend, as necessary, any changes to the Board. The assessment will be performed in the same cycle as that for the Chief Executive Officer.

Communication by Interested Parties with Non-employee Directors Board External Interaction

Anyone desiring communication with the non-employee directors may do so by addressing correspondence to the non-employee director(s) in care of the Corporate Secretary at: Endeavour International Corporation, 1001 Fannin St., Suite 1600, Houston, Texas 77002.

The Board believes that management speaks for the company. Individual directors may, from time to time, meet or otherwise communicate with various constituencies that are involved with the company. However, it is expected that directors would do this with the knowledge of management and, absent unusual circumstances, only at the request of management.

Code of Conduct

Endeavour has adopted comprehensive standards of business conduct. The Code calls for strict observance of all laws applicable to Endeavour's business and contains a conflict-of-interest policy. Each director is expected to be familiar with and to follow the Code. The Governance and Nominating Committee will review any allegation that an executive officer or a director may have violated the Code of Conduct and Ethics and will report their findings to the full Board. The Board does not envision that any waiver to the Code will be authorized. However, should any waiver of the Code for executive officers or directors be made by the Board, such waiver will be promptly disclosed to stockholders.

Corporate Governance Guidelines Revision

The Governance and Nominating Committee and the Board will review and revise these Corporate Governance Guidelines and related documents as and when appropriate.

Adopted: February 23, 2007
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