



Sunny Hill Energy Limited
Business Ethics Policy
("the Policy")

Sunny Hill Energy Limited ("the Company") and its subsidiary undertakings in the Petroceltic Group of Companies ("the Group ") is committed to conducting its business in a transparent and ethical manner across all of its areas of operations and demands the highest standards of integrity in the conduct of its business affairs.

The Company aims to ensure that all of its business activities are conducted fairly and honestly and that every person connected with the Group has individual responsibility for maintaining an ethical workplace. Consistent with this philosophy, the Company strictly adheres to anti-bribery and anti-corruption principles under which the Group:-

- does not tolerate the solicitation or payment of bribes in any form or for any purpose;
- will seek to avoid being placed in situations where its judgement (and that of its workforce) might be influenced or appear to be influenced by improper considerations;
- does not make nor approve the payment of facilitation payments;
- requires all dealings with public officials to be conducted in an ethical and transparent manner;
- requires that the receipt or provision of gifts and hospitality is regulated by clear ethical guidelines; and
- maintains procedures to support the efficient operation and implementation of its business ethics policies.

Neither the Company nor any member of the Group will tolerate bribery or corruption in relation to its business, anywhere or in any form and we will comply with the anti-bribery and anti-corruption laws in all of the countries in which we operate.

Angelo Moskov
Chairman, Sunny Hill Energy Limited
Petroceltic Group

1. Application of this Policy

All directors, officers, employees, workers, secondees, consultants and contractors of the Group (comprising the Company and all of its subsidiaries) wherever in the world they may be located are required to comply with this Policy.

The Company's General Counsel, Peter G Wilson (contact details in paragraph 13 below), is the person who has overall supervision of the application of this Policy.

The Company regards failure to comply with this Policy as a serious matter constituting gross misconduct or grounds to terminate a business relationship and we will take appropriate measures against any person found to have breached this Policy.

2. Training and self-certification

All Group employees are required to undertake regular training on issues relating to anti-bribery and corruption.

Employees will also be required to make a declaration in writing on a regular basis that they have not breached this Policy. The giving of a false declaration will be regarded as a serious matter constituting gross misconduct.

3. Bribery

Bribery means offering a financial or other advantage as an inducement or reward for the improper performance by another person of their duties, functions or activities.

The Company does not tolerate the offering or acceptance of bribes, whether directly or indirectly.

Cultural and legal differences mean that what may be legally or ethically acceptable in one country may be illegal or unethical in another. Do not make any assumptions about whether particular conduct is proper or not. If you:

- suspect that bribery may have occurred or be occurring in relation to the Company's business;
- feel under pressure to engage in conduct that may amount to bribery (including when faced with blackmail or extortion); or
- are concerned about the conduct of someone else in relation to the Company's business;

please contact the General Counsel.

4. Facilitation payments

Facilitation payments (or "kickbacks") are payments, often of small amounts, made to public officials to perform or speed up a routine process, for example issuing permits or releasing goods held in customs.

The Company does not permit the making of facilitation payments of any kind, however small.

The Company is also committed to ensuring that none of its intermediaries or suppliers makes facilitation payments in relation to the Group's business. The only exception envisaged to this Policy is in exceptional cases where a payment has to be made to protect against loss of life or liberty.

In some countries, facilitation payments are a common, almost routine, part of doing business. However, as far as the Company is concerned, the fact that such payments may be expected or common practice in certain parts of the world does not mean that they are a permitted or acceptable way of doing business.

If you know or suspect that facilitation payments are being made or being received in relation to the Group's business, you should report the matter immediately to the General Counsel. Similarly, any requests for a facilitation payment, even if not paid, should be reported to the General Counsel.

If you are asked for a payment that you believe to be unwarranted, you should do the following:

- question the official as to the legitimacy of the demand and record the response;
- request receipts and identification details of the official making the demand;
- request a consultation with the official's superiors;
- not make payments in cash and directly to an official;
- inform those demanding payment that compliance with the demand may result in an offence under UK criminal law (for you, the company and the official);
- inform those demanding payment that it will be necessary for you to inform the Company and the UK embassy (or equivalent) and suitable national authorities of the demand; and
- inform the General Counsel.

5. Dealings with public officials

Public officials include elected office-holders, officials of national, regional and local governments, government/public agencies/enterprises (including state owned companies), the Police and other law enforcement agencies, judges and other court officials, and also individuals who work for international organisations such as the United Nations, the European Union, the International Monetary Fund and the World Bank.

The Company requires the highest standards of transparency and ethical conduct in relation to dealings with public officials.

Offering bribes to public officials, whether directly or indirectly, is absolutely prohibited and is a criminal offence in the UK and in most other countries.

Local laws and regulations may apply to certain interaction with public officials in particular countries and you should consult in advance with the General Counsel or obtain written advice from local external counsel approved by the General Counsel before engaging in any conduct that could be perceived as improper. In addition, there may be occasions where it is appropriate to offer a gift to a public official in accordance with local custom. Such gifts will generally be permitted so long as they are proportionate, reasonable and given in good faith.

6. Dealings with agents and intermediaries

The Company may be found liable for bribery offences committed by third parties (such as consultants, agents, intermediaries, business partners) who perform services on behalf of, or in conjunction with, the Company. It is critical that the Company is comfortable that its business partners share the Company's commitment to transparent and ethical business dealings and manage their own relationships accordingly.

The Company will not permit its agents, consultants, intermediaries, or business partners to offer or accept bribes, make facilitation payments or engage in any other unethical or corrupt activity on the Company's behalf.

Any concerns about corrupt practices involving business partners should be reported to the General Counsel.

Agents/Intermediaries

Before doing business with any agent or intermediary you must, as appropriate:

- carry out appropriate anti-bribery and corruption background due diligence checks on them;
- carry out appropriate checks on their identity; and
- be satisfied that engaging with them does not involve any conflict of interest or potential reputational damage.

The Company does not permit its agents or intermediaries to offer or accept bribes, make facilitation payments or engage in any other unethical or corrupt activity on the Company's behalf.

The Company has put in place the procedures to assist with the above. Specifically, and as appropriate, prior to the appointment of an agent/intermediary:

- an internal checklist requires to be completed;
- the proposed agent/intermediary is required to complete a due diligence questionnaire and/or training programme; and
- the appointment of the agent/intermediary is approved by the appropriate level of senior management.

Please contact the General Counsel for further details prior to doing business with/engaging an agent or intermediary.

Business Partners

Appropriate due diligence is also required before entering into other forms of business relationships (e.g. joint ventures or other forms of more informal collaboration).

Prior to entering into such a business relationship, as appropriate:

- an internal checklist requires to be completed;
- the third party should complete a due diligence questionnaire and/or training programme; and
- the business relationship is approved by the appropriate level of Senior Management.

Please contact the General Counsel, for further details prior to doing business with/engaging an agent or intermediary.

You must report any concerns about corrupt practices involving agents or intermediaries to the General Counsel.

7. Conflicts of Interest

All persons who are required to comply with this policy must strive to avoid any actual or perceived conflict of interest between the interests of the Company on the one hand, and personal, professional, and business interests on the other. This includes avoiding actual conflicts of interest as well as the perception of conflicts of interest and may, for example, include a personal relationship with a supplier or business partner.

If you are aware of, or become aware of, any conflict of interest, whether perceived or otherwise, this should immediately be reported to the General Counsel setting out full details of this. The senior management will then assess whether it is appropriate to continue to transact with the party in question. In the meantime, one should not continue any dialogue with the connected party until clearance, or otherwise, is provided by senior management. The written disclosure will be kept in an appropriate register. If in doubt the potential conflict must be declared anyway and clarification sought.

8. Gifts and hospitality

Hospitality and gifts, which are proportionate and reasonable in nature, given and accepted in good faith can be an acceptable part of business and social interaction in many countries.

However, they can also lead to or become part of unethical or corrupt practices and therefore you need to be aware of and to act in accordance with this Policy when offering or accepting gifts or hospitality.

By way of general guidance, gifts and hospitality should reflect a desire to foster good relations and show appreciation, seek to improve the Company's image as a commercial organisation, to better present its products or services, or to establish cordial relations.

Gifts and hospitality:

- should not be lavish or extraordinary;
- must be recorded and accounted for in a transparent way;
- should not be used where they could be perceived as seeking to influence business decision-making improperly;
- should not be offered or accepted as a reward for a transaction or business dealing.

You must seek approval from a Board member, the Group CFO or the General Counsel, prior to offering or accepting gifts or hospitality to or from **any** public official. The provision of hospitality for public officials should also be cleared with the relevant public body so that it is clear who and what the hospitality is for (or the official in questions confirms he/she has had such approval.)

Gifts

You may not offer or receive a gift, or gifts that are cumulatively, of value in excess of:

UK	£200
Ireland/Europe	€250
Rest of World	US\$300 or equivalent

without the authorisation of a Board member, the Group CFO or the General Counsel and in any event, all gifts and hospitality must be properly recorded in the gifts and hospitality register which is maintained by the General Counsel. You must also inform the General Counsel where, cumulatively, you have received or propose to offer gifts above the prescribed thresholds.

The giving or receiving of the following is always prohibited:

- gifts in the form of cash, vouchers or cash equivalents;
- gifts of shares or stock of any kind;
- gifts of personal services;
- gifts of excessive value;
- gifts that create or imply an obligation;
- gifts that constitute a personal gain from a business transaction; and
- loans.

Hospitality

Routine hospitality in good faith is acceptable and need not be registered nor cleared in advance. However, accepting or offering hospitality is not permitted where:

- it is lavish, excessive, or excessively frequent;
- it involves activities that may be offensive in some cultures or to some participants; or
- its purpose is to create or imply an obligation.

All hospitality given or received which is not considered to be routine must be pre-authorised by a Board member, the Group CFO or the General Counsel and properly recorded in a hospitality register which is maintained by the General Counsel.

9. Per diem and similar expenses

Paying the expenses of a public official to attend a meeting or visit a location can be considered similar to making a facilitation payment or a bribe.

It is prohibited unless the local law of the country in which the public official works expressly allows it.

Even if local laws permit it, payment of per diem and similar expenses can create the wrong impression about the way we do business and before agreeing to pay any such expenses you should consult senior management and, if necessary, take legal advice from local external counsel approved by the General Counsel.

10. Charitable donations and community benefits

The Company sometimes makes charitable donations to appropriate causes or provides other community benefits as part of its corporate social responsibility programme.

However, there can be occasions when charitable donations or the provision of community benefits are used as an improper cover for political payments or corruption. Moreover, there may be occasions when an official requests a charitable donation or the provision of another type of benefit, which is not permitted under local written law and which, therefore, may constitute bribery. Accordingly, the Company has controls in place to ensure that its funds or resources are not used improperly.

11. Political donations and activity

Activity

The Company does not engage directly in political activity.

The Company may engage in political debates or lobbying in relation to subjects that affect our business. However, no individual should do so on behalf of the Company without the permission of Senior Management.

Donations

The following are not permitted without the prior written approval of the Board:

- payments or donations to or at the request of political parties, political candidates or organisations engaged in a political campaign, purposes or causes; and
- use of Company assets or resources for political campaigns, purposes or causes.

Personal political activity

The Company respects your right to be involved in political activity and to donate money to political parties or causes on a personal basis.

However, if your personal activities could lead to a conflict of interest with the Company's business, you should inform Senior Management.

12. Sponsorship

From time to time the Company may provide sponsorship.

However, there can be occasions when sponsorship is used to conceal a financial or other advantage that would be regarded as a bribe and therefore constitute an offence under anti-bribery law. This could be the case, for instance, where the sponsorship is seen as a reward or payment to a person to bring about or reward improper performance of a public function. For example, it may not be appropriate to sponsor an event if one is aware of an on-going or upcoming tender process that the Company is involved in.

One may not commit the Company to providing sponsorship without the prior written approval of the appropriate level of Senior Management.

All sponsorship must be properly recorded in a register maintained by the General Counsel.

13. Reporting improper conduct – whistleblowing

Genuine concerns or suspicions about improper conduct should be reported in the first instance to the General Counsel on the following contact details:

Peter G Wilson
General Counsel
Petroceltic Holdings Limited
2nd Floor, Portland House
Bressenden Place
London
SW1E 5RS

Tel: +44 (0)20 7 925 8400 (switchboard) +44 (0)20 7 925 8407 (direct)

Email: peter.wilson@sunnyhillenergy.com

All reports will be treated in confidence.

Only in very unusual circumstances will it be appropriate to make a disclosure to a third party before disclosing it to someone in the Company. It will never be appropriate to make a disclosure to the media before going through one of the above channels.

The Company will not subject anyone who makes a disclosure in good faith to any unfavourable treatment as a result of their disclosure and/or permit retaliation against or victimisation of any such person.

For further details on how to make a report, see the Company's Whistleblowing Policy