

Code of Ethics and Corp Conduct

Policy

Petsec's Code of Ethics and Corporate Conduct is aimed at maintaining high standards of ethical behaviour and corporate conduct and accountability among the Petsec companies, and at helping Petsec achieve its objectives of creating shareholder value by building a significant mid-tier oil & gas company respected in the industry for its technical skills, efficient delivery of projects and the integrity with which it conducts its business.

Acting in accordance with its Code of Ethics and Corporate Conduct Petsec's directors, management, employees, agents, consultants, and subcontractors ("employees") are expected to:

- comply with the law;
- act honestly and with integrity;
- not place themselves in situations which result in divided loyalties;
- use Petsec's assets responsibly and in the interests of Petsec;
- maintain all Company records accurately to allow responsible decision-making and fair, full, timely and understandable public disclosure;
- be responsible and accountable for their actions; and
- promptly report any illegal or unethical behaviour or other violations of this Code to Petsec's compliance officer.

What the Code of Ethics Means

1. **Comply with the law:**

Employees are expected to comply with the spirit, as well as the letter of the law.

2. **Act honestly and with integrity:**

Employees have a responsibility to act honestly and in good faith and not engage in conduct likely to bring discredit to Petsec.

In particular, Petsec will not tolerate employees paying or accepting kickbacks, bribes or other payoffs. Moreover, no lavish gift (which includes physical objects as well as services, favours, loans, or other items of value) or gratuity, or entertainment that is lavish or frequent, should ever be accepted by employees, (or close family member or agent). Employees may accept gifts that are nominal in value and that do not constitute cash, cannot be construed as a bribe or payoff, will not make it appear that your judgment for Petsec will be compromised as a result, and do not violate any laws or regulations.

Likewise, if a business situation calls for employees to give a gift, Petsec's gifts must be legal, reasonable, and approved by management. Employees may also provide entertainment that is reasonable in the context of the business.

Petsec does not permit the use or sharing of non-public information for stock trading purposes ("insider trading"); it is both illegal and unethical. Petsec has a strict code of conduct in relation to trading by employees in its securities (see Securities Trading Policy).

3. **Not place themselves in situations which result in divided loyalties:**

Employees should avoid conflicts of interest. When the potential for a conflict arises, employees should declare the potential conflict to their manager and arrange to stand aside from the potential conflict.

4. **Use Petsec's assets responsibly and in the interests of Petsec:**

Employees are required to use Petsec's assets for the purposes of Petsec's business and to meet Petsec's objectives, and to look after and protect those assets. Confidential information is the property of Petsec and it is improper to disclose confidential information or allow it to be disclosed unless Petsec authorises that disclosure or the disclosure is required by law.

5. **Maintain all company records accurately to allow responsible decision-making and full, fair, timely and understandable public disclosure:**

Petsec requires honest, accurate and timely recording and reporting of information to ensure the integrity of its records and responsible decision-making.

Financial and accounting personnel are vested with the responsibility for prescribing and enforcing policies, procedures and controls to protect Petsec's assets, appropriately manage risk and ensure that both internal and external financial reporting is complete, accurate, balanced, timely and understandable.

The compliance officer is responsible for ensuring that Petsec meets all its statutory reporting obligations and that external disclosures are full, fair, timely and understandable.

All employees are expected to follow the internal controls and procedures established to meet this objective.

6. **Be responsible and accountable for their actions:**

In the conduct of their role for Petsec each employee is expected to act in the best interests of the Company, its shareholders and its stakeholders, to exercise due care and attention in fulfilling their responsibilities and to be accountable and responsible for their actions.

7. Respect the dignity of fellow workers

Employees will treat each other with respect and fairness at all times, just as they wish to be treated themselves. Employees will value the difference of diverse individuals from around the world. Petsec will base its employment decisions on business reasons, such as qualifications, talents, and achievements, and will comply with local and national employment laws.

Petsec does not allow abusive, harassing, or offensive conduct, whether verbal, physical, or visual. Unacceptable examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. Employees are encouraged to speak out if a co-worker's conduct makes you uncomfortable and to report harassment if it occurs.

You are responsible for maintaining a safe work place by adhering to all safety and health rules and practices. Employees should immediately report accidents, injuries, and unsafe equipment, practices, or conditions to a supervisor or other designated person.

Petsec prohibits all threats or acts of violence or physical intimidation.

8. Promptly report any illegal or unethical behaviour or other violations of this Code to Petsec's compliance officer:

Employees must promptly report any violation or possible violation of Petsec's Code of Ethics and Corporate Conduct. Employees should first approach their supervisor or manager with any questions or concerns about Petsec's Code of Ethics and Corporate Conduct. If employees are uncomfortable talking to their supervisor, they should communicate their concerns to the Company Secretary of PEL or the Chairman of the Audit Committee. Petsec's open door policy means employees can approach any level of management with their concerns