



CODE OF CONDUCT POLICY
JADESTONE ENERGY INC

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JADESTONE ENERGY (SINGAPORE) PTE LTD
10 HOE CHIANG ROAD, #15-05/06 KEPPEL TOWERS, SINGAPORE 089315

Message from the CEO

Welcome to our Code of Conduct (“the Code”). It has been designed to help every one of us make the right decisions and remain true to our values and principles. The Code clarifies the standards of behaviour that the Company expects of all employees and contractors. This Code cannot and does not cover every issue that may arise or every situation in which ethical decisions must be made, but rather sets out key guiding principles of conduct and ethics that the Company expects of its employees, contractors, directors and officers.

The Code helps by highlighting your responsibilities so you can identify the risks relevant to your role.

Please read and use the Code to ensure you are doing your part to sustain an ethical culture and protect the future of the Company. The Code should be used as guide, helping you to refresh your knowledge and provide you with advice.



A. Paul Blakeley
President & Chief Executive Officer

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The Code

1. Core Values and Business Principles

The Company shares a set of core values – Respect, Integrity, Safety, Results-Orientated, Sustainability and Passion. By making a commitment to these in our work, we each play a part in protecting and enhancing the Company's reputation. Our shared core values underpin all the work we do and are the foundation of our Code of Conduct. Knowing and adhering to our core values and principles will help you understand and follow the Code.

2. Reputation

The Company recognises that our reputation is one of our most valuable assets and is founded largely on the behaviour of the people who represent us. Compliance with this Code, our policies and the law are a condition of employment and will serve to enhance our brand and reputation.

Furthermore, our employees have an obligation to the business, our clients and themselves to observe high standards of integrity and fair dealing. Unlawful and unethical business practices undermine employee and client trust.

3. Policy

Our Code of Conduct policy applies to all employees and contractors and provides the framework of principles for conducting business, dealing with other employees, clients and suppliers. The Code of Conduct does not replace legislation and if any part of it is in conflict, then legislation takes precedence.

In the performance of duties, all employees and contractors are required to:

- Abide by policies, procedures and lawful directions that relate to employment with the Company;
- Act and maintain a high standard of safety, integrity and professionalism;
- Uphold the principles of equal opportunity and embrace the diversity in our teams;
- Maintain a work environment free of unlawful discrimination, harassment and bullying;
- Obey the law and comply with the regulatory environment that applies to your job;
- Respect and safeguard the property of our shareholders, the Company and fellow employees, customers, suppliers and contractors;
- Be responsible and scrupulous in the proper use of Company information, funds, equipment and facilities;
- Maintain the confidentiality of the Company's and other individuals' information gained through work;
- Perform duties in a safe, responsible and effective manner and to the best of your ability, taking into account skills, experience and qualifications;
- Promote the interests of the Company and ensure personal business, financial and other outside interests do not conflict with, or appear to conflict with your duties;
- Promptly disclose to the Company's General Counsel, any interest which may constitute a conflict of interest;
- Under no circumstances offer or accept bribes;
- Avoid the perception that any business transaction may be influenced by offering or accepting gifts, prizes or hospitality;

- Report unethical, illegal or improper behaviour, including breaches of this Code of Conduct

The Company will not tolerate any form of retaliation directed against anyone who raises a concern in good faith about a possible violation of the Code.

4. Duty of Care

The Company has a duty of care to all employees, contractors and visitors to our workplace. Policies and procedures are developed and implemented to ensure the safety, health and welfare of all persons within the workplace.

Our managers and supervisors have a special responsibility to model and promote the behaviours outlined in this Code of Conduct and our policies and procedures, to help you understand and advocate them.

You have a responsibility to carry about your duties in accordance with the Code of Conduct and the Company's policies and procedures, ensuring the health and safety, and fair treatment of each other.

5. Confidentiality

As part of everyday business, you may become aware of various forms of confidential and sensitive information, including Company strategies, employee information and market sensitive data. You must uphold the confidentiality of the Company's specific information and avoid sharing, using the information, or being perceived as using such information for personal gain. Any breaches will result in investigation, possibly disciplinary action and in some cases legal action.

6. Our Behaviours, People and Culture

This section of the Code of Conduct sets out the standards of behaviour that we expect from all employees.

7. EEO Discrimination and Harassment

We are committed to the prevention of any form of discrimination, sexual harassment, victimisation or bullying in the workplace. The Company considers these unacceptable forms of behaviour and it will not tolerate such behaviour under any circumstances. Failure to comply with this policy may lead to disciplinary action up to and including termination.

The Company can be held vicariously liable for breaches of this policy committed by an employee or contractor of the Company.

This applies to you in your relationships with each other and anyone who has dealings with the Company. Everyone has a right to be treated equitably and without harassment occurring in the workplace. You have the responsibility to respect the rights of fellow employees, by not taking part in any action that may constitute harassment and by supporting and promoting equal opportunity. You have the right to question and to escalate any circumstance where you believe that you have observed or been subjected to unacceptable behaviour and to expect that your complaint is taken seriously. We are also committed to you being able to bring to the attention of HR or your Manger, instances of unacceptable behaviour without having fear of recrimination.

We will not tolerate any action, conduct or behaviour which is humiliating, intimidating or hostile. We expect all employees to be treated with respect and to avoid situations that may be perceived as inappropriate.

We support working conditions to ensure that all team members have an equal chance to seek and obtain employment, promotion, training and benefits and are an equal opportunity employer. Equal opportunity means ensuring that employment policies and practices are based on, and operate according to, the principle of merit. The Company is therefore committed to ensuring that its employment practices are free from any unlawful discrimination based on:

- race or ethnicity;
- gender;
- national origin;
- marital status;
- sexual preference or lawful sexual activity;
- age;
- disability or impairment, including infectious disease;
- industrial activity;
- physical features;
- pregnancy;
- family responsibilities;
- religious beliefs;
- political conviction;
- breastfeeding; and
- gender identity

The Company believes that people perform more productively in an environment that is free from discrimination. This helps to ensure we always draw on the widest possible talent pool and attract the very best people.

The Company is also committed to ensuring that its employment practices are free from any unlawful discrimination based on a person's association (including as a relative) with someone who has one of the characteristics listed above.

Discrimination can take many forms, some of which are direct or open. Others may be indirect or hidden.

7.1 Direct Discrimination

Direct discrimination occurs when a person is treated less favourably than another, simply because of a personal characteristic or status unrelated to job performance, such as gender, race, sexuality, marital status (as listed above).

7.2 Indirect discrimination

Indirect discrimination occurs when a policy or requirement which at first glance seems fair, in fact operates to the detriment of a particular group of people because of a characteristic of that group, such as age, race, family circumstances or gender (as listed above).

7.3 Workplace Harassment

The Company is committed to providing an environment that is free from sexual harassment and from harassment on the discriminatory grounds listed above.

While the Company does not intend to intervene in the personal relationships of staff, it does have a proper concern where harassment:

- creates an intimidating, hostile or offensive working environment;
- adversely affects an individual's work performance;
- adversely affects an individual's employment or promotion prospects;
- results in resignation or unfair dismissal; and
- reflects on the integrity and standing of the firm.

7.4 Definitions

Unlawful harassment includes the creation of a work environment that is generally hostile to a person or group of people with particular characteristics.

7.5 Sexual Harassment

Sexual harassment is unwelcome conduct of a sexual nature, including unwelcome sexual advances that are likely to make a person feel offended, humiliated or intimidated. It does not require an intention to harass and does not require the recipient to ask for the behaviour to stop.

7.6 Discrimination Harassment

Discriminatory harassment is a recognised form of discrimination that occurs when a person is harassed because of characteristics such as disability, gender, race and age (or any of the other grounds outlined above).

7.7 Victimization

Victimization occurs when a person is treated unfairly or less favourably because of making or intending to make a complaint of sexual harassment or discrimination. Some examples of behaviour that can be sexual harassment or discriminatory harassment include:

- acting towards, or speaking to a person in a manner that threatens or vilifies that person;
- making jokes, suggestive comments or offensive gestures related to a person's race, colour, ethnic origin, disability, gender or sexual characteristics;
- distribution or display of material (including through e-mail) that may be offensive, such as sexually explicit posters or pictures, racist or sexist jokes or
- cartoons;
- persistent questions about a person's private life;
- personal comments about appearance, size, clothing;
- demands for sexual favours, either directly or by implication;
- unwanted and deliberate physical contact; and
- indecent assault, rape and other criminal offences.

7.8 Workplace Bullying

Workplace bullying is repeated, unreasonable behaviour directed towards an employee or group of employees that creates a risk to health and safety. Workplace bullying can involve many different forms of unreasonable behaviour, which can be obvious (direct) or subtle (indirect).

The following examples are types of behaviour where directed towards an individual and repeated, or occurring as part of a pattern of behaviour, could be considered as bullying:

- Demeaning language or verbal abuse
- Threats, physical or verbal intimidation

- Outbursts of anger or aggression
- Excluding or isolating employees
- “Ganging up” on an employee
- Giving employees impossible assignments
- Deliberately withholding information or equipment that is vital for effective work performance

N.B. This is not an exhaustive list of bullying behaviour.

7.9 Grievance Procedure

The Company is required to ensure that all employees are treated fairly and equitably and are not subject to discrimination, victimisation, harassment or bullying. Any concerns can be discussed privately and confidentially with you manager or HR Manager.

All employees must appreciate that raising an allegation of harassment, discrimination, victimisation or bullying against another person in the workplace is a serious matter. Regardless of whether the complaint is substantiated, the act of raising the complaint will have significant and often permanent consequences both personally and professionally for the other party. The Company will not tolerate abuse of the processes outlined in this policy or the making of vexatious complaints.

If an employee decides not to raise the issue in the manner outlined in this policy or by seeking external help, the Company expects that this will be the end of the matter. In particular, the employee must not seek to progress the issue informally, e.g. allowing the matter to be the subject of innuendo or gossip, harassing the other party, etc. Breach of this aspect of the policy may attract disciplinary sanctions.

7.10 Complaint Handling Guidelines

The Company has established confidential procedures for handling complaints under this policy. These procedures are based on the principle that the rights and privacy of both parties to a complaint should be safeguarded. The Company considers that it is important that any complaint be dealt with as promptly as possible, professionally and with sensitivity. If you have concerns regarding a harassment problem, you can speak confidentially to your manager or the HR Manager.

The Company encourages the internal resolution of complaints if possible. Such internal complaint handling guidelines are as follows:

- If you feel comfortable doing so, you should first advise the other person, verbally or in writing, in a direct or firm manner that their behaviour is unacceptable. This may be enough to stop the unwelcome behaviour. Your manager may be able to assist with this step or suggest other options, including speaking to your HR Manager.
- Speak with your manager about the incident(s). They will discuss options for stopping the harassment. This may involve nominating an internal Conciliator who will first discuss and clarify the allegations with the relevant parties and then attempt to find a suitable and appropriate resolution.
- If either party is unhappy with the progress of the complaint or the resolution, they can request the Company to appoint an independent investigator through the HR Manager.

All file notes relating to the complaint will be kept by Human Resources.

Employees involved in any harassment or discrimination complaint may also be offered professional support services such as counselling or medical advice, as appropriate.

These guidelines may not be practical for every case, and you or your Manager may suggest more applicable resolution procedures.

If a resolution is deemed unsatisfactory, individuals can follow the process under the Company's Grievance Procedure document.

7.11 Outcome of a Grievance Process

Any person who has been found to have harassed, discriminated, bullied or victimised another person may be disciplined. The discipline will be appropriate to the severity of the offence but may involve a formal warning or dismissal.

Similarly, any person found to have made a complaint that is vexatious or based on facts that the complainant ought to reasonably believe to be untrue will also be subject to disciplinary action. Mitigating factors such as personal circumstances, disciplinary and work history and work performance will be taken into account in determining the appropriate disciplinary measures to be adopted.

Your Responsibilities:

- Treat others with respect at all times
- Do not physically or verbally intimidate or humiliate others
- Do not make inappropriate jokes or comments
- Do not display offensive or disrespectful material
- Challenge someone if you find their behaviour hostile, intimidating, humiliating or disrespectful.

8. Data Privacy

Data Privacy laws safeguard information about individuals – their personal data. We respect the privacy rights of our employees, customers, suppliers and partners. We are committed to managing personal data in a professional, lawful and ethical way.

Personal data is broadly defined as any information relating to an identified or identifiable individual such as name and contact details. More private information such as race or ethnic origin, health data, criminal behaviour or trade union membership is sensitive personal data and subject to more stringent requirements.

The Company may only process personal data for legitimate purposes and the data must be accurate and relevant for the purpose for which it was collected, as well as properly protected from inappropriate access or misuse. When it is to be transferred to third parties, it must be appropriately safeguarded. If the Company does not comply with these requirements, it can risk causing harm to individuals and could face fines or litigation.

Your Responsibilities:

- You must identify the privacy risks before collecting, using, retaining or disclosing personal data, such as in a new IT system, project or marketing initiative.
- You must only process personal data for specific, defined legitimate purposes.
- When you process or share individuals' personal data, you must always inform them. In some cases, you will need to get their prior consent.
- You must always protect personal data if it is shared with a third party.
- You must ensure that personal data in your possession is kept up to date and disposed of when no longer required.

9. Information and Records Management

Like all organisations, we depend on the use and exchange of information for our business decisions and day to day activities. We need to ensure we create, use responsibly and protect this information, especially when it comes to data such as personal data, commercially sensitive information and intellectual property – both our own and that of others. We need to take special care to protect confidential information when we are away from the Company's environment. We also have a duty to ensure we retain proper records of all business activities to meet legal and regulatory requirements.

Your Responsibilities:

- You must assess the risks associated with any information you handle in order that you can properly manage the risks and protect the information.
- If you are working with third parties, you must ensure you are authorised to share information before doing so.
- When you create or receive information, you must store it correctly and only share it with those who are entitled and permitted to receive it.

10. Disclosure, Social Media and Business Communications

We communicate in all sorts of ways, and, as employees, everything we write or say reflects on the Company's reputation. Whichever media you use, either within the Company or externally, we expect you to follow the Company's rules on disclosure and business communications, including the additional rules that apply to email and social media.

All communications made to the public on behalf of the Company are subject to disclosure requirements. Appropriate disclaimers must be used, especially when the communication contains forward looking information.

Every communication to the public on behalf of the Company must be accurate in all material respects and in compliance with all applicable laws and regulations. Providing inaccurate, incomplete or misleading information may be illegal and could lead to fines, sanctions and criminal penalties for the Company and the individuals involved.

The Company respects the right of its employees to engage in personal activities outside of the workplace. These guidelines are designed to ensure that employees' personal use of Social Media helps to promote the Company's objectives, creates a rich online community of participants that

includes employees, and ensures that the personal use of Social Media does not result in a negative impact to the company.

11. Guidelines applying to Social Media use on behalf of the Company

11.1 Authorised Spokespersons

The Company has designated certain individuals as official spokespersons. These are the only individuals who are eligible to speak on behalf of the company, and to contribute to Social Media outlets identifying themselves as “Jadestone Energy Inc”. New Social Media accounts on behalf of the Company can only be created by authorised spokespersons and only authorised spokespersons will post content or engage in discussions on behalf of the company.

11.2 Comments and Actions

Social Media outlets are a casual form of communication, and accordingly, providing basic (non-confidential) comments on items posted (or re-posted) by the Company is an acceptable form of engagement. In addition, Social Media “actions” relating to the Company’s pages and postings (including forwarding, following, sharing, retweeting, “liking,” etc.) are acceptable. In fact, these activities help to amplify the reach of our Social Media efforts and are strongly encouraged.

11.3 Discussions

Engaging in two-way Social Media dialogue or discussions concerning the company could constitute speaking on behalf of the Company. This activity is only allowed by official company spokespersons. Should you be contacted by anyone online wishing to discuss the Company’s business or seeking comments on a particular business issue, you must indicate that you are not an official spokesperson and refer them to the contacts identified on our corporate website.

11.4 Identity

Use your real identity in any Social Media participation related to the Company and identify yourself as an employee of the company. For personal Social Media accounts use a personal profile photo, not a copyrighted Company photo or logo.

11.5 Branding

All social media accounts will maintain the Company’s brand, including using the approved logos and imagery branding. Efforts will be undertaken to have the Company accounts designated as “official” or “verified” company pages, to the extent the Social Media outlet provides such functionality.

11.6 Confidentiality

Social Media will not be used as a forum to disclose material non-public information. The Company has a Disclosure Policy to govern how new information can be released into the public domain, which generally entails first issuing a press release.

11.7 Promotion of Content

Social Media outlets may be used as a mechanism to promote access to disclosed information and/or to raise awareness, including directing users to the official data source (usually the company’s website).

11.8 Professionalism

Always maintain a professional and positive tone on Social Media, including taking measures to ensure correct spelling, grammar, and formatting. Be honest, factual, and respectful.

11.9 Disputes

Legitimate grievances or concerns directed to the Company through its Social Media outlets should be addressed promptly by spokespersons. However, the Company should avoid engaging in disputes or arguments on Social Media. In all instances, the company will avoid language that may be considered objectionable or inflammatory. Employees should not engage in disputes or arguments on Social Media. Should a grievance or concern arise that you feel the company should address, please bring it to the attention of an official spokesperson.

12. Managing Risk

Every time the Company deals with a business partner, joint venture, Government Official or any other stakeholder, we need to understand the risks as well as the opportunities. If we do not comply with the law, it could lead to fines for the Company or serious harm to our business.

This section of the Code of Conduct is designed to help you keep your business interactions legal, ethical and professional, ensuring that you protect yourself from any suspicion or wrongdoing and safeguard the Company's reputation.

We build relationships based on trust, and we are determined to maintain and enhance our reputation. For this reason, we never accept or pay bribes, including facilitation payments. Everyone involved in the Company's business must comply with the anti-bribery and corruption (ABC) laws of the countries where we operate, as well as those that apply across borders.

The Company is committed to conducting business in accordance with all applicable laws and regulations and the highest ethical standards in all jurisdictions in which it operates, including with respect to the *Corruption of Foreign Public Officials Act* and the *Criminal Code* in Canada and the *Bribery Act* in the United Kingdom, and similar statutes in other countries. To that end, directors, officers, employees, consultants and agents are prohibited from offering, paying, promising, authorizing or acquiescing in the giving of any bribe, kick back or other illicit payment, inducement, benefit or thing of value to any governmental official, directly or indirectly through a third party for the purpose of (a) influencing an official act or decision, (b) inducing such official to do or omit to do any act to affect or influence any governmental or official act or decision, or (c) securing any concession, contract or other improper advantage, in each case, in order to obtain or retain business or an advantage in the conduct of business in violation of applicable laws of Canada and the United Kingdom and any other anti-corruption laws of any jurisdiction in which the Company does business. The Company will not authorize, participate in, nor tolerate, any business practice that does not comply with, or that violates, the intent of this Policy.

For the purposes of this policy, the term "things of value" includes money, loans, rewards, provision of hospitality, facilities or services at less than full cost, extravagant gifts or entertainment, phony jobs or consulting positions, charitable or political contributions and any other advantage or benefit. The term "government official" includes (a) any employee, official or representative of any government or any ministry, agency, authority or related entity of any government, including any corporation, joint venture or similar entity owned, controlled or operated by or for the benefit of any governmental authority, (b) any employee, official or representative of any public international organization (such as the World Bank), (c) any employee, official or representative of any political party, party official or candidate for office, and (d) close relatives of any of the foregoing, including spouses, children and other immediate family members.

The law does not prohibit all business transactions with government officials, but since those transactions carry special risks, they must be reviewed to determine what additional safeguards

may be necessary to protect the Company. Company Employees should consult with the Company's Chief Financial Officer or General Counsel before entering into any transactions with such persons.

13. Gifts and Entertainment

The Company prohibits the giving of inducements, including gifts and entertainment, to government officials on a scale that might be perceived as creating an obligation on that official. The approval of the Chief Financial Officer must be obtained for any gift to a government official in excess of US\$100 or the amount permitted under the laws of the jurisdiction in which the gift is being given, whichever is lower.

All gifts given by the Company or any director, officer, employee, consultant or agent must comply with the Company's Gift and Entertainment Policy, with relevant accounting and recordkeeping provisions so that such expenses are properly described and accurately documented and recorded. Company personnel should refer to Schedule B – Gift and Entertainment Policy.

14. Travel and Related Expenses

Occasionally it may be appropriate for the Company to pay travel and related expenses for government officials, for example, if a trip is required in connection with a contract negotiation or for a site visit required in order to demonstrate certain capabilities or practices to such government officials. In such cases, reasonable expenses may be paid only when they have been preapproved by the Company's Chief Financial Officer and where such payments are permitted under all applicable laws. Any such expenses must be reasonable in amount, relate directly to the required purpose of such travel for required individuals only and must be properly described and accurately documented and recorded.

Wherever possible, Company personnel should contract directly with vendors of services rather than making direct payment or reimbursement to an official.

Per diems or cash allowances should not be paid directly to any government official. The Company may pay per diems or cash allowances to the relevant government agency (a) as required or permitted by local law, and (b) in modest amounts, to reimburse legitimate expenses incurred by an official for an approved purpose where those expenses are not paid directly by the Company to the vendor.

No director, officer, employee, consultant or agent should agree to any request for a false invoice or receipt or payment of any expense that is unusual, excessive, inadequately or improperly described or that otherwise raises questions under the Policy.

15. Business Partners, Agents and Consultants

The prohibitions in this Policy extend to payments or other things of value being made available indirectly through an intermediary, such as an agent or other third party, to a government official. Business partners, agents, consultants and other third parties should be chosen carefully, after proper due diligence is carried out. Such due diligence should include determining whether a proposed partner is in fact qualified for the position, whether it has personal or professional ties to the government, the number and reputation of its clientele and its reputation in the local community.

If Company personnel are wilfully ignorant of the possibility that the third party will make an improper payment or commitment, and particularly if they disregard red flags signalling the possibility of an improper payment or commitment, the law may be violated. Red flags include (a) requests for unusual or secretive payments, including payments to offshore accounts, shell companies, third parties or entities whose ownership structure is unclear, (b) requests for cash transactions or for false or misleading documentation, (c) reluctance to certify compliance with applicable laws, and (d) an official's apparent lack of qualifications or required resources, and should be reported immediately to the Chief Financial Officer or General Counsel.

16. Books and Records

Laws that govern the Company's international business activities require that the Company's books and records be complete and accurate. Company personnel must ensure that there is a reasonable relationship between the substance of a transaction and how it is described in the Company's books and records.

17. General Obligations and Consequences

The Company will ensure that appropriate anti-corruption education is provided to all management, accounting and other personnel involved in conducting or supervising business operations who may have contact with government officials in the course of their duties. Such individuals may be asked to provide from time to time a certification that (a) he or she has read and understands the Policy, (b) he or she is not aware of any fact or circumstance which indicates that a violation of the Policy has occurred, and (c) he or she will promptly report any instance of such non-compliance in accordance with the provisions of the Policy.

Giving a bribe, making an improper offer and accepting a bribe can subject the Company and its employees to fines or imprisonment, either in the country where the government official works, in Canada or the United Kingdom, or in the employee's home country. Consequences can also include the confiscation of corporate profits that have arisen as a result of the bribe being made, loss of contracts, and other severe penalties. Giving a bribe, making an improper payment and accepting a bribe is a serious violation of this Policy, which can lead to discipline up to and including termination of employment.

Employees should refer to Schedule A of the Policy – "Anti-Bribery and Anti-Corruption – What Are My Obligations?"

SCHEDULE A
ANTI-BRIBERY AND ANTI-CORRUPTION – WHAT ARE MY OBLIGATIONS?

There are two main obligations that apply to all Jadestone Energy Inc. Employees:

1. You must not give any bribes.

You must not pay, offer, promise, authorize, or give or acquiesce in giving, to a Government Official, either directly or indirectly, payments of cash or in kind, or inducements of any kind, including but not limited to excessive entertaining, if in so doing there might be even an appearance that the payment or inducement would create an obligation on any recipient or improperly influence the recipient to act or refrain from acting in a way that would influence an official exercise of discretionary authority.

If at all possible, you should avoid placing yourself in a position where a bribe could be requested. If you believe that you may have been solicited for a bribe, contact the Company's Country Manager, Chief Financial Officer or General Counsel as soon as possible for assistance.

2. You must not accept any bribes.

You must not either directly or indirectly request, agree to receive or accept a financial or other advantage intending that a relevant function or activity should be performed improperly. It does not matter whether you know or believe that the performance of the function or activity is improper.

What should I do if I become aware of improper payments or identify any red flags in the course of carrying out the Company's business?

- Report them to your Country Manager, the Company's Chief Financial Officer or the General Counsel immediately.

What should I do if I receive a request for payment, or receive a payment, that I suspect may be improper from an official, joint venture partner, or a third party?

- Refuse to make or accept the payment – explain that the Company does not condone such payments.
- Consult with your Country Manager, the Chief Financial Officer or General Counsel regarding the next steps.

SCHEDULE B GIFTS AND ENTERTAINMENT POLICY

The Company prohibits the giving of inducements, including gifts and entertainment, to Government Officials on a scale that might be perceived as creating an obligation on that official. Gifts, entertainment, and covering or reimbursing expenses of officials may also fall within the scope of anti-bribery or anti-corruption laws.

To comply with such laws and with Company policy, the cost or expense of a gift, meal or entertainment must be reasonable. It also must be directly connected to a legitimate business promotional activity or the performance of an existing contract, must be permitted under local law, and must be otherwise consistent with Company business practices. When considering the reasonableness of the expense, Company Personnel should consider the frequency with which such expenses are incurred for a particular official. Modest costs frequently incurred can, when aggregated, amount to lavish and potentially improper payments.

Even where gifts, meals, or entertainment may be consistent with normal social or business amenities in the official's country, that does not mean that they are permitted under either the laws of that country or the laws of other countries combating the bribery of foreign government officials, including, but not limited to, Canadian and United Kingdom law. The cost of gifts, meals, and entertainment should always remain at or below that permitted by local law and in no event should the amount be greater than the legitimate and customary expenditure for such activities by private businesspersons in the country. In addition to standard approvals for gifts and entertainment, any expenses of this type incurred on behalf of a government official are subject to specific approval as set forth below.

a) What is a gift?

A gift is anything that is given and received without the giver receiving, or expecting to receive, anything in return in the future or intending to create a sense of obligation on the part of the recipient.

b) What about providing very small gifts to a government official?

In most countries, Government Officials are restricted in the benefits, including non-cash benefits such as travel, entertainment, or consulting fees they can accept for performing their duties. You are responsible for knowing these limits and respecting them.

At the same time, modest gifts that are customary can sometimes be appropriately given. It may be appropriate to seek confirmation from an official that this or her manager has approved the receipt of hospitality or of a small gift.

The approval of the Chief Financial Officer must be obtained for any gift to a government official in excess of US\$100 or the amount permitted under the laws of the jurisdiction in which the gift is being given, whichever is lower. Gifts in the form of cash should never be given.

Great care must be taken when offering any benefit while the official is in the process of making a discretionary decision affecting the Company. You should consult with either your Country Manager, the Chief Financial Officer or General Counsel before making any gift during this time.

c) What should I do if a third party, such as a consultant, requests that the Company provide entertainment for a government official or other person that appears to be excessive?

You should politely turn down the request, make a record of the fact that the request was made of you as soon as possible after the conversation has taken place. The record should be marked “privileged and confidential” and should be promptly provided to your Country Manager, Chief Financial Officer or General Counsel so that they can advise you regarding next steps.

18. Conflicts of Interest

Conflicts of Interest may arise when your personal relationships, participation in external activities or an interest in another venture, could influence or be perceived by others to influence your business decisions for the Company. An actual, potential or perceived Conflict of Interest may jeopardise your reputation as well as the Company's.

Your responsibilities:

- You must not let any decisions you make at the Company be influenced by personal considerations such as relationships or outside interests of yourself, family or friends.
- If you are not sure whether such a conflict exists, you should consult the General Counsel.
- You should withdraw from decision making that creates an actual, potential or perceived Conflict of Interest or could be perceived as creating one.

19. Anti-Money Laundering

Money laundering occurs when the proceeds of crimes are hidden in legitimate business dealings, or when legitimate funds are used to support criminal activities, including terrorism. All companies are at risk of being exploited in this way – and we must be on our guard to help protect our reputation and ensure we comply with the law.

Your responsibilities:

- You must not knowingly deal with criminals, suspected criminals or the proceeds of crime.
- You must follow any due diligence requirements specified by the Company so that we know who we are doing business with.
- You must ensure that any business transactions on behalf of the Company do not involve acquiring, using or holding monetary proceeds or property acquired with the proceeds of crime.
- You must not hide the origin or nature of criminal property
- If you have knowledge or any suspicion that a counterparty is involved with money laundering in connect with a transaction with the Company, you must report this to the General Counsel.
- You must not falsify, conceal, destroy or dispose of relevant documents.

THANK YOU FOR TAKING THE TIME TO READ THROUGH THE JADESTONE ENERGY INC. CODE OF CONDUCT. IT WILL HELP YOU TO UNDERSTAND THE MAIN RISKS TO YOU AND THE COMPANY AND HOW YOU CAN SAFEGUARD THE COMPANY'S REPUTATION BY KNOWING AND UNDERSTANDING YOUR RESPONSIBILITIES.

We hope you refer to the Code of Conduct whenever there are changes in your role or you face a new dilemma, or if you just need to refresh your memory. Above all, we want you to live by the Code of Conduct every day and ensure you always make the right decision.

Please sign the below acknowledgement to confirm you have read and understood the Company's Code of Conduct.

Name

Signature

Date