



CODE OF ETHICS

1. Purpose of the Code

The purpose of this Code of Ethics ("**Code**") defines the ethical and regulatory standards applicable to all directors, officer and employees (the "**Representatives**") of Bankers Petroleum Ltd. and its subsidiaries and affiliates (together, the "**Company**"), to promote:

- 1.1 honest and ethical conduct;
- 1.2 avoidance of conflicts of interest, whether actual or potential;
- 1.3 full, fair, accurate, timely and understandable disclosure in financial statements, reports and documents that the Company files with, or submits to, shareholders and securities authorities, as well as in other public communications made by the Company;
- 1.4 compliance with various legislation and regulations applicable to the Company;
- 1.5 prompt internal disclosure of any violation of the Code; and
- 1.6 accountability for any failure to respect the Code.

The Code is not a comprehensive guide to all of the Company's policies or to all of the Representatives responsibilities under applicable laws and regulations governing the Company and its operations.

The Code is intended to provide general parameters and expectations of the Company with respect to the conduct of the Company's Representatives. Violations of law or of the Company's policies, including this Code may lead to disciplinary action, including, but not limited to, dismissal.

2. Honest and Ethical Conduct

Representatives are vested with both the responsibility and authority to protect, balance, and preserve the interests of all of the Company's stakeholders, including shareholders, clients, employees and suppliers. Representatives fulfill this responsibility by prescribing and enforcing (in the case of senior officers) and abiding by the policies and procedures of the Company and by exhibiting and promoting the highest standards of honest and ethical conduct.

In this regard, Representatives shall:

- ensure they are familiar with and abide by the Company's corporate policies, including but not limited to the Company's policies on disclosure and communications and securities trading;

- comply with all applicable laws, rules and regulations;
- deal fairly with the Company's securityholders, customers, suppliers, competitors and employees;
- not use corporate assets or their position to obtain advantage for themselves, family members or associates, or otherwise abuse their authority;
- refrain from engaging in conduct that would discredit and/or compromise the integrity and reputation of the Company, including: neglect of duty, deceit, breach of confidence, corrupt or other unlawful practices, abuse of authority;
- keep confidential all previously undisclosed information regarding the Company and its subsidiaries' business, assets and operations;
- serve loyally, without self-interest and free from conflicts with other commitments; and
- avoid any conflict of interest with respect to their fiduciary responsibilities and disclose actual and potential conflicts of interest in accordance with this Code.

3. Precautions, Rules and Obligations in Case of Conflicts of Interest

Generally, a Representative must not place himself in a situation of conflict of interest, whether actual or potential, and must not take into consideration, in the performance of his functions, interests that are not exclusively the best interests of the Company. In circumstances where a Representative has a conflict of interest or becomes aware of a potential conflict of interest, the Representative shall report the conflict or potential conflict to the executive officer to whom that person reports in the course of his employment responsibilities, or, in the case of a senior executive officer, to the Corporate Governance Committee ("CGC") and fully inform such person or the CGC, as applicable, of the facts and circumstances related to the conflict or potential conflict. The Representative shall not take any further action in respect of the matter or transaction giving rise to such conflict or potential conflict unless and until he is authorized to do so by his reporting officer, or the CGC, as applicable.

The following are examples of relationships, interests, or circumstances that may rise to a conflict or perceived conflict of interest. These are provided for guidance only and are not exhaustive, nor are they determinative that a conflict exists. Every matter or transaction should be considered in the context of the general rule and the specific transaction or matter:

- 3.1 a position held by a Representative as an officer, director or employee with any other company, organization or institution;
- 3.2 a business relationship with clients, suppliers or competitors of the Company, other than as a Representative of the Company;
- 3.3 a relationship with persons working for any external auditor of the Company, or any of its subsidiaries, other than relationships directly and exclusively related to the performance of the external audit mandates;

- 3.4 a business relationship that any companies, organizations or corporations (the “Related Corporations”), in which a Representative, or any associate of his, as defined in the Securities Act (British Columbia), holds an interest, whether directly or indirectly including through a holding or management company, (as shareholder, lender, creditor, debtor, investor), has with the Company, its subsidiaries, or with clients, suppliers or competitors of the Company.
- 3.5 an interest pursuant to which the Representative or an associate of the Representative is likely to derive a profit from a transaction concluded or planned by the Company with a third party, other than in his capacity as a shareholder of the Company;
- 3.7 any other circumstance, fact or event that is likely to render him unable to properly and fully fulfill the functions of his position or to comply with applicable laws or regulations, or policies of the Company, or that could materially and adversely affect the reputation or the best interest of the Company; and
- 3.8 any circumstance, fact or event of which he becomes aware, regarding the Company, a director, an officer, or any other person, that is likely to materially and negatively affect the reputation or best interests of the Company.

For the purpose of this code, conflict of interest means every situation in which a Representative could be inclined to favour his own interests or those of a third party in a manner that is contrary or in preference to the interests of the Company. It is understood that apparent conflicts of interest can also cause harm to the Company and Representatives should be conscious of how their conduct is likely to be perceived by others both within and outside the Company and avoid conduct, circumstances or events which could reasonably be expected to be perceived as placing such Representative or the Company in a conflict of interest position.

4. Financial Records and Compliance

- 4.1 All financial data must be gathered, compiled, and reviewed by the Representatives with rigour and integrity, in order to give a fair, true and accurate picture of the financial situation of the Company.
- 4.2 All reports and financial statements must be set out in a complete, fair, accurate, comprehensive and timely manner.
- 4.3 In the performance of their functions, the Representatives must comply with the laws and regulations applicable to the Company, ensure compliance with Generally Accepted Accounting Principles (GAAP) in Canada and, where applicable, the U.S. and the rules prescribed by the regulatory authorities having jurisdiction over the activities of the Company, and must comply with the policies of the Company. In this regard the Representatives are entitled to obtain and rely on advice of external auditors.

5. Procedure and Sanctions

- 5.1 In any case where a more specific procedure has not been established in the present code or in another official communication of the Company, any questions related to the application of the present code must be submitted to the attention of one of the Chairman of the CGC, the Chief Financial Officer of the Company or to the person appointed by the CGC for such purpose.
- 5.2 A Representative or any other officer that has a well founded suspicion and/or knowledge of any violation of this code must immediately report and bring this alleged violation to the attention of the CGC.
- 5.3 Every violation of this code shall be disclosed to the CGC in a timely manner.
- 5.4 Any Representative who does not comply with this code is subject to disciplinary sanctions that could include the termination of his employment.
- 5.5 In no circumstance, and without restricting the protections granted by law, will the action of raising questions regarding the applicable procedure for the treatment of accounting data be considered as a motive for disciplinary sanctions or the termination of employment of the Representative who raised the questions.
- 5.6 The rules set out in this code are not exhaustive and must not be interpreted as a limitation to the other policies and rules applicable to the employees of the Company, in general, and to the Representatives, in particular. Furthermore, these rules are not intended to and do not restrict the discretion and authority to manage and direct the Company.

6. Certificate, Review and Disclosure

- 6.1 The audit committee shall review and reassess the adequacy of this code at least annually and otherwise as it deems appropriate, and propose recommended changes to the CGC.
- 6.2 All amendments to and waivers of this code shall, if material, be publicly disclosed by the Company where required pursuant to applicable legal and regulatory requirements.

This Code of Ethics for Representatives was adopted on October 5, 2005 by the Board of Directors of Bankers Petroleum Ltd.

By order of the Board of Directors

BANKERS PETROLEUM LTD.