

CONDOR PETROLEUM INC.
CODE OF BUSINESS CONDUCT & ETHICS

I. INTRODUCTION

The Code of Business Conduct and Ethics (also referred to in this Manual as the “**Code**”) has been adopted by the Board of Directors. This Code embodies the commitment of Condor and any of its subsidiaries (collectively referred to in this Code as “**Condor**”) to conduct its business in accordance with all applicable laws, rules and regulations and high ethical standards. The purpose of the Code is to:

- promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- promote avoidance of conflicts of interest, including disclosure to an appropriate person of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- promote the protection and proper use of corporate assets and opportunities;
- promote the confidentiality of corporate information;
- promote full, fair, accurate, timely and understandable disclosure in reports and documents that the Corporation files with, or submits to, the securities regulators and in other public communications made by the Corporation;
- promote compliance with applicable governmental laws, rules and regulations;
- promote the prompt internal reporting to an appropriate person of violations of this Code;
- promote commitment to the environment and to the health and safety of the public and all employees and contractors;
- promote accountability for adherence to this Code;
- provide guidance to employees, officers and directors of the Corporation to help them recognize and deal with ethical issues;
- provide mechanisms to report unethical conduct; and
- help foster a culture of honesty and accountability for the Corporation.

The actions of all Condor employees, officers and directors shall reflect honesty, integrity and impartiality that is beyond doubt and that all business should be done in a manner that:

- complies with applicable laws, rules and regulations;
- avoids conflicts of interest;

- protects confidential information, in accordance with Condor’s Timely Disclosure, Confidentiality and Insider Trading Policy; and
- adheres to good disclosure practices, in accordance with applicable legal and regulatory requirements.

The Corporation expects all its employees, officers and directors to, at all times, comply and act in accordance with the principles stated above and the more detailed provisions hereinafter set forth. This Code applies equally, without limiting the generality of the foregoing, to all permanent, contract, secondment and temporary agency employees who are on long-term assignments with the Corporation, as well as to consultants to the Corporation.

Those who violate the standards in this Code will be subject to disciplinary action, up to and including termination. If a situation exists or arises where an employee is in doubt, the employee should seek the advice from the Nominating & Corporate Governance Committee as established by Condor.

II. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Condor is committed to compliance with all applicable laws, rules, and regulations in each jurisdiction in which it does business. All employees, officers and directors must respect and obey the laws, rules and regulations of the cities, states and countries in which Condor operates. Employees, officers and directors should educate themselves on the laws, rules and regulations that govern their work, and seek advice from supervisors, managers or other appropriate individuals at the Corporation.

Employees, officers and directors who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of Condor’s business. All non-public information about Condor (or about any other company) should be considered confidential information. To use non-public information for personal financial benefit or to “tip” others, including family members, who might make an investment decision on the basis of this information, is not only unethical but also illegal. Condor has adopted a Timely Disclosure, Confidentiality and Insider Trading Policy in order to prevent improper trading of securities of Condor and the improper communication of undisclosed material information regarding Condor. All employees, officers and directors are expected to thoroughly understand and comply with such policy.

Employees, officers and directors of the Corporation are required to comply with the Corporation’s Timely Disclosure, Confidentiality and Insider Trading Policy and all other policies and procedures applicable to them that are adopted by the Corporation from time to time.

III. CONFLICTS OF INTEREST

All employees, officers and directors have an obligation to act in the best interests of Condor and are required to act with honesty and integrity and to avoid any relationship or activity that might create, or appear to create, a conflict between their personal interests and the interests of the Corporation. Conflicts of interest can occur when an employee, officer or director has a private interest in the outcome of a decision, or takes actions that make it difficult to perform his or her work objectively and effectively. Conflicts of interest may also arise when an employee, officer or director (or immediate family member), receives improper personal benefits as a result of the position of such employee, officer or director with the Corporation. Loans to, or guarantees of

obligations of, employees, officers, directors and their family members may create conflicts of interest. All employees shall not engage in any outside work or business undertaking that interferes with the performance of their duties as Condor employees, and are not allowed to work for a competitor or potential competitor as an employee, consultant or Board member unless specifically authorized by the President and Chief Executive Officer.

Condor respects the right of officers and directors to take part in financial, business or other activities outside of their position with Condor; however, officers and directors must not serve as officers or directors, or work as employees or consultants for, a competitor or an actual or potential business partner of Condor without prior approval of the President and Chief Executive Officer.

Condor employees and directors may not invest in or trade in shares of a competitor or an actual or potential business partner of Condor where such investment or trading may appear or tend to influence business decisions or compromise independent judgment. This prohibition does not apply to shares of a publicly traded company where such investment or trading relates to less than five percent of its issued shares. However, investing or trading in Condor's competitors or business partners remains subject to applicable laws and regulations regarding insider trading, including prohibitions against trading in possession of material non-public information regarding such companies, whether such information is gained in the course of employment with Condor or otherwise.

Employees of the Corporation shall not act as officers or directors of any other corporate entity or organization, public or private, without the prior written approval of the Board. Officerships or directorships with such entities will not be authorized if they are considered to be contrary to the interests of the Corporation. The Board may provide authorizations for officerships/directorships that are necessary for business purposes or for officerships/directorships with charitable organizations or other entities that will further the Corporation's profile in the community.

If a conflict of interest exists, and there is no failure of good faith on the part of the employee, officer or director, Condor's policy generally will be to allow a reasonable amount of time for the employee, officer or director to correct the situation in order to prevent undue hardship or loss. However, all decisions in this regard will be in the discretion of the President and Chief Executive Officer, whose primary concern in exercising such discretion will be in the best interests of Condor.

If you are aware of a conflict or potential conflict of interest, as an employee you should bring the matter to the attention of a supervisor or manager. If you are aware of a conflict or potential conflict as an officer or Director, you should promptly bring the matter to the attention of the Board of Directors, the Chairman of the Board or the Chairman of the Nominating & Corporate Governance Committee and disclose in writing such conflict to the Board or request to have entered in the minutes of meetings of the Board the nature and extent of such interest.

IV. CONFIDENTIALITY, INFORMATION AND RECORDS

To avoid a breach of confidentiality, all employees, officers and directors should maintain all confidential information in strict confidence, except when disclosure is authorized by Condor or legally mandated. Confidential information includes, among other things, any non-public information concerning Condor, including its business, financial performance, results or prospects, and any non-public information provided by a third party with the expectation that the information will be kept confidential and used solely for the business purpose for which it was

conveyed. The obligation to keep information confidential also extends beyond one's employment, officership or directorship with Condor.

Employees shall not disclose confidential information to persons outside the Corporation, including family members, and should share it only with other employees who have a "need to know".

Employees, officers and directors of the Corporation are responsible and accountable for safeguarding the Corporation's documents and information to which they have direct or indirect access as a result of their employment, officership or directorship with the Corporation.

The Corporation maintains a high standard of accuracy and completeness in its financial records. These records serve as a basis for managing the Corporation's business and are crucial for meeting obligations to employees, customers, investors and others, as well as for compliance with regulatory, tax, financial reporting and other legal requirements. Employees, officers and directors of the Corporation who make entries into business records or who issue regulatory or financial reports, have a responsibility to fairly present all information in a truthful, accurate and timely manner. No employee, officer or director shall exert any influence over, coerce, mislead or in any way manipulate or attempt to manipulate the external auditors of the Corporation.

The Corporation maintains all records in accordance with laws and regulations regarding retention of business records. The term "**business records**" covers a broad range of files, reports, business plans, receipts, policies and communications, including hard copy, electronic, audio recording, microfiche and microfilm files whether maintained at work or at home. The Corporation prohibits the unauthorized destruction of or tampering with any records, whether written or in electronic form, where the Corporation is required by law or government regulation to maintain such records or where it has reason to know of a threatened or pending government investigation or litigation relating to such records.

V. CORPORATE OPPORTUNITIES

Employees, officers and directors are prohibited from taking for themselves, personally or for the benefit of others, opportunities that are discovered through the use of corporate property, information or position, except to the extent that a waiver has been granted under Section 10 of this Code. No employee, officer or director may use corporate property, information, or position for improper personal gain or for the improper personal gain of others, and no employee, officer or director may compete with the Corporation directly or indirectly. Employees, officers and directors owe a duty to the Corporation to advance the Corporation's interests when the opportunity to do so arises.

VI. PROTECTION AND PROPER USE OF COMPANY ASSETS

All employees, officers and directors should protect Condor's assets and ensure their efficient use. Condor's assets should be protected from loss, damage, theft, misuse, and waste. The Corporation's assets include your time at work and work product, as well as Condor's equipment and vehicles, computers and software, trading and bank accounts, corporate information and Condor's reputation, trademarks and name. Condor's telephone, email, voicemail and other electronic systems are primarily for business purposes. Personal communications should be kept to a minimum. Unauthorized use or distribution of this information would violate the Corporation's policies and is also illegal, and could result in civil or even criminal penalties.

The use of the Corporation's property for individual profit or any unlawful or unauthorized personal or unethical purpose is prohibited. The Corporation's information, technology, intellectual property, buildings, land, equipment, machines, software and cash must be used only for business purposes except as provided by this Code or approved by the Chair of the Board.

Employees, officers and directors of the Corporation shall not intentionally damage or destroy the property of the Corporation or others or commit theft.

Employees, officers and directors of the Corporation may not reproduce, distribute or alter copyrighted materials without permission of the copyright owner or its authorized agents. Software used in connection with the Corporation's business must be properly licensed and used only in accordance with that license.

The Corporation's information technology systems, including computers, e-mail, intranet and internet access, telephones and voice mail are the property of the Corporation and are to be used primarily for business purposes. The Corporation's information technology systems may be used for minor or incidental reasonable personal messages provided that such use is kept at a minimum and is in compliance with the Corporation's policies.

Employees, officers and directors of the Corporation may not use the Corporation's information technology systems to:

- allow others to gain access to the Corporation's information technology systems through the use of your password or other security codes;
- send harassing, threatening or obscene messages;
- send chain letters;
- access the internet for inappropriate use;
- send copyrighted documents that are not authorized for reproduction;
- make personal or group solicitations unless authorized by a senior officer; or
- to conduct personal commercial business.

The Corporation may monitor the use of its information systems.

VII. COMPETITION AND FAIR DEALING

The Corporation firmly believes that fair competition is fundamental to the continuation of the free enterprise system. The Corporation complies with and supports laws of all jurisdictions which prohibit restraints of trade, unfair practices, or abuse of economic power.

The Corporation will not enter into arrangements that unlawfully restrict its ability to compete with other businesses, or the ability of any other business organization to compete freely with the Corporation. The Corporation's policy also prohibits its employees, officers and directors from entering into or discussing any unlawful arrangement or understanding that may result in unfair business practices or anti-competitive behaviour.

Each employee, officer and director should endeavor to deal fairly with Condor's counterparties, suppliers, competitors and employees. Condor seeks to outperform its competition in a fair and honest manner. No employee, officer or director should take unfair advantage of anyone through unlawful manipulation or concealment, abuse of privileged information, misrepresentation of material facts or any other intentional unfair-dealing practice. Each employee is required to maintain impartial relationships with the Corporation's suppliers and customers. Any gifts provided to the Corporation's suppliers and customers must not be excessive in value, and must be approved in advance by the President and Chief Executive Officer.

The Corporation selects its suppliers and contractors in a non-discriminatory manner based on the quality, price, service, delivery and supply of goods and services. A person's decision must never be based on personal interests or the interests of family members or friends. All employees are required to conduct themselves in a business-like manner that promotes equal opportunity and prohibits discriminatory practices.

Employees must inform their managers, and officers and directors must inform the Board and the Chairman of the Audit Committee, of any relationships that appear to create a conflict of interest.

VIII. EMPLOYEE HARASSMENT AND DISCRIMINATION

Condor is committed to fair employment practices in which all individuals are treated with dignity and respect. The Corporation will not tolerate any type of illegal discrimination or harassment. Condor expects that all relationships among persons in the workplace will be professional and free of bias and harassment. Reference should be made to Schedule "A" to this Code for additional details regarding the Corporation's workplace requirements.

IX. ENVIRONMENTAL, SAFETY, AND OCCUPATIONAL HEALTH PRACTICES

Condor believes that sound environmental, safety and occupational health management practices are in the best interests of the Corporation, its employees, its shareholders and the communities in which it operates. Condor is committed to conducting its business in accordance with recognized industry standards and to meeting or exceeding all applicable environmental and occupational health and safety laws and regulations. Achieving this goal is the responsibility of all employees, officers and directors.

Employees must be aware of the safety issues and policies that affect their job, other employees and the community in general. Managers, upon learning of any circumstance affecting the health and safety of the workplace or the community, must act immediately to address the situation. Employees must immediately advise their managers of any workplace injury or any circumstance presenting a dangerous situation to them, other co-workers or the community in general, so that timely corrective action can be taken.

X. WAIVERS OF THE CODE

From time to time, Condor may waive certain provisions of this Code. Waivers generally may only be granted by the President and Chief Executive Officer. However any waiver of the provisions of this Code for directors and officers, including the President, Chief Executive Officer and Chief Financial Officer, may be made only by the Board of Directors or a Committee of the Board and will be disclosed to shareholders as and if required by applicable securities laws and/or stock exchange policies.

XI. USING THIS CODE AND REPORTING VIOLATIONS

It is the responsibility of all employees, officers and directors of the Corporation to review and comply with this Code.

If you observe or become aware of an actual or potential violation of this Code or of any law or regulation, whether committed by employees of the Corporation or by others associated with the Corporation, it is your responsibility to report the circumstances as outlined herein and to cooperate with any investigation by the Corporation. This Code is designed to provide an atmosphere of open communication for compliance issues and to ensure that employees acting in good faith have the means to report actual or potential violations.

To report actual or potential compliance infractions relating to this Code, a written report (“**Report**”) may be submitted on a confidential, anonymous basis, if you so desire, to the Chairman of the Audit Committee in an envelope labeled with a legend such as “To be opened by the Audit Committee only”. Such confidential envelopes may be submitted directly to the Chairman of the Audit Committee or via a director or any other person who shall pass the unopened envelopes promptly to the Chairman of the Audit Committee.

The Chairman of the Audit Committee will notify the sender and acknowledge receipt of a Report within five (5) business days except where a Report was submitted on a confidential, anonymous basis.

If you wish to discuss any matter with the Audit Committee, you should indicate this in the Report and include a telephone number at which you may be contacted if the Audit Committee deems it appropriate.

Employees, officers and directors of the Corporation who become aware of any violation of this Code will promptly report them to the Chairman of the Audit Committee openly or confidentially (in the manner described above).

Following the receipt of any complaints submitted hereunder, the Audit Committee will investigate each matter so reported and take corrective disciplinary actions, if appropriate, up to and including termination of employment.

There will be no reprisals against employees, officers and directors of the Corporation for good faith reporting of compliance concerns or violations.

The Audit Committee shall retain as part of the records of the Audit Committee any Report for a period of no less than seven (7) years.

SCHEDULE “A”
WORKPLACE REQUIREMENTS

I. A NON-DISCRIMINATORY ENVIRONMENT

The Corporation fosters a work environment in which all individuals are treated with respect and dignity. The Corporation is an equal opportunity employer and does not discriminate against employees, officers, directors or potential employees, officers or directors on the basis of race, color, religion, sex, national origin, age, sexual orientation or disability or any other category protected by Canadian federal or provincial laws and regulations, or any laws or regulations applicable in the jurisdiction where such employees, officers or directors are located. The Corporation will make reasonable accommodations for its employees in compliance with applicable laws and regulations. The Corporation is committed to actions and policies to assure fair employment, including equal treatment in hiring, promotion, training, compensation, termination and corrective action and will not tolerate discrimination by its employees and agents.

II. HARASSMENT-FREE WORKPLACE

The Corporation will not tolerate harassment of its employees, customers or suppliers in any form.

III. SEXUAL HARASSMENT

Sexual harassment is illegal and all employees, officers and directors of the Corporation are prohibited from engaging in any form of sexually harassing behaviour. Sexual harassment means unwelcome sexual conduct, either visual, verbal or physical, and may include, but is not limited to, unwanted sexual advances, unwanted touching and suggestive touching, language of a sexual nature, telling sexual jokes, innuendoes, suggestions, suggestive looks and displaying sexually suggestive visual materials.

IV. SUBSTANCE ABUSE

The Corporation is committed to maintaining a safe and healthy work environment free of substance abuse. Employees, officers and directors of the Corporation are expected to perform their responsibilities in a professional manner and, to the degree that job performance or judgment may be hindered, be free from the effects of drugs and/or alcohol.

V. WORKPLACE VIOLENCE

The workplace must be free from violent behaviour. Threatening, intimidating or aggressive behaviour, as well as bullying, subjecting to ridicule or other similar behaviour toward fellow employees or others in the workplace will not be tolerated.

VI. EMPLOYMENT OF FAMILY MEMBERS

Employment of more than one family member at an office of the Corporation or other premises is permissible but the direct supervision of one family member by another is not permitted unless otherwise authorized by the Chairman of the Audit Committee. Except for summer and co-op students, indirect supervision of a family member by another is also discouraged and requires the prior approval of the Chairman of the Audit Committee. If such employment is allowed, any

personnel actions affecting that employee must also be reviewed and endorsed by the Chairman of the Audit Committee.