



Subject: Code of Conduct Policy

Policy Number: HR-C020

Effective Date: April 8, 2002

Revision Date: March 23, 2005

Page Number: 1 of 5

PURPOSE

All employees are expected to share in preserving and enhancing Collicutt Energy Services Ltd.'s image and reputation of integrity, credibility and honesty. Our continued growth and success is a reflection of everything we do, and to this end, we have established the following guidelines around Code of Conduct.

1.0 INTRODUCTION

This Code of Conduct Policy reaffirms the Company's basic philosophy with respect to business practices, conflicts of interest, use of the Company's assets, and compliance with antitrust and other laws, confidentiality, the Company's reputation and doing business with any government agencies.

All employees are expected to review this Policy annually, acknowledge its receipt and comply with its principles. This Policy, along with the other written policies issued by the Company from time to time, should be considered the basis on which each employee conducts the Company's business.

As a condition to employment, all new employees are asked to sign Exhibit A which states: "I have read the Collicutt Energy Services Ltd.'s Code of Conduct Policy and I understand that I am responsible for the policies as they apply to me. I am aware of the procedures for reporting violations of these policies."

Any employee, who knowingly or negligently violates this Policy or knowingly or negligently permits a subordinate to do so, will be subject to disciplinary action, including termination of employment.

POLICY STATEMENT

Collicutt Energy Services Ltd. expects all employees to maintain a level of personal conduct that will not reflect negatively on them or on the credential of the company. Employees whose conduct compromises the integrity of the Company may face disciplinary measures and the possibility of dismissal.

2.0 GUIDELINES

2.1 You And Your Job At Collicutt Energy Services Ltd.

i. Work Environment

Collicutt strives to provide all employees with a healthy, safe and productive work environment. This work environment extends beyond such physical conditions as well-swept floors or the absence of hazards in the workplace. The Collicutt Energy Services Ltd. work climate also must conform to all applicable laws which prohibit, discrimination and harassment based on race, color, religion, sex, sexual orientation, age, national origin, disability, veteran status or other factors that are unrelated to Collicutt's legitimate business objectives. Collicutt will not tolerate sexual advances, actions, comments or any other conduct in the workplace that creates, in the judgment of Collicutt management, an intimidating or otherwise offensive environment.

i. Work Environment (*continued*)

Other prohibited activities, because they are clearly are not conducive to a good work environment, are: (1) threats, (2) violent behaviour, (3) the possession of weapons of any type, and (4) the use, distribution, sale or possession of illegal drugs or any other controlled substance, except for approved medical purposes. In addition, employees should not be on the company premises or in the work environment if they are under the influence of or affected by such illegal drugs, controlled substances used for non-medical purposes, or alcohol. Employees who engage in any of these prohibited activities are subject to disciplinary action, including termination of employment.

ii. Employee Privacy

Collicutt Energy Services Ltd. collects or maintains personal information, which relate to your employment, including medical and benefit information. Access to such information is restricted to people with a need to know. Personal information is released outside of Collicutt or its agents only with written employee approval, except in response to appropriate investigatory or legal requirements. Employees who are responsible for maintaining personal information and those who are provided access to such information must ensure that the information is not disclosed in violation of Collicutt's policies or practices.

iii. Conflicts of Interest

Collicutt expects the undivided loyalty of its employees and requires every employee to avoid actual or potential conflicts of interest. Employees should be particularly sensitive to the many situations, on or off the job, where a conflict of interest or even a perception of such conflict could originate. Managers whose conduct will be followed by other employees should avoid even the appearance of impropriety. All relationships should be carefully scrutinized to ensure that employees exercise independent and impartial judgment to serve Collicutt's best interests.

No policy can substitute for individual responsibility and integrity or be so precise as to cover all areas and resolve all questions, however, every Collicutt employee is required to comply with the following rules and guidelines.

2.2 Outside Directorships and Business Affiliations

No employee may serve as a director, consultant, employee, partner, or in any other capacity with a competitor, supplier, or customer of Collicutt. This restriction applies to present or prospective suppliers or customers as well as other companies in the same chain of manufacturing, distribution, service or supply. An exception to the rule with regard to suppliers or customers may be made in limited instances upon prior disclosure of all relevant facts.

Employees may participate in business enterprises or other activities, which are unrelated to Collicutt's operations, provided that such activities do not interfere in any way with the employee's job performance.

2.3 Investments and Insider Trading

No employee should have a financial interest in, or be in debt to, a competitor, supplier, or customer of Collicutt, except as provided below. This Policy applies equally to all business enterprises throughout the chain of manufacturing, distribution, supply and service.

Employees are not restricted from investing in publicly traded securities of any corporation, even though such corporation may compete or engage in transactions with Collicutt. However, any such investment is prohibited if it is of a size or nature as may reasonably be expected to influence such employee's judgment in the exercise of his duties on behalf of Collicutt.

No employee shall trade in securities on the basis of insider information. Insider status is not limited to managers, officers or directors of the Company; the restrictions apply to all persons who acquire material information not generally available to the investing public. This may include employees or their families and friends. Any questions as to what constitutes insider information or insider trading should be directed to the Chief Financial Officer.

2.4 Personal Fees, Property and Commissions.

No employee may accept personal fees, property or commissions from outside parties in connection with any Company transaction. Unless expressly authorized by the Company, any gain derived by an employee from a source outside Collicutt as a result of his/her employment should be viewed as a Company asset and is not to be retained as a personal benefit to the employee.

The selection of real estate agents involved in any and all real estate transactions that are part of Collicutt assisted relocations is the responsibility of the Collicutt employee.

Employees, immediate family members and relatives of employees may not conduct real estate business including referral services for any current or newly hired employees relocated at Collicutt's expense. This includes services such as listing agents, buying agents and/or referral agents. Collicutt will not reimburse real estate sales commissions to immediate family members and/or relatives of relocated employees or those employees acting as their own listing agent.

2.5 Gifts and Entertainment

No employee shall accept gifts or entertainment from any person or firm having business dealing with Collicutt unless such gifts or entertainment are of nominal or have a token value of less than one hundred dollars. Furthermore, gifts or entertainment are not of token value if they are of a size, frequency or nature as to influence such employee's independent business judgment.

Generally permissible entertainment includes the actual cost of meals, beverages, green fees, and theatre or arena tickets where it is occasional and related to a legitimate business purpose. The use of condominiums, hunting lodges or similar personal accommodations or trips will not be considered permissible business entertainment unless prior approval of the appropriate manager is obtained in accordance with Paragraph 3.11.

2.6 Acceptance of Loans

Employees should strictly avoid any personal loan from third parties who have business dealings with the Company. This prohibition does not apply to personal loans from a recognized lending institution made in the ordinary course of business on usual and customary term.

2.7 Family Relationships

Activities or interest of a spouse, child or other close relative should be viewed in the same light as the employee's own activities or interests. Where a conflict or appearance of an impropriety arises, full disclosure should be made in accordance with Paragraph 3.11.

2.8 Opportunities Resulting From Employment

An employee's acquisition of any real estate, patent rights, securities or any other type of property in which the Company has or is likely to have an interest may create a conflict of interest. Any such contemplated acquisition should be disclosed in accordance with Paragraph 3.11.

2.9 Seminars and Meetings

Employees may incur expenses to attend internal, as well as external meetings, seminars and events if there is a business reason, and the appropriate manager approves. Collicutt will pay for travel related expenses pursuant to the Company's Business Travel policy.

2.10 Travel

All employees must travel in accordance with the Company's Business Travel policy and are encouraged to think like owners and minimize travel costs.

2.11 Spouse Travel

Collicutt reimbursed spouse travel should be limited to rare circumstances when strong social or business reasons require spouse attendance.

2.12 Procedures for Disclosure and Approval

Full disclosure is required of any gain, interest or activity, which is contrary or could be perceived to be contrary to this Policy. Whenever a question arises as to the application of this Policy, the employee should make all facts immediately known to his or her immediate manager. To the fullest extent possible, disclosures should be made and approval obtained before the fact.

The employee's immediate manager will submit the facts with comments through normal reporting channels to his or her respective Vice-President and/or Director who will consult with the President of the Company or his designee to determine the course of action, if any, to be taken.

3.0 USE OF COMPANY'S ASSETS

3.1 Bribes and Preferential Treatment

No bribes, kickbacks or other similar consideration shall be given to any person or organization in order to attract, obtain or retain business or for any reason whatsoever. In addition, no employee may make any payment, directly or indirectly, to any government official, except in the specific circumstances outlined under "Facilitating Payments and Fees", below or as otherwise provided by law.

Employees may not employ or use outside persons or entities in connection with the Company's business to circumvent this Policy (or any other Company policy).

3.2 Facilitating Payments and Fees

When conducting Collicutt company business in foreign countries, some local law may permit and custom may require that employees make small tips and payments to lower-level employees of foreign governments. However, such expenditures may be made only in nominal amounts and to expedite or secure the performance of routine governmental action. All such payments must be identified accurately on the Company's records and properly treated for tax purposes.

3.3 Proper Accounting and Reporting

A system of internal accounting controls is maintained to provide reasonable assurance that transactions are executed and recorded in accordance with management's authorization. All employees are required to adhere to control policies outlined in internal policies and control documents. Employees should be particularly sensitive to the potential for fraudulent financial reporting, especially as it relates to the reporting of results for incentive compensation.

Dishonest reporting of information to organizations and people outside the Company is also strictly prohibited. It can lead to civil or even criminal liability for you and Collicutt Energy Services Ltd. This includes not only reporting information inaccurately, but also organizing it in a way that is intended to mislead or misinform those who receive it. Employees must also ensure that they do not make false or misleading statements in external financial reports, environmental monitoring reports or other documents submitted to or maintained for government agencies, or status reports on contracts, particularly in situations where Collicutt is selling goods or providing services to government agencies.

3.4 Business Entertainment

In appropriate circumstances, employees may entertain, at Company expense, individuals representing firms with which the Company has a business relationship. The entertainment should be reasonable and in accordance with generally accepted practices.

Reimbursement of any expenses of non-employees for travel and hotel accommodations shall only be made if the responsible Vice-President or Manager pre-approves the nature and the extent of the activity. Expense reimbursement for business entertainment will be subject to established expense approval procedures.

The entertainment of public officials should also be conducted in a reasonable manner in accordance with generally accepted business practices. Entertainment of such individuals should never be on a scale that might compromise or give the impression of compromising the integrity of such officials or the Company. The above statements notwithstanding, employees may not entertain or give anything of value to employees of a government agency with which the Company does business or seeks to do business.

4.0 CODE OF PERSONAL CONDUCT

Employees are expected to:

- Refrain from criticizing the competition, customers or customer equipment
- Treat fellow employees in a fair and respectful manner
- Display a caring attitude and a sense of responsibility
- Show concern and respect for other people's property
- Be sincere and realistic in making promises to customers
- Take pride in providing a high quality of work
- Be honest, trustworthy, reliable and dependable in all workplace dealings with customers, suppliers, fellow employees and the Company.

Acceptance of Favours; Due to the possible perception of unfair competitive advantages that could arise, employees should refrain from approaching customers or other business associates for gifts, services or donations for company functions.

The consumption or possession of alcohol on business premises by employees, other than Company approved social functions, will be grounds for disciplinary action, including termination of employment.

The consumption or possession of illegal drugs shall be grounds for disciplinary action, including termination.

Whenever it appears that an employee may have committed a criminal offence, the matter must be reported immediately to the Supervisor. As a general rule, it will be the Policy of the Company to prosecute any and all violators to the fullest extent of the law. Examples of commission of a criminal offence includes but is not necessarily limited to fraud, theft, misappropriation of funds, bribery, receipt of secret commissions, embezzlement, conspiracy

In order to avoid conflict and misunderstandings, salaries should not be discussed among co-workers. Confidentiality in these matters is a company policy that is strictly adhered to.

All formal communication within the company should be business related and on a professional basis. This includes written letters, e-mail communication, postings on bulletin boards, etc. Specifically, examples of improper use of e-mail are: circulation of jokes, personal messages, etc. This could cause viruses to infect our system, which can be extremely costly to the organization and detrimental to customer relations

When you are off duty and attending a Company and/or Client hosted function or visiting a work site, employees are expected to behave in a manner appropriate to the circumstances. Actions, which may adversely affect staff or clients, are cause for disciplinary action.

Conduct that is contrary to the ethical standards of any profession or discipline and/or involves dishonesty will be dealt with by disciplinary action, up to and including termination.

Submitted by _____ Date _____

Approved by _____ Date _____