

DISCLOSURE POLICY AND PROCEDURES

Adopted by the Board of Directors on November 12, 2009

I. GENERAL

1. Objective And Scope

The objective of the Disclosure Policy and Procedures (the “**Disclosure Policy**”) is to:

- provide a single set of rules and procedures by which the employees of Serinus Energy Inc. (the “**Corporation**”) can assist the Corporation in providing timely, fair and accurate public disclosure of all Material Information in accordance with applicable legal and regulatory requirements in order to keep the shareholders of the Corporation and the investing public appropriately informed about the affairs of the Corporation and the business and affairs of those entities in which the Corporation invests;
- assist the Chief Executive Officer and the Chief Financial Officer in providing their annual and interim disclosure control certifications required under National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (“**NI 52-109**”);
- assist the Corporation and its directors, officers and influential persons to establish a reasonable investigation defence against potential liability for:
 - o misrepresentations contained in the Corporation’s public disclosure; or
 - o for failure to make timely disclosure of a Material Change; and
- avoid improper conduct, or the appearance of improper conduct, on the part of anyone employed or associated with the Corporation with respect to the foregoing matters.

This Disclosure Policy confirms in writing the Corporation’s existing disclosure policies and practices and provides guidelines concerning electronic communications.

2. Approval of Disclosure Policy

The Board of Directors of the Corporation (the “**Board**”) has approved this Disclosure Policy. The Disclosure Committee will review and update, if necessary, this Disclosure Policy on an annual basis or as needed to ensure compliance with changing regulatory requirements and will report to the Board on an annual basis. Any amendments to this Disclosure Policy require approval of the Board.



3. Application

This Disclosure Policy extends to all directors, officers and employees of the Corporation and those authorized to speak on its behalf. It covers all disclosure, including disclosure made in documents filed with the securities regulators, written statements made in the Corporation's annual and quarterly reports, news releases, letters to shareholders, presentations by senior management, Material Information contained on the Corporation's website and other electronic communications and any other communication, the content of which would reasonably be expected to affect the market value or price of any security of the Corporation. It extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media, as well as speeches, press conferences and conference calls.

4. Consequence of Non-Compliance

Failure to comply with this Disclosure Policy may result in severe consequences, which could include civil and criminal penalties, and internal disciplinary action or termination of employment.

II. KEY DEFINITIONS

For the purposes of this Disclosure Policy, the following words shall have the following respective meanings:

"ASC" means the Alberta Securities Commission;

"Core Document" means a prospectus, a take-over bid circular (or notice of change or variation in respect thereof), an issuer bid circular, a directors' circular, a rights offering circular, management's discussion and analysis, an annual information form, an information circular, annual financial statements, interim financial statements, a Material Change report of the Corporation and such other Documents as may be prescribed by regulation for the purposes of the definition of "core document" under applicable securities law;

"Disclosure Committee" means the disclosure committee of the Corporation;

"Document" means any written communication, including a communication prepared and transmitted only in electronic form:

- (a) that is required to be filed with a securities regulator, including the ASC or OSC; or
- (b) that is not required to be filed with a securities regulator, including the ASC or OSC, and:
 - (i) that is filed with a securities regulator, including the ASC or OSC;



- (ii) that is filed or required to be filed with a government or an agency of a government under applicable securities or corporate law or with any stock exchange or quotation and trade reporting system under its by-laws, rules or regulations; or
- (iii) that is any other communication the content of which would reasonably be expected to affect the market price or value of the Corporation's securities,

and, for greater certainty, includes all Core Documents;

“forward-looking information” means disclosure regarding possible events, conditions or results of operations of the Corporation that is based on assumptions about future economic conditions and courses of action and includes future oriented financial information with respect to the Corporation's prospective results of operations, financial position or cash flows that is presented either as a forecast or a projection;

“influential person” means a control person, promoter or insider of the Corporation, other than an officer of the Corporation;

“insider” has the meaning ascribed thereto in the *Securities Act* (Alberta);

“Investor Relations Material” includes the Corporation's annual and interim reports, proxy circulars, annual information forms, material change reports, news releases, committee charters, mandates and terms of reference, presentations and fact sheets;

“Material Change” means (i) a change in the business, operations or capital of the Corporation that would reasonably be expected to have a significant effect on the market price or value of a security of the Corporation; or (ii) a decision to implement a change referred to in (i) above made by the Board or by senior management of the Corporation who believe that confirmation of the decision by the Board is probable;

“Material Fact” means a fact that would reasonably be expected to have a significant effect on the market price or value of the securities of the Corporation;

“Material Information” means any Material Fact or Material Change;

“misrepresentation” means:

- (a) an untrue statement of a Material Fact; or
- (b) an omission to state a Material Fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made;



“**non-public**” means Material Information that has not been disseminated in a manner making it available to investors generally;

“**OSC**” means the Ontario Securities Commission;

“**Public Oral Statement**” means an oral statement made in circumstances in which a reasonable person would believe that information contained in the statement will become generally disclosed; and

“**Shares**” means the common shares in the capital of the Corporation.

With respect to the definition of Material Information, excerpts from National Policy 51-201 *Disclosure Standards* are attached as Schedule “A” and provide helpful guidance on what constitutes Material Information.

III. DISCLOSURE COMMITTEE

1. General

The Board has established the Disclosure Committee, which is responsible for overseeing the Corporation’s compliance with regulatory disclosure requirements and for the Corporation’s disclosure practices and procedures.

2. Membership

The Disclosure Committee shall consist of the Vice-Chair of the Board, who shall be the Chair of the Disclosure Committee, the Chief Executive Officer, the Vice President Exploration, the Chief Financial Officer, and any such other officer(s) of the Corporation that may be appointed from time to time by the Vice Chairman of the Board to serve on the Disclosure Committee.

The Chair of the Disclosure Committee may invite individuals who are not members of the Disclosure Committee to attend its meetings, including, without limitation, external professional advisers to the Corporation (e.g., legal counsel and external auditors).

3. Responsibilities

The Disclosure Committee’s responsibilities include:

- (a) reviewing this Disclosure Policy at least annually with a view to updating this Disclosure Policy, as necessary, to take account of new developments and standards of practice relating to the disclosure of Material Information and, on an annual basis, reporting the results of such review(s) to the Board;



- (b) monitoring and evaluating the effectiveness of, and compliance with, this Disclosure Policy;
- (c) identifying appropriate industry and company benchmarks for a preliminary assessment of materiality and deciding on the timing of public release of Material Information;
- (d) educating all directors, officers, employees and insiders of the Corporation about this Disclosure Policy;
- (e) reviewing and supervising the preparation of the Corporation's:
 - (i) Core Documents
 - (ii) Documents containing financial information, earnings guidance, information about material acquisitions or dispositions or other Material Information; and
 - (iii) Public Oral Statements that may contain previously non-public Material Information, including conference presentations and fact sheets used by the Corporation's designated spokespersons;
- (f) considering and approving appropriate measures to be taken at all speaking engagements;
- (g) monitoring disclosure of Material Information contained on the Corporation's website and ensuring all documents filed on SEDAR and Investor Relations Materials are on the website;
- (h) maintaining records respecting disclosure determinations and practices;
- (i) meeting as needed, but at least quarterly, to discuss drafting and review responsibilities for Core Documents and to identify any areas of particular risk and sensitivity that require special care;
- (j) ensure that the Board is promptly and fully informed of potential disclosure issues facing the Corporation as they may arise from time to time;
- (k) monitoring and overseeing the annual review of the Corporation's disclosure controls and procedures, and internal controls and procedures for financial reporting as necessitated by applicable securities laws including NI 52-109 or any successor instrument, reporting to the Audit Committee and the Board on the results of such review and acting upon any recommendations arising from such review; and



- (l) considering any such other matters, and taking any such other actions, in relation to the Corporation's disclosure controls and procedures, as the Disclosure Committee may, in its discretion, determine to be advisable to ensure (a) Material Information is disclosed in accordance with this Disclosure Policy and applicable securities laws, and (b) compliance with this Disclosure Policy by all, directors, officers, employees and insiders of the Corporation.

It is essential that the Disclosure Committee be kept fully apprised of all pending and potentially material developments in order to be able to determine whether such developments constitute Material Information and, if so, the timing of the public disclosure of such Material Information. If it is determined that the Material Information should and may remain confidential, the Disclosure Committee will determine how the confidentiality of that Material Information will be maintained.

All written public disclosures shall be circulated for review to all members of the Disclosure Committee and approved by one or more members of the Disclosure Committee.

The Disclosure Committee will encourage open communication among its members and the Corporation's auditors and management. To assist in carrying out its responsibilities, the Disclosure Committee shall have full access to all of the Corporation's books, records, facilities and personnel, including its auditors.

4. Assumption and Delegation

With the approval of the Chair of the Disclosure Committee, any member of the Disclosure Committee may designate another member of senior management of the Corporation to assume the member's role on the Disclosure Committee on a temporary basis.

In cases where it is not practical to call a meeting of the Disclosure Committee owing to time constraints and Disclosure Committee member availability, and in the event Material Information does not involve a Core Document, any two members of the Disclosure Committee consisting of the Chair and one other member shall have the authority on behalf of the Disclosure Committee to make determinations relating to the disclosure of Material Information. In such circumstances, the foregoing disclosure matter will be presented at the next regularly scheduled meeting of the Disclosure Committee along with the rationale that caused this authority to be exercised.

The Disclosure Committee may also designate two or more officers of the Corporation, at least one of whom shall be knowledgeable about the disclosure requirements applicable to the Corporation as a reporting issuer under applicable securities legislation (including the rules and regulations of any stock exchange or quotation and trade reporting system upon which the



Shares are listed and posted for trading) and at least one of whom shall be knowledgeable about financial reporting, who can, acting together, review and approve the disclosure contained in any Documents, press releases or any Public Oral Statements.

IV. DESIGNATED SPOKESPERSONS

The Corporation has designated the following spokespersons responsible for communication with the investment community, regulators or the media:

- the Chief Executive Officer;
- the Vice Chairman; and
- the Chief Financial Officer.

With the approval of the Chair of the Disclosure Committee, the individuals listed may, from time to time, designate others within the Corporation to speak on behalf of the Corporation as back-ups or to respond to specific inquiries.

No other persons are authorized to communicate on behalf of the Corporation in respect of matters that could involve the disclosure of Material Information, unless trained and specifically designated by the Disclosure Committee.

Employees and directors who are not authorized spokespersons must not respond under any circumstances to inquiries from the investment community, the media or others, unless specifically asked to do so by an authorized spokesperson. All such inquiries shall be referred to one of the designated spokespersons.

V. PRINCIPLES OF DISCLOSURE OF MATERIAL INFORMATION

1. Disclosure Principles

In complying with the requirement to disclose forthwith all Material Information under applicable laws and stock exchange rules, the following basic disclosure principles shall be adhered to:

- (a) All Material Information will be publicly disclosed by the Corporation by news release in a timely manner and in accordance with this Disclosure Policy and applicable securities laws, except in the limited circumstances permitted by this Disclosure Policy and such laws.
- (b) If the Disclosure Committee determines that the public disclosure of certain non-public Material Information would be unduly detrimental to the Corporation (for example, the



release of the Material Information would prejudice negotiations in a major corporate transaction), such non-public Material Information may be kept confidential, to the extent permitted by law, until the Disclosure Committee determines it is necessary or appropriate to publicly disclose such Material Information. In circumstances where the Disclosure Committee has determined that disclosure of non-public Material Information would be unduly detrimental to the Corporation, the Disclosure Committee will cause, if necessary, a confidential material change report to be filed with the applicable securities regulators, and will periodically (at least every 10 days) review its decision to keep such Material Information confidential and notify the applicable securities regulators of the same.

- (c) Disclosure of the financial results of the Corporation will be publicly released as soon as possible after all requisite approvals have been obtained, including the approval of the Audit Committee and the Board, as necessary. If possible, news releases containing such financial results will be filed concurrently with the filing of the financial statements, management's discussion and analysis accompanying such financial statements and other related documents on SEDAR.
- (d) Disclosure must include any information, the omission of which would make the rest of the disclosure misleading, and must provide sufficient detail to permit investors to appreciate the substance and importance of the information.
- (e) Unfavourable Material Information must be disclosed as promptly and completely as favourable Material Information.
- (f) There will be no selective disclosure. Non-public Material Information must be disclosed in full and not in part and must not be disclosed to selected individuals (for example, in an investor meeting or during a telephone conversation with an analyst). If previously non-public Material Information is inadvertently disclosed, a member of the Disclosure Committee should be contacted immediately in order to develop and implement a plan to make prompt public disclosure of such Material Information by news release or other appropriate means.
- (g) Disclosure will be consistent among all audiences, including the investment community, the media, customers and employees.
- (h) Disclosure on the Corporation's website alone does not constitute adequate disclosure of non-public Material Information.
- (i) Disclosure will be publicly corrected immediately if the Corporation subsequently learns that any Document or Public Oral Statement contained a misrepresentation.



- (j) If Material Information that is not in the public domain is to be announced at an analyst or shareholder meeting or a news conference, its announcement must be co-ordinated with a general public announcement by news release.
- (k) Derivative information (which is information extracted from a document filed on behalf of another person or company) that is included in a Document or Public Oral Statement should include a reference identifying the document that was the source of the information.

2. Forward-Looking Information

The Corporation may provide forward-looking information in compliance with applicable securities law requirements, provided that the Corporation has a reasonable basis for the forward-looking information.

The Corporation must not disclose FOFI (as defined in National Instrument 51-102 *Continuous Disclosure Obligations* (“NI 51-102”)) or a financial outlook (as defined in NI 51-102) unless they are based on assumptions that are reasonable in the circumstances and:

- (a) are limited to a period for which the information in the FOFI or financial outlook can be reasonably estimated; and
- (b) use the accounting policies the Corporation expects to use to prepare its historical financial statements for the period covered by the FOFI or the financial outlook.

Any Document of the Corporation containing forward-looking information must, in reference to NI 51-102 and the Companion Policy thereto, include disclosure that:

- (a) identifies forward-looking information as such;
- (b) cautions users of forward-looking information that actual results may vary from the forward-looking information and identifies material risk factors that could cause actual results to differ materially from the forward-looking information;
- (c) states the material factors or assumptions used to develop forward-looking information; and
- (d) describes the Corporation’s policy for updating forward-looking information;

and in the case of the disclosure of FOFI or a financial outlook, the Corporation must also include disclosure that:



- (a) states the date management approved the FOFI or financial outlook, if the Document containing the FOFI or a financial outlook is undated; and
- (b) explains the purpose of the FOFI or financial outlook and cautions readers that the information may not be appropriate for other purposes.

If forward-looking information is contained in any Public Oral Statement made on behalf of the Corporation, the individual making the Public Oral Statement on behalf of the Corporation must:

- (a) make a cautionary statement that the Public Oral Statement contains forward-looking information;
- (b) state that:
 - (i) the actual results could differ materially from a conclusion, forecast or projection in the forward-looking information, and
 - (ii) certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information; and
- (c) state that additional information about:
 - (i) the material factors that could cause actual results to differ materially from the conclusion, forecast or projection in the forward-looking information, and
 - (ii) the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information, is contained in a Document that has been filed with the applicable securities regulators or in a portion of such a Document and has identified that Document or that portion of the Document.

The forward-looking information must also be accompanied by a statement that disclaims any intention or obligation of the Corporation to update or revise the forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Once disclosed, the Corporation's practice for updating forward-looking information will be to regularly assess whether previous statements of forward-looking information should be replaced by new financial outlooks, and ensure that past disclosure of forward-looking information is accurately reflected in current management's discussion and analysis. In addition, under certain circumstances, applicable securities legislation may require that the Corporation update forward-looking information previously provided.



VI. PROCEDURES FOR DISCLOSURE

1. Role of the Disclosure Committee

The Disclosure Committee is responsible for reviewing and supervising the preparation and approval of the Corporation's:

- (a) Core Documents;
- (b) Documents and Investor Relations Material and other Material Information; and
- (c) Public Oral Statements that may contain non-public Material Information, including conferences and other public speaking engagements.

Accordingly, prior to the filing of any Document, the issuance of any news release, commitment to any conference or public speaking engagement, or the broad dissemination of Material Information to shareholders of the Corporation, whether in writing or by way of a Public Oral Statement, the Disclosure Committee shall review the proposed disclosure and approve such filing or issuance.

Subject to the terms of this Disclosure Policy, no person may file any Document, issue any news release or broadly disseminate any Material Information, including to a shareholder of the Corporation or potential shareholder of the Corporation, whether in writing or by way of a Public Oral Statement, until it has been approved by the Disclosure Committee and all other approvals required by the Disclosure Policy or applicable law have been obtained, including, for greater certainty, the approval of the Audit Committee and the Board, as applicable.

The Disclosure Committee will ensure that all directors, officers and employees and all new directors, officers and employees are provided with a copy of this Disclosure Policy and are educated about its importance. The Disclosure Committee will be responsible for coordinating the distribution of this Disclosure Policy to the foregoing individuals on an annual basis and whenever changes are made to its content.

2. Role of Disclosure Committee Designate

All issuances of any news releases containing Material Information will be managed by an officer of the Corporation designated by the Disclosure Committee. Such officer will ensure that the Disclosure Committee, the Board or the Audit Committee, as applicable, reviews and



approves all proposed releases of Material Information in order to ensure that the Corporation's disclosure is in compliance with applicable securities laws, stock exchange requirements and this Disclosure Policy.

3. Role of the Board

No news release with respect to Core Documents, other than Material Change reports, may be issued by the Corporation unless it has been approved in advance by the Audit Committee and/or the Board, as appropriate. Particularly, the annual and quarterly financial results of the Corporation (including the annual and interim financial statements of the Corporation and the notes and management's discussion and analysis accompanying any such financial statements) must be approved by the Board prior to any release thereof.

4. Role of the Audit Committee

The Audit Committee will review with the external auditors and management and recommend to the Board for approval the audited annual financial statements of the Corporation, the notes and management's discussion and analysis accompanying any such financial statements, the Corporation's annual report and any financial information of the Corporation contained in any prospectus or information circular of the Corporation. The Audit Committee will review and authorize the release of the interim financial statements and the notes and management's discussion and analysis accompanying such financial statements and, prior to their dissemination to the public, approve any annual or interim earnings releases containing information based on the Corporation's financial statements which is disseminated prior to the release of such financial statements. The Audit Committee must also review and approve all earnings guidance and financial information forecasts prior to their release, including financial outlooks and FOFI.

For more information on the role of the Audit Committee in the disclosure of financial information, including the Audit Committee's additional obligations, please refer to the Terms of Reference of the Audit Committee.

5. Role of Other Committees of the Board

The other committees of the Board shall be responsible for reviewing such Documents and information as set out in the policies, mandates and terms of reference applicable to such committees.

6. Role of Persons Authorized to Review Disclosure

Each individual within the Corporation who is involved in the review of the public disclosure of Material Information by the Corporation, whether as a member of the Disclosure Committee, the



Board, the Audit Committee or otherwise, is responsible for ensuring that the disclosure under review is complete and accurate. This responsibility is of paramount importance to the Corporation and such individuals are expected to devote such amount of time and attention to this role as is necessary to ensure that all public disclosure of Material Information made by the Corporation is correct and accurate. If any individual within the Corporation who is involved in the review of the form of public disclosure of Material Information by the Corporation becomes aware of any information that may constitute non-public Material Information or a misrepresentation in such disclosure, such individual shall immediately present the information to the Chair of the Disclosure Committee, or to a member of the Disclosure Committee, for review. Thereafter, such member of the Disclosure Committee shall inform the Board promptly.

7. Role of All Employees of the Corporation

Each individual who is responsible for a division or unit within the Corporation must encourage all employees under their direct supervision to report any issues which may at the time or in the future be construed as Material Information to a member of management, who in turn shall report the same to a member of the Disclosure Committee, in order to assist the Corporation in making timely, complete and accurate disclosure of all Material Information. Such individuals should promote an environment of communication in order to achieve these objectives.

VII. SPECIFIC CONSIDERATIONS

1. News Releases

Once the Disclosure Committee determines that a development constitutes Material Information, it will authorize the issuance of a news release generally disclosing such Material Information, unless the Disclosure Committee determines that such Material Information must remain confidential for the time being, in which case appropriate confidential filings are made as required by applicable securities laws and this Disclosure Policy and control of the Material Information inside the Corporation is instituted. If Material Information is inadvertently disclosed, the Disclosure Committee must be notified immediately of such disclosure and the Disclosure Committee will immediately develop and implement a plan for the general disclosure of such Material Information by news release or other appropriate means.

News releases containing earnings guidance and financial results will be reviewed by the Audit Committee or the Board, as applicable, prior to issuance. Financial results will be publicly released immediately following the approval of the management's discussion and analysis, financial statements and notes by the Audit Committee or the Board, as applicable.

If the stock exchange upon which the Shares are listed is open for trading at the time of a proposed announcement, prior notice of a news release announcing Material Information must



be provided to the market surveillance department of the stock exchange, or the entity responsible for the regulation of listed companies as may be directed by such stock exchange, to enable a trading halt, if deemed necessary by the applicable regulatory authorities. If a news release announcing Material Information is issued outside of trading hours, the market surveillance department of the stock exchange, or the entity responsible for the regulation of listed companies as may be directed by such stock exchange, must be notified before the market re-opens.

News releases will be disseminated through an approved news wire service that provides simultaneous national distribution. News releases will be transmitted to all stock exchange members, relevant regulatory bodies, major business wires, national financial media and the local media in Calgary where the Corporation has its headquarters.

News releases will be posted on the Corporation's website and on SEDAR as soon as practicable after release over the news wire. The news release page of the website shall include a notice that advises the reader that the Material Information posted was accurate at the time of posting, but may be superseded by subsequent news releases.

2. Conference Calls

Conference calls may be held for quarterly earnings and major corporate developments, whereby discussion of key aspects is accessible simultaneously to all interested parties, some as participants by telephone and others in a listen-only mode by telephone or via a webcast over the Internet. The call will be preceded by a news release containing all relevant Material Information. At the beginning of the call, a spokesperson of the Corporation will provide appropriate cautionary language with respect to any forward-looking information and direct participants to publicly available documents containing the assumptions, sensitivities and a full discussion of the risks and uncertainties. See "Forward Looking Information".

Only the Chief Executive Officer, the Vice Chairman or the Chief Financial Officer or a spokesperson designated by the Chief Executive Officer will participate in conference calls on behalf of the Corporation. To minimize the risk of selective disclosure of Material Information, a script of the remarks of the designated spokesperson(s) will be prepared and approved by the Disclosure Committee in advance of the conference call, if possible.

The Corporation will provide advance notice of any conference call and webcast by issuing a news release announcing the date and time and providing information on how interested parties may access the call/webcast. In addition, the Corporation may invite analysts, institutional investors, the media and other interested parties to participate. Any non-Material Information provided to participants will also be posted to the website for others to view. A tape recording of



the conference call or an archived audio webcast on the Internet will be made available following the call for a minimum of 30 days, for anyone interested in listening to a replay.

If the Disclosure Committee determines that disclosure of non-public Material Information has occurred during a conference call, the Corporation will immediately disclose such Material Information broadly via news release.

3. Conferences and Public Speaking Engagements

If any director, officer, or employee is asked to speak about the Corporation at conferences or in any other public forum, such director, officer, or employee must advise the Disclosure Committee of the proposed speaking engagement. The Disclosure Committee will determine the appropriate measures to be taken to minimize the possibility of a misrepresentation or disclosure of Material Information. These measures may include preparing a written script of the remarks or preparing a written transcript of the actual remarks to be made.

4. Rumours

The Corporation does not comment, affirmatively or negatively, on rumours. This also applies to rumours on the Internet. The Corporation's designated spokespersons will respond consistently to those rumours with the following comment: *"It is our policy not to comment on market rumours or speculation."*

Should the stock exchange request that the Corporation make a definitive statement in response to a market rumour that is causing significant volatility in the Shares, the Disclosure Committee will consider the matter in conjunction with members of the Board and decide whether to make a policy exception. If the rumour is true in whole or in part, the Corporation will immediately issue a news release disclosing the relevant Material Information and adopt an appropriate action plan that may include halting of trading pending the issuance of the news release.

5. Trading Restrictions And Black Out Periods

Insider trading is unethical and illegal. Non-public Material Information about the Corporation's business is called "inside" Material Information and can include financial information, acquisition or divestiture plans, or other information that could affect the price of the Shares. If a person has "inside" Material Information about the Corporation, he or she may not trade in the Corporation's shares from the moment that person receives that Material Information until a reasonable period of time has passed, allowing the Material Information to be widely disseminated. See the Corporation's Policy and Procedures Governing Insider Trading.



6. Quiet Period

In order to avoid the potential for selective disclosure, or the perception or appearance of selective disclosure, the Corporation will observe quiet periods prior to quarterly earnings announcements or when Material Changes are pending. During a quiet period, the Corporation will not initiate or participate in any meetings or telephone contacts with analysts or investors and no earnings guidance will be provided to anyone, other than responding to unsolicited inquiries concerning factual matters. The quiet period normally commences on the date that the trading blackout starts and ends on following the issuance of a news release disclosing the relevant information.

Additional quiet periods may be established from time to time by the Corporation as a result of special circumstances relating to the Corporation. The existence of a special purpose quiet period will be communicated by a means approved by the Disclosure Committee (which may include e-mail).

If the Corporation is invited to participate, during a quiet period, in investment meetings or conferences organized by others, the Disclosure Committee will determine, on a case-by-case basis, if it is advisable to accept these invitations. If accepted, caution will be exercised to avoid selective disclosure of any material undisclosed information.

7. Contacts With Analysts, Investors and Media

Disclosure in individual or group meetings does not constitute adequate disclosure of Material Information. If the Corporation intends to announce Material Information at an analyst or shareholder meeting or a press conference or conference call, the announcement must be preceded by a news release generally disclosing such Material Information.

The Corporation recognizes that meetings with analysts and significant investors are an important element of the Corporation's investor relations program. The Corporation will meet with analysts and investors on an individual or small group basis as needed and will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this Disclosure Policy.

At such meeting, the Corporation will not provide attendees with non-public Material Information. For greater certainty, the Corporation may only provide attendees with information relating to the Corporation that does not constitute Material Information and Material Information that has been previously disclosed or which has been previously approved by the Disclosure Committee. The Corporation cannot alter the materiality of information by breaking down the information into smaller, non-material components. The Corporation will provide



individual investors or reporters with any non-Material Information that it has provided to analysts and institutional investors by posting such information on the Corporation's website.

Spokespersons should keep notes of telephone conversations with analysts and investors, where possible. Where practicable, more than one representative of the Corporation should be present at all individual and group meetings. A debriefing should be held after such meetings and if such debriefing uncovers selective disclosure of previously undisclosed Material Information, the Corporation will immediately disclose such information broadly via news release.

8. Reviewing Analyst Draft Reports and Models

It is the Corporation's policy to review, upon request, analysts' draft research reports or models. The Corporation will review the report or model only for the purpose of pointing out errors in fact based on publicly disclosed Material Information. It is the Corporation's policy, when an analyst inquires with respect to his or her estimates, to provide comments and directional guidance on an analyst's assumptions if the estimate is a significant outlier among the range of estimates or the Corporation's published earnings guidance. The Corporation will limit its comments in responding to such inquiries to non-Material Information. The Corporation will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with the analyst's models and earnings estimates.

9. Distributing Analyst Reports

Analyst reports are proprietary products of the analyst's firm. Re-circulating a report by an analyst may be viewed as an endorsement by the Corporation of the report. For these reasons, the Corporation will not provide analyst reports through any means to persons outside of the Corporation, including posting such reports on its website.

10. Managing Expectations

The Corporation will try to ensure, through its regular public dissemination of quantitative and qualitative information, that analysts' estimates are in-line with the Corporation's own expectations. The Corporation will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with analysts' models and earnings estimates.

If the Corporation has determined that it will be reporting results materially below or above publicly held expectations, it will disclose this information in a news release in order to enable discussion without risk of selective disclosure.

11. Disclosure Record



The Corporation will maintain a five-year file containing all public information about the Corporation, including Investor Relations Material, analysts' reports, transcripts or tape recordings of conference calls, debriefing notes, notes from meetings and telephone conversations with analysts and investors, conference and public speaking engagement materials, and newspaper articles.

12. Responsibility For Electronic Communication

This Disclosure Policy also applies to electronic communications. Accordingly, officers and personnel responsible for written and oral public disclosures shall also be responsible for electronic communications.

The Corporation will continuously update the investor relations section of the Corporation's website and the Disclosure Committee is responsible for monitoring all information placed on the website to ensure that it is accurate, complete, up-to-date and in compliance with relevant securities laws.

The Disclosure Committee must approve all links from the Corporation's website to a third party website. Any such links will include a notice that advises the reader that he or she is leaving the Corporation's website and that the Corporation is not responsible for the contents of the other site.

Investor Relations Material shall be contained within a separate section of the Corporation's website and shall include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent disclosures. All data posted to the website, including text and audiovisual material, shall show the date such material was issued. Any material changes in information must be updated immediately. The Corporation will maintain a log indicating the date that information is posted and removed from the investor relations website. The minimum retention period for Material Information on the website shall be two years.

Disclosure on the Corporation's website alone does not constitute adequate disclosure of Material Information. Any disclosures of Material Information on the website will be preceded by the issuance of a news release.

The Corporation shall respond to electronic inquiries. Only public Material Information or Material Information that could otherwise be disclosed in accordance with this Disclosure Policy shall be utilized in responding to electronic inquiries.

In order to ensure that non-public Material Information is not inadvertently disclosed, employees are prohibited from participating in Internet chat rooms or newsgroup discussions on matters



pertaining to the Corporation's activities or its securities. Employees who encounter a discussion pertaining to the Corporation should advise the Disclosure Committee immediately so the discussion may be monitored.

Each employee's corporate e-mail address is, in fact, the Corporation's address. Therefore, all correspondence received and sent via e-mail is to be considered correspondence of the Corporation.

13. Maintaining Confidentiality

Any director, officer, employee or insider of the Corporation privy to non-public Material Information is prohibited from communicating such Material Information to anyone else, unless it is necessary to do so in the ordinary course of business. Examples of communication that would be necessary in the ordinary course of business include communications with vendors or suppliers on sales and marketing strategy, or with lenders, legal counsel, auditors or underwriters regarding the business of the Corporation. Efforts will be made to limit access to such non-public Material Information to those who need to know the Material Information and such persons will be advised that the Material Information is to be kept confidential.

Communication by e-mail leaves a physical track of its passage that may be subject to later decryption attempts. The Corporation will use reasonable efforts to ensure that all non-public Material Information being transmitted over the Internet remains confidential. Where possible, employees should avoid using e-mail to transmit non-public Material Information.

Outside parties privy to non-public Material Information concerning the Corporation will be told that they must not divulge such Material Information to anyone else, other than in the necessary ordinary course of business and that they may not trade in the Corporation's securities until the Material Information is publicly disclosed.

In order to prevent the misuse or inadvertent disclosure of Material Information, the Corporation will use reasonable efforts to ensure that the procedures set forth below should be observed at all times:

- (a) Documents and files containing non-public Material Information should be kept in a safe place to which access is restricted to individuals who "need-to-know" that Material Information in the necessary ordinary course of business and code names should be used if necessary.
- (b) Confidential matters should not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes or taxis.



- (c) Confidential matters should not be discussed on wireless telephones or other wireless devices.
- (d) Confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them.
- (e) Employees must ensure they maintain the confidentiality of information in their possession outside of the office, as well as inside the office.
- (f) Transmission of documents by electronic means, such as by fax or directly from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
- (g) Unnecessary copying of confidential documents should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.
- (h) Access to confidential electronic data should be restricted through the use of passwords.

Where disclosure of a Material Change is delayed, the Corporation must maintain complete confidentiality. During the period before a material change is disclosed, market activity in the securities of the Corporation should be carefully monitored. Any unusual market activity may mean that news of the matter has been leaked and that certain persons are taking advantage of it. If the confidential Material Change, or rumours about it, have leaked or appear to be impacting the price of the securities, the Corporation should immediately take steps to ensure that a full public announcement is made. This would include contacting the relevant stock exchange and asking that trading be halted pending the issuance of a news release.

Where a Material Change is being kept confidential, persons with knowledge of the Material Change may not use such information in purchasing or selling its securities. Such information should not be disclosed to any person or company, except in the necessary course of business. If the Corporation discloses material information under the “necessary course of business” exception, it should make sure that those receiving the information understand that they are now in a “special relationship” with the Corporation and cannot pass the information on to anyone else (other than in the “necessary course of business”), or trade on the information, until it has been generally disclosed. In such circumstances, the feasibility of having such parties enter into a confidentiality agreement with the Corporation should be considered. See the Corporation’s Policy and Procedures Governing Insider Trading.

14. Communication and Enforcement



This Disclosure Policy extends to all directors, officers and employees of the Corporation, as well as consultants and advisors retained by the Corporation and those authorized to speak on its behalf. New directors, officers and employees will be provided with a copy of this Disclosure Policy and will be educated about its importance. This Disclosure Policy will be circulated to the foregoing individuals on an annual basis and whenever changes are made to its contents.

Any employee who violates this Disclosure Policy may face disciplinary action up to and including termination of his or her employment with the Corporation without notice. Violation of this Disclosure Policy may also violate certain securities laws. If it appears that an employee may have violated such securities laws, the Corporation may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

The Disclosure Committee shall monitor the effectiveness and integrity of this policy and report to the Board.

15. General

Any questions regarding the application of this Disclosure Policy should be referred to the Disclosure Committee.



SCHEDULE “A”

TO DISCLOSURE POLICY AND PROCEDURES

Excerpts from National Policy 51-201 *Disclosure Standards*

4.1. Materiality Standard

- (1) The definitions of “material fact” and “material change” under securities legislation are based on a market impact test. The definition of “privileged information” contained in the “tipping” provision of the securities legislation of Québec is based on a reasonable investor test. Despite these differences, the two materiality standards are likely to converge, for practical purposes, in most cases.
- (2) The definition of a “material fact” includes a two part materiality test. A fact is material when it (i) significantly affects the market price or value of a security; or (ii) would reasonably be expected to have a significant effect on the market price or value of a security.

4.2 Materiality Determinations

- (1) In making materiality judgements, it is necessary to take into account a number of factors that cannot be captured in a simple bright-line standard or test. These include the nature of the information itself, the volatility of the company’s securities and prevailing market conditions. The materiality of a particular event or piece of information may vary between companies according to their size, the nature of their operations and many other factors. An event that is “significant” or “major” for a smaller company may not be material to a larger company. Companies should avoid taking an overly technical approach to determining materiality. Under volatile market conditions, apparently insignificant variances between earnings projections and actual results can have a significant impact on share price once released. For example, information regarding a company’s ability to meet consensus earnings published by securities analysts should not be selectively disclosed before general public release.
- (2) We encourage companies to monitor the market’s reaction to information that is publicly disclosed. Ongoing monitoring and assessment of market reaction to different disclosure will be helpful when making materiality judgements in the future. As a guiding principle, if there is any doubt about whether particular information is material, we encourage companies to err on the side of materiality and release information publicly.

4.3 Examples of Potentially Material Information



The following are examples of the types of events or information which may be material. This list is not exhaustive and is not a substitute for companies exercising their own judgement in making materiality determinations.

Changes in Corporate Structure

- changes in share ownership that may affect control of the company
- major reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or insider bids

Changes in Capital Structure

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- changes in a company's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to rights of security holders

Changes in Financial Results

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any periods
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of the company's assets
- any material change in the company's accounting policy

Changes in Business and Operations



- any development that affects the company's resources, technology, products or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with major contractors or suppliers
- significant new contracts, products, patents, or services or significant losses of contracts or business
- significant discoveries by resource companies
- changes to the Board or executive management, including the departure of the company's Chief Executive Officer, Chief Financial Officer, Vice Chairman, Chief Operating Officer or president (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officers, directors, and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of the company's securities or their movement from one quotation system or exchange to another

Acquisitions and Dispositions

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other companies, including a take-over bid for, or merger with, another company

Changes in Credit Arrangements

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of the company's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors



- changes in rating agency decisions
- significant new credit arrangements

4.4. External Political, Economic and Social Developments

Companies are not generally required to interpret the impact of external political, economic and social developments on their affairs. However, if an external development will have or has had a direct effect on the business and affairs of a company that is both material and uncharacteristic of the effect generally experienced by other companies engaged in the same business or industry, the company is urged to explain, where practical, the particular impact on them. For example, a change in government policy that affects most companies in a particular industry does not require an announcement, but if it affects only one or a few companies in a material way, such companies should make an announcement.

4.5. Exchange Policies

- (1) The Toronto Stock Exchange Inc. (the “**TSX**”) and the TSX Venture Exchange Inc. (“**TSX Venture**”) each have adopted timely disclosure policy statements which include many examples of the types of events or information which may be material. Companies should also refer to the guidance provided in these policies when trying to assess the materiality of a particular fact, change or piece of information.
- (2) The TSX and TSX Venture policies require the timely disclosure of “material information”. Material information includes both material facts and material changes relating to the business and affairs of a company. The timely disclosure obligations in the exchanges’ policies exceed those found in securities legislation. It is not uncommon, or inappropriate, for exchanges to impose requirements on their listed companies which go beyond those imposed by securities legislation. We expect listed companies to comply with the requirements of the exchange they are listed on. Companies who do not comply with an exchange’s requirements could find themselves subject to an administrative proceeding before a provincial securities regulator.



FORM OF RECEIPT AND ACKNOWLEDGEMENT

I, _____ , hereby acknowledge that I have received and read a copy of the *Discosure Policy and Procedures* of Serinus Energy Inc. (the “**Corporation**”) dated November 12, 2009 and agree to comply with its terms. I understand that violation of the terms of the above-titled policy may subject me to discipline by the Corporation up to and including termination of my contractual arrangements with the Corporation.

DATED: _____

If an individual:

Witness

Signature

If not an individual:

By:

Name:

Title:

By:

Name:

Title:

