

PAINTED PONY PETROLEUM LTD.
Code of Ethics

Mission Statement

Painted Pony Petroleum Ltd. (the "Corporation") values its reputation as an honest, ethical, high quality company, employer and partner. As such, it is to the benefit of all shareholders, officers, employees, contractors and partners that the Corporation adheres to and upholds high ethical values on a day to day basis. The Corporation will adhere to the highest ethical standards in all of their business activities, and all of the Corporation's directors, officers, employees and consultants are expected to maintain these standards. The Corporation's directors, officers, employees and consultants are expected to deal fairly with the Corporation's security holders, customers, suppliers and competitors.

Adherence to Laws

The Corporation and its directors, officers, employees and consultants shall comply with the letter and spirit of all laws and regulations applicable to the Corporation's activities. A concern for what is right must underlie all business decisions.

Ignorance of the law is not, in general, a defense should a law be contravened. Moreover, agreements or arrangements need not necessarily be in writing to be contrary to the law since it is possible for a contravention to be inferred from the conduct of the parties. Accordingly, directors, officers, employees and consultants must diligently ensure that their conduct is not and cannot be interpreted as being in contravention of laws governing the affairs of the Corporation in any jurisdiction where it carries on business.

In view of the ever-increasing complexity of the law affecting business activity, whenever a director, officer, employee or consultant is in doubt about the application or interpretation of any legal requirement, the director, officer, employee or consultant should seek the advice of the Chief Executive Officer or Chairman of the Corporation or, if that is not considered satisfactory, the Corporation's legal counsel, Burstall Winger LLP.

Code of Conduct

The following is a list of guidelines to be adhered to and policies to be considered by all directors, officers, employees and consultants of the Corporation in connection with the exercise of their duties:

1. No business operation should be considered effective or complete without proper attention to safety, health and the environment.
2. The Corporation believes that its directors, officers, employees and consultants are a valuable asset to be treated fairly without discrimination by reason of race, national or ethnic origin, color, religion, age, sex, sexual orientation, marital status or physical handicap.
3. Directors, officers, employees and consultants shall not use their status with the Corporation to obtain personal gain from those doing or seeking to do business with the Corporation.
4. Directors, officers, employees and consultants shall not furnish, on behalf of the Corporation, expensive gifts or provide excessive benefits to other persons. At times, the Corporation's suppliers may offer gifts, including entertainment. While gifts of cash are never acceptable, you may accept nominal gifts on behalf of the Corporation. Generally acceptable gifts or entertainment are limited to entertainment and sporting event tickets, dinners with clients, customers or suppliers which do not affect the independent judgment of such directors, officers, employees or consultants. Other gifts or benefits must be approved by an executive officer of the Corporation prior to acceptance. If in doubt,

consult an executive officer of the Corporation for advice in this regard or if you are an officer or director, consult the Chief Executive Officer or Chairman of the Corporation.

5. The direct or indirect use of the Corporation's funds, goods or services as contributions to political parties, campaigns or candidates for election to any level of government requires approval of an executive officer of the Corporation.
6. All dealings between directors, officers, employees and consultants of the Corporation and public officials are to be conducted in a manner that will not, and will not appear to, compromise the integrity or impugn the reputation of any public official or the Corporation.
7. Directors, officers, employees and consultants who become involved in a situation in which their personal interests conflict or might conflict with their duties to the Corporation must immediately report the situation to an executive officer or, in the case of, officers or directors, to the Chairman of the Corporation.
8. Directors, officers, employees and consultants have an obligation to promote the best interests of the Corporation at all times. They should avoid any action which may involve a conflict of interest with the Corporation. Directors, officers, employees and consultants should not have any undisclosed, unapproved financial or other business relationships with suppliers, customers or competitors that might impair the independence of any judgment they may need to make on behalf of the Corporation. Conflicts of interest would also arise if a director, officer, employee or consultant, or a member of his or her family, receives improper personal benefits as a result of his or her position with the Corporation.
9. Where conflicts of interest arise, directors, officers, employees and consultants must provide full disclosure of the circumstances and not be involved in any related decision making process.
10. Directors, officers, employees and consultants should also avoid apparent conflicts of interest, which occur where a reasonable observer might assume there is a conflict of interest and, therefore, a loss of objectivity in their dealings on behalf of the Corporation.
11. All directors, officers, employees and consultants are responsible for protecting the Corporation's assets and officers are specifically responsible for establishing and maintaining appropriate internal controls to safeguard the Corporation's assets against loss from unauthorized use or disposition.
12. The books and records of the Corporation must reflect in reasonable detail all of its business transactions in a timely, fair and accurate manner in order to, among other things, permit the preparation of accurate financial statements in accordance with generally accepted accounting principles. All assets and liabilities of the Corporation must be recorded as necessary to maintain accountability for them. All business transactions must be properly authorized and transactions must be supported by accurate documentation in reasonable detail and recorded properly.
13. No information may be concealed from the Corporation's external auditors or reserves engineers, the board of directors of the Corporation or any committee of the board of directors of the Corporation. In addition, it is illegal to fraudulently influence, coerce, manipulate or mislead an external auditor or reserves engineer who is auditing the Corporation's financial statements or evaluating the Corporation's reserves, respectively.
14. Certain of the Corporation's records, reports, papers, devices, processes, plans, methods and apparatus are considered by the Corporation to be confidential information, and directors, officers, employees and consultants are prohibited from revealing such matters except as may be allowed under the

Corporation's "Policy Regarding Disclosure and Confidentiality". Confidential information includes, but is not limited to, technical information, results, observations, analyses, compilations, evaluations, assessments, business or commercial data or plans and investor related data. The term "confidential information" relates to the underlying nature of the information, covering both oral and written information, and is independent of the medium on which the information is stored. It thus covers information stored on paper, various magnetic media, computer, microfiche or any other medium. The Policy Regarding Disclosure and Confidentiality should be adhered to at all times.

15. During the course of employment in the case of employees, the term of the consulting contract with the Corporation in the case of consultants and during their term as directors or officers in the case of directors and officers of the Corporation and for a period of one year thereafter, directors, officers, employees and consultants shall not use for their own financial gain or disclose for the use of others, confidential information, obtained as a result of their position with the Corporation.
16. Directors, officers, employees and consultants must strictly adhere to the terms outlined in the Corporation's Policy on "Confidentiality of Information, Employee Trading and Insider Trading and Reporting Policy" to ensure compliance with applicable Canadian securities laws governing trading in securities of the Corporation while in possession of material non-public information concerning the Corporation, and tipping or disclosing material non-public information to outsiders and to avoid embarrassment by preventing the appearance of improper trading or tipping.
17. As a publicly traded entity, the Corporation has an obligation to comply with the rules relating to disclosure of material and price sensitive information under the relevant Canadian securities legislation and the rules, policies and guidance of the Toronto Stock Exchange.
18. In accordance with the Corporation's disclosure obligations, all financial communications and reports must contain full, fair, accurate, timely and understandable disclosure and will be delivered in a manner that facilitates the highest degree of clarity of content and meaning so that readers and users will be able to quickly and accurately determine their significance and consequence. All directors, officers, employees and consultants who are responsible for the preparation of the Corporation's public disclosure, or who provide information as part of the process, have a responsibility to ensure that such disclosure is prepared and information is provided honestly, accurately and in compliance with the various disclosure controls and procedures.
19. In accordance with the Corporation's "Policy Regarding Disclosure and Confidentiality", any director, officer, employee or consultant in possession of material information must not disclose such information before its public disclosure and must take steps to ensure that the Corporation complies with its timely disclosure obligations.
20. Speculation in business, shares and other securities, land or other ventures of any kind on the basis of confidential information obtained in the course of a director's, officer's, employee's or consultant's duties with the Corporation is prohibited. This includes but is not limited to shares or securities of any company which the Corporation is evaluating or is studying as a possible acquisition or joint venture partner or with whom a major contract may be concluded. Use or disclosure of such information can result in civil or criminal penalties, for both the individuals involved and the Corporation.
21. It is the responsibility of every director, officer, employee and consultant to bring to the attention of the Corporation knowledge of any situation which might adversely affect the Corporation's reputation. All directors, officers, employees and consultants are encouraged to report, verbally, or in writing any evidence of improper practice of which they are aware. As used here, the term "improper practice" means any illegal, fraudulent, dishonest, unsafe, negligent or otherwise unethical action by a director, officer, employee or consultant.

22. The Corporation and the Corporation's directors, officers, employees and consultants shall comply with copyright law and any other laws applicable to the use of computer software, hardware and related materials, as well as with any and all contracts entered into by the Corporation with suppliers or licensors of computer software, hardware and related materials.
23. Any waiver of this Code for directors or officers may be made only by the board of directors and will be promptly disclosed as required by law, regulation or stock exchange requirement. Any amendment of this Code will be disclosed as required by law. Waivers in respect of employees or consultants may be given by the Chief Executive Officer who shall report any waivers given to the board of directors at its next meeting.

All directors, officers, employees and consultants are responsible for abiding by this Code. This includes individuals responsible for the failure to exercise proper supervision and to detect and report a violation by their subordinates. All directors, officers, employees and consultants are encouraged to report violations of this Code in accordance with the procedures described in the Corporation's Whistleblower Policy. Violations of this Code will result in the Corporation taking effective remedial action commensurate with the severity of the violation. This action may include disciplinary measures up to and including termination in the case of a director, employee or officer or termination of the consulting contract in the case of a consultant and, if warranted, legal proceedings. If determined appropriate, a matter may be referred to the appropriate authorities.