



## **CODE OF ETHICS**

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Connacher Oil and Gas Limited ("Connacher" or the "Corporation") is committed to conducting its business ethically and legally. The purpose of this Code of Ethics is to promote honest and ethical conduct, including the ethical handling of actual and apparent conflicts of interest between personal and professional relationships. Connacher expects that each of its officers, employees, contractors, consultants (collectively "staff") and directors will conduct themselves in accordance with this Code of Ethics.

### **Compliance with Laws and Regulations**

All staff and directors must comply with the laws, rules and regulations of the countries in which we operate and must comply with the requirements of applicable securities regulatory authorities and stock exchanges.

Business partners and suppliers are expected to conduct their business with Connacher in accordance with applicable laws, rules and regulations.

Violations or potential violations of laws, rules and regulations must be reported in accordance with Connacher's Reporting of Inappropriate Activity Policy.

### **Conflicts of Interest**

Connacher expects staff and directors to avoid situations where personal interests could conflict or could appear to conflict with duties and responsibilities or the interests of Connacher as a whole. A conflict of interest may occur where involvement in any activity, with or without the involvement of a related party, prevents the proper performance of staff and director duties for Connacher or creates, or appears to create, a situation where judgment or ability to act in the best interests of Connacher is affected.

When faced with an actual or potential conflict of interest situation, employees must consult with their immediate supervisor or an executive officer of Connacher, consultants and contractors must consult their written contracts and officers and directors must follow obligations as set out in relevant statutes and Connacher's by-laws and must inform the Chief Executive Officer or Lead Director, as applicable, of any such conflict. The Chief Executive Officer shall inform the Lead Director of any conflict involving the Chief Executive Officer. Supervisors will ensure that employees, contractors or consultants are not involved in any decision or operation related to a conflict. Similarly, the Chief Executive Officer (or the Lead Director in cases involving the Chief Executive Officer) will ensure that officers or directors are not involved in any decision or operation related to a conflict.

## **Corporate Opportunities**

Staff and directors are prohibited from taking opportunities discovered through the use of corporate property, information or position, using corporate property, information or position for personal gain, and competing with Connacher.

## **Confidentiality and Disclosure**

Confidential information includes all non-public information that might be of use to competitors, or harmful to Connacher or its customers, if disclosed. Confidential information must not be disclosed unless specific authorization is given to do so or such disclosure is legally mandated. Knowledge of confidential information about another company gained in the course of work duties at Connacher must be protected in the same manner as confidential information about Connacher.

Staff and directors must not speak on behalf of Connacher unless authorized to do so and should refer to the Corporate Disclosure Policy and the Policy on Trading in Securities of Connacher.

Taking advantage of, or benefiting from, information obtained at work that is not available to the public is not permitted. Friends, relatives or associates must not benefit from such information. Acquiring or disposing of any business interest, including publicly traded securities, whether directly or through another person, where "insider" information is known and not yet publicly disclosed, must be avoided.

If an employee, officer, contractor, consultant or director is not sure whether information has been publicly disclosed, they should consult with the Chief Executive Officer for guidance before engaging in any transaction in any securities of Connacher. All securities transactions are subject to the Policy on Trading in Securities of Connacher Oil and Gas Limited.

These confidentiality obligations remain in effect even beyond termination of employment, service contracts or Board of Directors appointments with Connacher or its affiliates.

## **Inducements and Gifts**

Unlawful or unethical behaviour in Connacher's workforce is not tolerated, including soliciting, accepting, or paying bribes or other illicit payments for any purpose. Situations where judgment might be influenced or appears to be influenced by improper considerations must be avoided. Payment or acceptance of any "kickbacks" from a contractor or other external party is prohibited.

Examples of laws to which Connacher is subject and abides by include the *Corruption of Foreign Public Officials Act* (Canada). Non-compliance could have serious ramifications.

## **Political Activities**

Connacher abstains from any improper intervention in political process and does not make contributions or contributions in kind (properties, materials or services) to political parties, committees or their representatives, unless permitted by law, and approved in advance by the Chief Executive Officer. Connacher will fully comply with all legal requirements for public disclosure.

Connacher staff and directors may choose to become involved in political activities as long as they undertake these activities on their own behalf. Connacher staff and directors may, on a personal level, give to any political party or candidate, but reimbursement by the Corporation is prohibited.

### **Fair Dealing**

All staff and directors must endeavour to deal fairly with Connacher's customers, contractors, consultants, industry partners, employees and any other stakeholders, and must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

Transactions with officers, directors and shareholders of the Corporation holding 5% or more of the Corporation's outstanding common shares shall be on terms no less favourable to the Corporation than can be obtained from third parties, taking all factors into consideration.

### **Protection and Proper Use of Connacher's Assets**

Connacher's information, data, office equipment, tools, vehicles, supplies, facilities and services must be used only for authorized business purposes and used, maintained, accounted for and disposed of properly and with care. Unauthorized removal or destruction of Connacher assets is strictly prohibited.

### **Corporation Records**

Records must be kept and maintained to fulfill relevant legal requirements. Recording and reporting information, including information related to operations, environment, health and safety, training, human resources and financial matters, must be done honestly, accurately and with care.

### **Accuracy of Books and Records**

The books and records of Connacher must reflect in reasonable detail its transactions in a timely, fair and accurate manner to, among other things, permit the preparation of accurate financial statements in accordance with Canadian generally accepted accounting principles and maintain recorded accountability for assets and liabilities. The accuracy of asset and liability records must be maintained by comparing the records to the existing assets and liabilities at reasonable intervals, and taking appropriate action with respect to any differences.

All business transactions that staff and directors have participated in must be properly authorized, properly recorded and supported by accurate documentation in reasonable detail.

### **Accounting, Auditing or Disclosure Concerns**

Connacher is required to provide full, fair, accurate, timely and understandable disclosure in reports and documents that are filed with, or submitted to, Canadian securities regulatory authorities and the Toronto Stock Exchange, as well as in other public communications made by Connacher. All staff responsible for or relied upon in the preparation of Connacher's public disclosures, or who provide information as part of the process, must ensure that disclosures are

prepared and information is provided honestly, accurately and in compliance with the various Connacher disclosure controls and procedures.

All staff and directors have a duty to submit any good faith questions and concerns regarding questionable accounting, auditing or disclosure matters or controls. Submissions about these or similar matters must be reported in accordance with the Reporting of Inappropriate Activity Policy.

No information may be concealed from Connacher's external auditors, internal auditors, the Board of Directors or the Audit Committee of the Board of Directors. It is illegal to fraudulently influence, coerce, manipulate or mislead an external auditor who is auditing Connacher's financial statements.

### **Observance of the Business Conduct and Ethics Practice**

All staff and directors are personally accountable for learning, endorsing and promoting this Code of Ethics and applying it to their own conduct and field of work. All staff and directors will be asked to review this Code of Ethics and confirm on a regular basis, through written or electronic declaration, that they understand their individual responsibilities and will conform to the requirements of the Code of Ethics.

Contractors and consultants are expected to develop and enforce policies and/or practices that are consistent with this Code of Ethics and its associated requirements that will apply to their staff providing services for or on behalf of Connacher.

Employees, consultants or contractors with questions about this Code of Ethics or specific situations are encouraged to refer the matter to their supervisor or the persons listed in any referenced policy, as applicable. Officers and directors with questions about this Code of Ethics or specific situations are encouraged to refer the matter to the Chief Executive Officer or the Lead Director, or the persons listed in any referenced policy, as applicable.

Actions that violate or appear to violate this Code of Ethics must be reported in accordance with Connacher's Reporting of Inappropriate Activity Policy.

### **Waivers and Amendments**

Waivers of this Code of Ethics for employees, contractors and consultants may be granted only by the Chief Executive Officer. However, any waiver of this Code of Ethics for officers or directors may only be made by the Board of Directors and will be promptly disclosed to shareholders to the extent required by law, rule, regulation or stock exchange requirement.

Amendments to this Code of Ethics will be publicly disclosed to the extent required by law, rule, regulation or stock exchange requirement.

<b>Board Review Date</b>	<b>Action</b>
March 23, 2006	Initial adoption
March 18, 2008	Reviewed and affirmed
March 19, 2009	Reviewed and affirmed
March 18, 2010	Reviewed and affirmed