

KINGSLAND ENERGY CORP.

CODE OF ETHICAL BUSINESS CONDUCT

INTRODUCTION

Kingsland Energy Corp. (“Kingsland” or “Corporation”) values honesty, integrity and adherence to the highest ethical standards. As Associates, each of us has a responsibility for upholding these values and maintaining a commitment to basic principles of business ethics and good judgment. As part of this commitment, Kingsland has instituted a series of policies and procedures to reaffirm its dedication to the highest ethical standards.

Attached is the Kingsland Code of Ethical Business Conduct (the “Code”). The Code applies to all Directors, Officers and Associates of the Corporation and its wholly-owned subsidiaries (“Associates”). The Code embodies our values and sets forth the principles to guide our behavior. It is important for each of us to fully understand these principles and to commit ourselves to them in all our business activities. It is up to each of us to ensure that all of our business relationships are conducted with integrity and honesty and reflect the letter and spirit of the Code. A good starting point is to act with integrity in everything you do and to never engage in behavior that would undermine the reputation of Kingsland, your peers or yourself.

We believe abiding by the Code will make Kingsland a better, more profitable Corporation.

“L. Kambeitz”

Lionel Kambeitz
Chairman

“M. Kilback”

Mark Kilback
CEO

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1. GENERAL

1.1. SCOPE & RESPONSIBILITIES.

The Code is at the essence of the Corporation's management philosophy and provides an overview of standards of behavior applicable to all Kingsland Associates. It is not, however, an exhaustive statement of Kingsland policies and procedures and does not address every potential scenario. When faced with questions beyond those addressed in the Code, Associates are expected to follow both the spirit and letter of the Code and Corporation policies and procedures that govern the issue. In reading this Code and Kingsland's policies it is important to remember that we as Kingsland Associates have a duty to do the right thing under all circumstances, and this includes avoiding all situations that have even the appearance of impropriety. Taken together, the Code and Corporation policies and procedures set forth the requirements for responsible behavior. Kingsland's Directors, Management, Business Partners, Regulators and Shareholders expect all Corporation Associates to observe these high standards, to comply with laws and regulations, and to use good judgment in situations where rules may not clearly define the appropriate course of action.

1.2. ADDITIONAL RESPONSIBILITY FOR DIRECTORS AND OFFICERS.

Kingsland's Directors and Officers are expected to exemplify the highest standards of ethical business conduct. Pursuant to Kingsland's open door policy, Officers are intended to promote open discussion of ethical and legal implications of business decisions and to create and sustain a work environment in which Associates, contractors and vendors know that ethical, legal behavior is expected. This responsibility includes ensuring that the Code is communicated to those Associates, contractors, and vendors working for or with the Corporation. Kingsland is responsible for ensuring that subordinates are properly trained and familiar with policies required to do their jobs.

1.3. ACKNOWLEDGEMENT.

Associates acknowledge their understanding and agreement to comply with the Code upon commencement of employment or association with the Corporation.

1.4. DISCIPLINARY ACTION.

The Corporation will enforce compliance with the Code and all Corporation policies and procedures through appropriate disciplinary action up to and including termination of employment and legal action. Adequate Corporation

discipline of individuals responsible for an offense is a necessary component of enforcement. The appropriate form of discipline by the Corporation will be case-specific and fairly applied. A few examples of conduct that may result in discipline include:

- 1.4.1. violation of the law or Corporation policies, including requesting or directing others to violate the law or Corporation policies;
- 1.4.2. failure to report a known or suspected violation of Corporation policies;
- 1.4.3. failure to cooperate in an investigation of possible violations of Corporation policies;
- 1.4.4. retaliation against another Associate for reporting a concern or violation;
- 1.4.5. intentional false reporting of another Associate;
- 1.4.6. failure to monitor and oversee compliance with Corporation policies and applicable laws by subordinates effectively; and
- 1.4.7. unauthorized disclosure of confidential information relating to Millstreet or Millstreet Associates or vendors.

1.5 All Associates shall act:

1.5.1 with honesty and integrity and to ensure that all actions taken by the Corporation meet the highest ethical standard, and

1.5.2 in accordance with all laws and regulations: federal, provincial, municipal, or pertaining to any foreign jurisdiction in which the Corporation operates.

1.6 Associates operating in a foreign jurisdiction shall not behave in any way contrary to Canadian law or standards of ethics in that jurisdiction regardless of local practice.

1.7 Where local country laws contain requirements that conflict with this Code, those requirements apply to Associates working in those countries.

1.8 **QUESTIONS.** If you have any questions about the Code, a Kingsland policy, or any suspected improper conduct, you have an obligation as an Associate to contact and discuss the matter with your supervisor or the Chief Financial Officer. If you raise a concern with one of these contacts and the issue is not resolved, you should raise it with the other contact.

- 1.9** This Code is not a contract of employment, and does not create any contractual rights between you and Kingsland or any of its subsidiaries. Employment at and association with Kingsland is on an “at-will” basis. This means that you can terminate your employment or association whenever you wish, for any reason, just as Kingsland may terminate your employment or association at any time, with or without cause.
- 1.10** This Code supersedes all other policies, procedures, instructions, practices, rules or verbal representations of Kingsland to the extent they are inconsistent.

2. POLICIES

2.1. ACCOUNTING AND REPORTING PRACTICES.

2.1.1. Kingsland and its Associates must follow generally accepted accounting principles and maintain appropriate control policies and procedures. The law requires accurate and reliable business records; accordingly, all assets, liabilities, income and expenses shall be correctly identified and accurately recorded in the appropriate corporate books of account. False or misleading entries or exclusions are unlawful and are not permitted. Officers and internal and independent auditors and examiners must be given access to all information necessary for them to conduct appropriate reviews. Kingsland and its Associates shall provide full, fair, accurate, timely and understandable disclosure in reports and documents that Kingsland files with the Securities Commissions and in other public filings and communications made by the Corporation.

2.1.2. Issues regarding accounting, internal accounting controls, and auditing matters should be directed to the Chief Financial Officer at (306) 352 6132 or in writing to the Audit Committee at #001, 2305 Victoria Avenue, Regina, Sk., S4P 0S7.

2.2. CHARITABLE CONTRIBUTIONS AND POLITICAL INVOLVEMENT.

Kingsland encourages our Associates to become involved in community activities and charitable organizations. However, no Associate may bring undue pressure on another Associate to contribute to a charitable organization. Kingsland respects the rights of our Associates to participate in the political process. Indeed, engaging in the process builds a stronger community and a better political system. However, you must at all times make clear that your views and actions are your own, and not those of Kingsland. Additionally, Associates may not use Corporation time or resources to support personal political activities or use their position to coerce or pressure Associates to make contributions or support a candidate or political cause.

2.3. BRIBERY.

- 2.3.1. No Kingsland Associate should directly or indirectly pay or receive a bribe or kickback intended to influence business conduct. Kingsland further prohibits any activity that creates the appearance of improper conduct.
- 2.3.2. Nothing of value may be given or received by a Kingsland Associate to bribe or influence a decision by Kingsland or a vendor, supplier, subcontractor, competitor (or their agents), or governmental or regulatory official or their representatives. A Kingsland Associate should never accept from a vendor, supplier or competitor any personal services, promise of employment, samples for personal use, or money or its equivalent.

2.4. COMMUNICATION.

- 2.4.1. **With Governmental Agencies & Regulatory Authorities:** Kingsland regularly and routinely cooperates with all governmental agencies and regulatory authorities, including requests for information and facility visits. Kingsland's Chief Executive Officer, Chief Financial Officer and Regulatory Administrator will represent the Corporation in such situations and will determine what information is appropriate to supply to investigators. If you are contacted by any governmental agency you should refer the matter to the authorized Officers and Associate mentioned herein.
- 2.4.2. **With the Media and Investors:** To ensure consistent, accurate delivery of Corporation information, Associates are not authorized to answer questions from the news media or investors. When approached for information from the media, you should refer the person to Kingsland's Chairman, or the Chief Financial Officer. When approached for information from investors, you should refer the person to the aforementioned Officers or the Regulatory Administrator.
- 2.4.3. **With Vendors:** Kingsland encourages regular communication with our vendors. However, a Kingsland Associate should not provide any information to a vendor that could advantage the vendor in negotiating terms of its relationship with Kingsland. If you are involved in proposals, bid preparations or contract negotiations, be certain that all statements, communications and representations you make are accurate and truthful. Make sure all relationships with vendors and suppliers are conducted at arms-length and are based on objective criteria, fairness and the best interest of Kingsland.
- 2.4.4. **With each other and the public:** Each Associate is responsible for maintaining professionalism when communicating with each other

and the public. You can enhance or injure Kingsland's image with every written, verbal or electronic communication. Kingsland Associates should not engage in communications that are distasteful, obscene or defamatory.

2.5. CONFIDENTIALITY AND PRIVACY.

2.5.1. While associated with or working at Kingsland, and after you cease such association or employment with Kingsland, you must protect confidential, non-public information that you obtain or create for Kingsland. You must take precautionary measures to prevent unauthorized disclosures of confidential information. This includes ensuring that access to work areas and computers is properly controlled, and refraining from discussions of sensitive matters in public places, such as elevators, hallways, restaurants, restrooms, etc.

2.5.2. You must not disclose proprietary or confidential information about Kingsland, other Associates, vendors or investors, to anyone (including other Associates) not authorized to receive it or with no need to know the information. Not disclosing confidential information means not communicating the information by any means including, without limitation, orally, in writing, or electronically (e.g. in person or via telephone, mail, fax, email, Internet "chat rooms," posting to community bulletin boards, or otherwise). In addition to the foregoing, you are also prohibited from using any proprietary or confidential information for any unauthorized purpose, including for your own personal gain.

2.5.3. Confidential Information means all nonpublic information or knowledge respectively of Kingsland or of an Affiliate or of a Third Party, as the case may be, and which:

2.5.3.1. is, or may be, used in all or some of the businesses or trades of Kingsland or its Affiliates or a Third Party;

2.5.3.2. has become known or is disclosed to an associate in the course of their relationship with Kingsland or of an Affiliate;

and, without limiting the generality of the foregoing, includes:

2.5.3.3. any such information or knowledge contained or embodied in, or related to, the products, processes, structures, methods, know-how, ideas, trade secrets, designs, formulae, programmes (including, but not limited to computer programs), algorithms, innovations, inventions, discoveries, techniques, research, development, business plans, strategies, financial information and data, contracts, salaries of personnel, support services or practices, of, or used in, the businesses or trades of Kingsland or of an Affiliate or of a Third Party; and

2.5.3.4. lists or names of clients or business or trade connections (including lists or names considered developmental or experimental) of Kingsland or an Affiliate or a Third Party, as the case may be; and

any other information of Kingsland or of an Affiliate or of a Third Party, that Kingsland informs an associate of, or that an associate should know by virtue of an associate's position or the circumstances in which an associate learned it.

2.5.4. **Associate Information:** Kingsland will comply with all applicable laws and regulations regarding the privacy of Associate information, including the privacy of Associate medical information.

2.5.5. **Prior Employment Information:** Kingsland recognizes that its Associates may have had access to a prior employer's confidential or proprietary information. All Associates must respect the confidential nature of that information and not disclose it in connection with your employment at or association with Kingsland.

2.5.6. **Investor Information:** Kingsland respects the privacy of our investors. You must maintain the confidentiality and privacy of all personal, nonpublic information of our investors in accordance with all applicable laws, and, as Associates, you are expected to employ all necessary physical, electronic and procedural safeguards to ensure such compliance.

2.5.7. **Competitive Information:** Kingsland is involved in a very competitive business and we are always looking for a competitive edge, but we are committed to obtaining that competitive edge in an honest and ethical manner. Kingsland Associates shall not collect competitive information in an unethical or illegal manner and will not deal with vendors who attempt to use such inappropriately gathered information as an incentive to gain our business.

2.6. **CONFLICT OF INTEREST & PERSONAL BENEFITS.**

As an Associate, you must be sensitive to any activities, interests or relationships that might interfere with, or even appear to interfere with, your or any other Associate's ability to act in the best interest of Kingsland. Because it is impossible to describe every potential conflict, Kingsland relies on your commitment to exercise sound judgment, to seek advice when appropriate, and to adhere to the highest ethical standards in the conduct of your personal and professional affairs.

2.6.1. **Gifts:** Associates may not accept gifts above nominal value or the conveyance of anything of value, including entertainment, from an

investor or potential investor, consultants and service providers, and any other type of entity or organization that Kingsland may transact business with. You should never accept a gift under any circumstances and regardless of value if it could appear to others that your business judgment has been compromised. Similarly, you may not allow a family member, close friend or other person with whom you have a close personal relationship to accept gifts, services, or preferential treatment from any of the abovementioned, in exchange for a past, current, or future business relationship with Kingsland.

2.6.2. **Outside Employment:** Kingsland prohibits all salaried Associates and all hourly Associates with management responsibilities from working for or receiving payment from any vendor or competitor of Kingsland. A conflict of interest may also arise if an Associate's outside employment activities are so demanding that they interfere with the Associate's responsibilities to Kingsland. In no event should an Associate be engaged in other employment activities on Corporation time or while using Corporation resources. A full-time Associate must disclose any outside employment to his/her supervisor, and if the supervisor has any questions he/she should contact the President.

2.6.3. **Disclosure:** The best way to avoid an embarrassing or even a job threatening situation, is to disclose any situation that may have the potential to be misinterpreted by others. If you have any questions about an actual or potential conflict of interest, including the appropriateness of accepting a gift or invitation, you should discuss the matter with your supervisor or the Chief Financial Officer.

2.7. ENVIRONMENTAL LAW.

Kingsland is committed to being an environmentally responsible corporate citizen. You are expected to comply with or exceed all applicable laws and regulations related to the environment in each of our facilities. We encourage Associates to minimize the impact of the Corporation's business operations on the environment with methods that are socially responsible and economically sound.

2.8. FRAUD.

2.8.1. It is the policy of Kingsland to comply with the law and to maintain accurate records of Corporation business. All Associates are responsible for recognizing and reporting fraud, falsification of records, or other irregularities. Officers should become familiar with the types of irregularities that might occur in their area of responsibility and must establish standards and procedures designed to prevent and detect irregularities.

2.8.2. Fraud applies to any irregularity or suspected irregularity related to Corporation business and involving Associates, vendors, or persons providing service or materials to the Corporation. Irregularities include, but are not limited to, the following:

2.8.2.1. forgery or alteration of any document;

2.8.2.2. misappropriation, destruction, or disappearance of funds, inventory, supplies or other Corporation assets, whether tangible or intangible;

2.8.2.3. impropriety in the handling or reporting of financial transactions;

2.8.2.4. false, fictitious, or misleading entries or reports; and

2.8.2.5. false or misleading statements to those conducting investigation of irregularities

2.8.3. Associates must immediately report any suspected irregularity or act of fraud to the Chief Financial Officer or the Audit Committee. The Corporation's ability to investigate and remediate fraud successfully depends on prompt and confidential reporting. If you suspect fraud, do not discuss the matter with any of the individuals involved, do not attempt to investigate or determine facts on your own, and do not discuss your suspicions with anyone unless specifically directed or authorized to do so by a member of the investigations team.

2.8.4. All investigations under the Code, including those regarding allegations of fraud or other irregularities, will be under the direction of the Audit Committee, which will coordinate with the affected area(s), as necessary and appropriate.

2.8.5. Associates must cooperate with any investigation and provide accurate and truthful information. Associates must not disclose or discuss the fact that an investigation is being conducted or has been conducted, and must not disclose the results of any investigation to anyone except those persons in the Corporation or law enforcement who need to know in order to perform their duties, or except as otherwise required by law.

2.9. SECURITIES LAW.

All Associates are required to comply with the laws, regulations and the Code regarding the disclosure and use of material nonpublic information. Anyone who possesses material nonpublic information and who buys or sells stock or other equity securities of Kingsland or any other public Corporation, or "tips" another investor, may be liable for damages, civil and criminal penalties and may

also be subject to disciplinary action by Kingsland. In order to avoid violations of law and/or the Code, you should follow these specific guidelines:

2.9.1. **Insider Trading:** It is illegal to trade in securities based on inside information. Inside information is any information about Kingsland or another Corporation that has not reached the public and is likely to be considered important by investors in deciding whether to buy or sell publicly traded securities. Examples include news about Kingsland's financial results before it is formally released, planned actions regarding Kingsland stock and unannounced senior management changes. Inside information also includes nonpublic information about other companies that you receive in the course of your association with Kingsland.

2.9.2. Associates who have access to inside information hold special positions of trust and confidence and must not abuse this trust. Never trade in securities or other property based on inside information, or "tip" others who might make an investment decision based on this information. Trading under such circumstances is illegal, whether you trade for your own benefit or for the benefit of others. Do not take advantage of inside information when buying or selling Kingsland stock, options in Kingsland stock, or the stock of any supplier of Kingsland or one of its subsidiaries. This applies whether you act directly or through someone else, such as a family member. Stricter standards apply to Directors, Officers and certain other manager-level Associates. Contact the Officers or Regulatory Administrator of Kingsland if you have any doubts about the information you use to help make buying or selling decisions.

2.10. CORPORATION ASSETS.

2.10.1. During the course of employment or association with Kingsland, Associates are entrusted with numerous assets belonging to the Corporation. These assets include not only cash and financial assets, but also computers, telephones, supplies, inventory, and other equipment and technology belonging to Kingsland. These assets are intended for Corporation business use and you have a responsibility to protect these assets. Personal use is generally prohibited. Any act involving fraud, theft, embezzlement or misappropriation of Corporation assets is strictly prohibited. Corporation assets such as computers, email, and telephone systems may be monitored by the Corporation to promote quality control and confirm appropriate use.

2.10.2. If separated from the Corporation, you agree to return to Kingsland all Corporation property at the time of separation, including laptops, pagers, cell phones, Blackberry devices, and any other Corporation property.

2.10.3. Outdated, excess, or otherwise unneeded assets of Kingsland (e.g., supplies, fixtures, equipment, etc.) are the property of Kingsland and may not be disposed of without permission from management. Associates may not directly or indirectly purchase such assets unless for sale at a designated selling location.

2.10.4. Kingsland has a seven year document retention policy. Document retention applies not only to printed correspondence, but also to electronic correspondence. If you have any questions, please contact Kingsland's Finance Department.

2.11. WORKPLACE.

2.11.1. **Fair Employment practices and diversity:** Kingsland is fully committed to equal employment opportunity and compliance with the letter and spirit of the full range of fair employment practices and nondiscrimination laws, including all wage and hour laws. Kingsland prohibits any "off the clock" work, and strictly forbids conduct by Associates that may encourage the inaccurate recording of time. In addition, we believe that diversity is critical to our success. Kingsland seeks to hire, develop and retain the most talented individuals from a diverse candidate pool.

2.11.2. **Harassment:** Kingsland Associates have the right to work in an environment free from discrimination, harassment and intimidation, whether committed by or against an Associate, vendor or visitor. Harassment, whether based on a person's gender, sexual orientation, race, ethnicity, religion, national origin, citizenship, age, disability, socioeconomic status or marital status, is repugnant and completely inconsistent with Kingsland's commitment to provide a respectful, professional and dignified workplace. Discrimination in any area of association and employment, including hiring, advancement, compensation, discipline, and termination, will not be tolerated. Kingsland also prohibits any Associate from making any claim known by that Associate to be false.

2.11.3. **Safe and Healthy Workplace:** To meet our responsibilities to Associates and investors, Kingsland must maintain a healthy and productive workplace. Associates must report all safety concerns or accidents no matter how slight the problem. Violence or the threat of violence will not be tolerated, whether committed by or against an Associate, vendor or visitor. Misusing controlled substances or selling, manufacturing, distributing, possessing, using or being under the influence of alcohol or illegal substances on the job is absolutely prohibited.

2.12. REPORTING PROCEDURE.

2.12.1. Maintaining ethical standards is the responsibility and obligation of every Kingsland Associate. Early identification and resolution of conflict of interest and other ethical issues that may arise are critical to maintaining our commitments to our vendors, investors, to ourselves and our Associates. Kingsland Associates are expected to treat compliance with ethical standards as a critical element of their responsibilities. While this Code sets forth a wide range of practices and procedures, it cannot address every issue that may arise. If you are unsure of what to do in a situation, you should seek additional guidance and information before you act. If something seems unethical or improper, or if you have questions regarding the best course of action, you should promptly contact any Officer of the Corporation.

2.12.2. It is against Corporation policy to retaliate against any Associate who raises a concern in good faith and if requested and to the extent possible, every effort will be made to maintain confidentiality. All reported violations will be acted on appropriately. If your concern requires an investigation, the Corporation will respond promptly. If possible, you will be informed about the status of the investigation and the outcome of the matter. However, Kingsland has an obligation of confidentiality to all Associates, including those being investigated.