



CODE OF ETHICS

1. Purpose

Painted Pony Energy Ltd. (the "**Corporation**") values its reputation as an honest and ethical employer, partner and corporate citizen. It is to the benefit of all stakeholders that the Corporation adhere to and uphold high ethical values on a day to day basis.

2. Scope and General

This Code of Ethics (the "**Code**") applies to all directors, officers, employees, consultants and contractors of the Corporation (collectively, "**Employees**").

This Code does not specifically address every situation. Employees have a duty to adhere to the highest ethical standards in all business. Employees will exercise best judgment in applying the Code's guidelines to everyday decisions and actions. Employees who are uncertain as to the interpretation of this Code in any specific situation should consult their supervisor or the General Counsel.

Compliance with the standards set out in this Code will be reinforced through a process of regular certification. Employees are required to certify, upon becoming an Employee and annually thereafter, their review of and compliance with this Code.

Any dishonest or unethical business practice, breach of law or breach of this Code or any other policy of the Corporation will be subject to disciplinary action (i) for employees, up to and including termination for cause, (ii) for consultants or contractors, up to and including termination of their agreement, and (iii) for directors, up to and including demanding his or her immediate resignation.

The Corporation has also adopted an Anti-Corruption and Anti-Bribery Policy which will, in certain circumstances, deal with matters that are also provided for in this Code. In all circumstances where there is a conflict between the provisions of this Code and the Anti-Corruption and Anti-Bribery Policy, the provisions of the Anti-Corruption and Anti-Bribery Policy will govern and take precedence.

3. Compliance with Laws, Rules and Regulations

Compliance with laws, rules and regulations applicable to the Corporation's business is critical to its reputation and continued success. Employees will respect and obey the laws of the jurisdictions in which the Corporation operates and avoid the appearance of impropriety.

4. Conflicts of Interest

Decisions and actions taken by Employees must be for the best interests of the Corporation. A conflict of interest occurs when an Employee's *private* interests make it difficult, or appear to make it difficult, to perform his/her work for the Corporation objectively and effectively. Employees must avoid not only actual conflicts of interest, but also the appearance of a conflict.

Directors and officers must comply with Section 120 of the *Business Corporations Act* (Alberta) (“**ABCA**”) regarding disclosing and dealing with conflicts of interest. Directors must also comply with the Board of Directors Mandate.

Employees must promptly disclose to the General Counsel *in writing*, business, commercial or financial interests, activities or relationships that may reasonably be seen as creating an actual, potential or perceived conflict of interest. In addition, Employees must promptly report to the General Counsel any event or circumstance that he/she becomes aware of that may give rise to an actual, potential or perceived conflict of interest in connection with any other Employee.

On reporting of any such conflict of interest, a determination will be made by the Governance Committee regarding directors and officers and by the CEO regarding other Employees, as to whether an actual, potential or perceived conflict exists and the steps to be taken to eliminate or mitigate that conflict of interest. Without written consent, the conflict situation must cease immediately. Actual, potential or perceived conflicts will be promptly reported to the Chair of the Governance Committee and reported by him/her at the next meeting of the Board.

The following are examples of conflicts of interest. These are not exhaustive but are a guide. If there is doubt as to whether a conflict exists, Employees must consult with the General Counsel.

(a) Relationships

The potential for conflict is inherent where an Employee or his/her relative has a relationship with a business that supplies, consults to, is involved in a transaction with, competes with, or otherwise has a business relationship with, the Corporation. Employees will promptly disclose any such relationship to the General Counsel. Relative means (i) a spouse (including common-law spouse), (ii) a child, parent, sibling, niece, nephew, aunt, uncle, cousin, grandparent or grandchild, (iii) an in-law, or (iv) any person residing in the same house as the Employee.

(b) Outside Business Interests

Other than for directors who are not full-time employees of the Corporation, Employees shall not:

- (i) serve as director, officer, employee or consultant of any outside concern which does business with, or is a competitor of, the Corporation;
- (ii) compete with the Corporation either directly or indirectly;
- (iii) participate in any transaction involving the interests of the Corporation and in which the Employee or a relative (as defined above) has a direct or indirect personal interest; and
- (iv) own or control 10% or more of any public entity that (A) supplies goods or services to, or otherwise engages in business with, the Corporation, or (B) competes with the Corporation,

except, in the case of Employees, with the written consent of the CEO and, in the case of directors and officers, with the consent of the Governance Committee. Regarding (ii) to (iv) above, merely owning an interest of less than 10% in a public entity that competes with, supplies goods or services to, engages in business with, or is involved in the interests of, the Corporation will not be considered a conflict of interest.

(c) Gifts and Other Benefits

Goods and services shall be obtained by the Corporation on a competitive basis at the reasonable best value considering price, quality, reliability, availability and delivery.

Employees shall not request, accept from or give to (directly or indirectly) any party doing or seeking to do business with the Corporation or any party that competes with the Corporation:

- (i) a commission, kick-back or any other fee or payment for the direct or indirect benefit of the Employee or any other person or entity;
- (ii) gratuities or gifts of any sort having more than a nominal value (including gift cards having a value more than \$100);
- (iii) loans, cash or securities in any amount;
- (iv) payments, services or fees that are excessive in consideration for services rendered in the normal course of business; or
- (v) special privileges of value, or other substantial or unusual favors, entertainment or travel.

Without exception, no Employee shall give, on behalf of the Corporation, gifts of cash or cash equivalents of any amount, or gifts that are illegal. For the purpose of this Code, gift cards having a value of \$100 or less are not considered "cash equivalents". Gift cards may be given to external parties, in amounts less than \$100 annually, subject to the guidance below.

Participation in industry meetings, educational conferences related to an individual's business function or other events where a large cross-section of people have been invited, and associated gifts, food and drinks, may be accepted if the same general treatment is offered to all participants or attendees and attendance is offered to multiple organizations and employee travel and accommodation is paid for by the Corporation.

Giving and receiving local hospitality and entertainment is acceptable, provided the hospitality and entertainment:

- (i) is in good taste, does not contravene any law, is made as a matter of generally accepted practice, and does not create a sense or appearance of obligation; and
- (ii) if subsequently disclosed to the public, would not harm the reputation of the Corporation or the recipient.

For the giving and receiving of hospitality and entertainment that is not local or is of a more substantial nature than generally accepted practice and for gifts having more than a nominal value, Employees must obtain permission from the executive officer in charge of the Employee's department, for executive officers, from the CEO, and for the CEO, from the Chair of the Board. Employee travel and accommodation must be paid for by the Corporation.

No Employee may offer government officials, foreign or otherwise, anything of value, including gifts, hospitality or entertainment in exchange for any business advantage for the Corporation. "Government officials" include government employees, political candidates or even employees of businesses that are owned by a government. As indigenous officials may also be

considered government officials, Employees must consult with the General Counsel in advance of any proposed gift, hospitality or entertainment to an indigenous official. Employees shall refer to Section 7 “Political Activities and Contributions” below and shall comply with the Corporation’s Anti-Corruption and Anti-Bribery Policy.

Employees must also keep in mind that the repetitive giving or receiving of gifts, hospitality or entertainment (no matter how small) may be perceived as an attempt to create an obligation to the giver and are therefore inappropriate. Employees need to use their best judgement in this regard. If an Employee, or an executive officer providing permission to an Employee, is unsure whether any gift, hospitality or entertainment is appropriate or is in accordance with the above, he/she must consult with the General Counsel.

5. Confidentiality

The Corporation operates in a highly competitive environment. Corporation records, information, data, reports, papers, devices, processes, plans and methods (including relating to compensation) are strictly confidential information of the Corporation.

In the course of employment or dealings with the Corporation, Employees may become aware of confidential information. Employees will maintain the confidentiality of such information. The obligation to maintain the confidentiality of confidential information continues even after Employees are no longer involved with the Corporation. Employees shall refer to the Corporation’s Corporate Disclosure Policy and Insider Trading Policy.

6. Protection and Proper Use of the Corporation’s Assets and Opportunities

The Corporation entrusts Employees with protection of the Corporation’s assets to ensure their efficient use and that they are only being used for legitimate business purposes. Employees must report any suspected incidents of fraud or theft or conditions that may materially negatively impact the Corporation’s assets. Employees must not personally take opportunities for themselves that arise through the use of corporate property or information or their position.

7. Political Activities and Contributions

The Corporation respects and supports the right of Employees to participate in political activities. Other than events supporting the Corporation’s industry that employees are invited by the CEO to participate in, political activities should not be conducted on the Corporation’s time or involve the use of any of the Corporation’s resources. Employees will not be reimbursed for personal political contributions. Where it is in the interest of the Corporation to do so, the Corporation may make:

- (i) contributions of funds and other resources for the purposes of supporting local and national issues that affect the Corporation’s operations where it is legal and customary to do so and provided prior approval of such contribution has been received from the CEO, and
- (ii) contributions to political parties or candidates, where it is legal and customary to do so and provided prior approval of such contribution has been received from the Governance Committee.

Employees must comply with the Corporation’s Anti-Corruption and Anti-Bribery Policy.

8. Respect for Others Inside and Outside the Corporation

Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical or visual. Employees (including the Corporation's contractors and consultants and their personnel) will treat each other, the people in the communities in which the Corporation works and other stakeholders of the Corporation with which Employees engage, with utmost respect and courtesy. Employees will avoid conduct that makes others feel uncomfortable. The "golden rule" applies: treat others as you want to be treated.

Employees should speak to their supervisors or the executive officer in charge of human resources when a co-worker's conduct makes them uncomfortable and report harassment when it occurs. Employees shall refer to the Corporation's Respectful Workplace Policy.

9. Fair Dealing

Employees should deal fairly with the Corporation's customers, contractors, suppliers, competitors and employees, and must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

10. Record Keeping

The Corporation's books and records must reflect in reasonable detail its transactions in a timely, fair and accurate manner to permit the preparation of accurate financial statements in accordance with applicable requirements. Assets and liabilities must be recorded as necessary to maintain accountability. Transactions must be supported by accurate documentation in reasonable detail and recorded properly. No information may be concealed from the Corporation's external auditors, the Board or its committees.

11. Employee Reporting

The Corporation encourages an environment where Employees can confidentially and anonymously report complaints and concerns regarding questionable business conduct and illegal or unethical behaviour without fear of reprisal. The Corporation has established a Whistleblower Policy. Employees, as part of their obligation for proper business conduct, are to report anyone not in compliance with this Code or other policies of the Corporation in accordance with the procedures set out in the Whistleblower Policy.

The provisions of this Code may be waived for members of the Board of Directors and executive officers only by the Corporation's Board of Directors or Governance Committee. The provisions of this Code may be waived for Employees who are not members of the Board of Directors or executive officers by the Corporation's CEO. Any waiver of this Code granted to a member of the Board of Directors or executive officer or any conduct by a member of the Board of Directors or an executive officer that constitutes a material departure from this Code will be promptly publicly disclosed if required by law or stock exchange regulation.

12. No Rights Created

This Code is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board and its Committees direct the affairs of the Corporation. While it should be interpreted in the context of all applicable laws, regulations and

listing requirements, as well in the context of the Corporation's Articles and By-laws, it is not intended to establish any legally binding obligations for the Corporation.

13. Code Review

The Governance Committee shall review this Code at least annually and present any recommended amendments to the Board for approval.

14. Compliance with Law

In all instances, this Code will comply with applicable laws in the applicable jurisdiction. If there is an inconsistency between this Code and applicable laws, the applicable laws shall govern without affecting the remainder of this Code.

Adopted: Original Undated

Revised: March 6, 2019