



POLICY AND PROCEDURES GOVERNING INSIDER TRADING

*Adopted by the Board of Directors on November 12, 2009
as amended November 10, 2010*

1. Introduction

Serinus Energy Inc. (the “**Corporation**”) and trading in its securities are subject to Canadian securities laws, corporate laws and criminal laws. Certain of these laws prohibit directors, officers, employees and certain other persons in a “**special relationship**” with the Corporation from:

- (a) purchasing or selling securities of the Corporation with knowledge of Material Information (as defined below) regarding the Corporation that has not been generally disclosed to the public (commonly referred to as “**insider trading**”); and
- (b) disclosing such Material Information to others, except in the “necessary course of business” (commonly referred to as “**tipping**”).

These prohibitions against insider trading and tipping are intended to ensure equal opportunity among investors and to ensure that people who have access to material undisclosed information do not trade, or assist others in trading, to the disadvantage of investors generally. Additionally, certain insiders of the Corporation are required to report trades so that the marketplace can monitor the trading of persons who may have knowledge of undisclosed information and to help foster investor confidence in the public capital markets. There are also prohibitions against market manipulation and fraud.

The Corporation has developed this policy (the “**Policy**”) in order to ensure that the Corporation’s directors, officers and employees are aware of their responsibilities under applicable securities laws and stock exchange rules and to assist them in complying with such laws and rules.

This Policy has been prepared so that it is user friendly, and it is not intended to be a complete and exhaustive description of all of the rules regarding insider trading that may be applicable. The Corporation expects compliance with the letter and spirit of this Policy and applicable insider trading and other laws. Questions regarding the insider trading and other restrictions under applicable laws should be directed to the Vice Chairman or the Chief Financial Officer.

Securities transactions subject to scrutiny are viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction careful consideration with respect to how regulators and others might view any such transaction in hindsight should be given.



2. Insider

In this Policy, an “**Insider**” is defined as follows:

- (a) Directors and officers (e.g., Chairman, Vice Chairman, President, Vice-Presidents, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Corporate Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, General Managers, people who perform similar functions to such persons) of the Corporation, a subsidiary of the Corporation or a person or company that is an Insider of the Corporation;
- (b) Any person or company that has beneficial ownership of, or control or direction over, directly or indirectly, or a combination of beneficial ownership of and control or direction over, directly or indirectly, securities of the Corporation carrying more than 10% of the voting rights attached to all of the Corporation’s outstanding voting securities;
- (c) The Corporation where it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security;
- (d) A person designated as an “insider” under applicable securities laws; and
- (e) All other Corporation employees who are made aware of Material Undisclosed Information (as defined below) until such information has been publicly disclosed.

3. Material Information and Material Undisclosed Information

In this Policy, “**Material Information**” refers to any information relating to the business, operations or capital of the Corporation and its subsidiaries that would reasonably be expected to have a significant effect on the market price or the value of any of the Corporation’s securities, or a reasonable investor’s decision to buy, sell or hold those securities. Material Information can be positive or negative and consists of both material facts and material changes relating to the business and affairs of the Corporation. “**Material fact**” means a fact that would reasonably be expected to have a significant effect on the market price or value of the Corporation’s securities, and “**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) made by the directors of the Corporation, or by senior management of the Corporation who believe that confirmation of the decision by the directors is probable. Examples of Material Information are described in Schedule “A”.

Material Information is considered undisclosed (“**Material Undisclosed Information**”) if it has not been widely disseminated to the public through major newswire services.



4. Prohibited Insider Trading

All Insiders having knowledge of Material Undisclosed Information are prohibited from purchasing or selling the Corporation's securities.

Also, no director, officer or employee may attempt to take any economic or other personal advantage of such information. This means that Insiders who have knowledge of Material Undisclosed Information must not purchase or sell the Corporation's securities or permit (i) any member of his or her immediate family or household, anyone acting on his or her behalf or on behalf of any member of his or her immediate family or household, or (ii) any entity in which he or she, or the member of his or her family or household, or anyone acting on his or her behalf have a personal interest, or (iii) anyone acting in their capacity as a partner of the Insider or members of his or her family or household or anyone acting on their behalf (collectively, "**Related Persons**") to purchase or sell the Corporation's securities. A trustee of a trust of which an Insider, or any Related Person of that Insider, is a beneficiary will fall within the definition of a Related Person. These rules prohibit Insiders having knowledge of Material Undisclosed Information from directing or advising others, including their Related Persons, to purchase or sell the Corporation's securities and from otherwise effecting trades through indirect means when direct trades would otherwise be prohibited.

Any such persons may trade in securities of the Corporation only after such Material Undisclosed Information has been publicly disclosed beginning after the close of business on the second clear and full trading day following the Corporation's widespread release of such information (for example, via a news release).

An Insider must advise all such Related Persons:

- (a) of the name of the Corporation;
- (b) of the scheduled blackout periods (described in Section 6(a)) during which they cannot deal in the Corporation's securities;
- (c) of any other periods when the Insider knows he or she is not free to deal in the Corporation's securities under the provisions of this Policy unless his or her duty of confidentiality to the Corporation prohibits him or her from disclosing such periods; and
- (d) that they must advise the Insider immediately after they have dealt in the Corporation's securities.

These rules apply to all transactions in the Corporation's securities, including not only listed common shares, but also preferred shares, debt securities, puts, calls, options or other rights or



obligations to purchase or sell securities of the Corporation, and any security whose value is derived from the market price of the Corporation's securities (such as a derivative).

5. Prohibited Tipping

No Insider may inform or otherwise disclose Material Undisclosed Information concerning the Corporation to others (including, but not limited to, Related Persons, friends, analysts, investors, members of the investment community and media), except in the "necessary course of business". See Schedule "B" for guidance as to what constitutes the "necessary course of business".

Because tippees are themselves considered to be in a special relationship with the Corporation, Material Undisclosed Information may be third or fourth hand and still be subject to the legal prohibitions prescribed in the applicable rules, regulations and legislation.

In any instance in which Material Undisclosed Information is disclosed in the necessary course of business, all steps must be taken as are necessary to preserve the confidentiality of such information. Persons privy to such information concerning the Corporation must be asked not to divulge such information to anyone else (other than in the necessary course of business) and not to trade in the Corporation's securities until the second trading day following the Corporation's widespread release of such information. ***See the Corporation's Disclosure Policy and Procedures regarding procedures for maintaining confidentiality.***

6. Other Trading Rules

(a) Trading Is Not Permitted During Trading Black-Out Periods

Insiders and other persons in possession of Material Undisclosed Information are not permitted to trade in the Corporation's securities during trading "black-outs".

In the case of the publication of the Corporation's financial and operational results, the black-out period commences on the date that is identified as the date when the internal review of financial statements for a particular period begins (as communicated to Insiders) and ending after the close of the second clear and full trading day following the issuance of a news release disclosing the results of such period. Expressed another way, trading is permitted during a "**Window**" that extends from the close of the second business day following an earnings release with respect to the preceding fiscal period until the date when the internal review of financial statements begins for next fiscal period.

In addition, a black-out period includes any time where it has become reasonably probable that Material Undisclosed Information will be required to be disclosed by securities laws and the rules of any stock exchange on which the Corporation's securities are listed or quoted. No



trading is permitted even during the applicable trading Window while an individual possesses Material Undisclosed Information.

These restrictions also apply to Related Persons of Insiders.

(b) Trading Is Prohibited During Special Black-Out Periods

Insiders and other employees and third parties designated by the Corporation's Disclosure Committee may also be restricted from trading in the Corporation's securities during any special black-out periods that may be designated by the Disclosure Committee from time to time as a result of special circumstances relating to the Corporation and its material factual developments. These restrictions will also apply to Related Persons of the persons listed above. Notice of the special blackout period will be distributed by the Disclosure Committee by means of written or electronic communication specifying its duration to the individuals who are under trading restrictions due to a special black-out period. No one may disclose to any other employee or to an outside third party that a special black-out period has been designated.

The Corporation's policy will be to err on the side of caution in designating special black-out periods and related practices, in recognition of the fact that trades that create notoriety, even if they are ultimately found to be proper, may tarnish the Corporation's goodwill and reputation.

(c) No Trading of Restricted Securities

In addition, in connection with a take-over bid, issuer bid or business combination or a prospectus offering, private placement, amalgamation, arrangement, capital reorganization or similar transaction, subject to certain limited exemptions (such as an exercise of previously granted options, warrants or similar rights), neither the Corporation nor any director or officer or other insider of the Corporation shall bid for or purchase a "restricted security" for their own account or for an account over which they exercise control or direction or attempt to induce or cause any person or company to purchase a restricted security. A restricted security for this purpose is the securities offered pursuant to the prospectus or private placement or offered by the Corporation pursuant to any securities exchange take-over bid, any security of the Corporation subject to an issuer bid or a security of the Corporation issuable pursuant to a business combination. These restrictions shall apply:

- (i) in the case of a private placement or public offering, commencing on the date that is two trading days prior to the date that the offering price of the offered securities is determined and ending on the date that the selling process in respect of the offering ends and all stabilizations relating to the offered security are terminated;



- (ii) in the case of a take-over bid or issuer bid, commencing on the date of dissemination of the take-over bid or issuer bid circular and ending on the termination of the period during which the securities may be deposited under the bid; and
- (iii) in the case of another type of business combination, commencing on the date that the information circular for such transaction is disseminated and ending on the date of approval of the transaction by securityholders.

A member of the Disclosure Committee should be consulted if there is any question as to when these restrictions shall have ceased to apply in any particular circumstance. Legal counsel may be consulted prior to any discussions, written or otherwise, with any stakeholder.

(d) No Speculative Trading

Trades of the Corporation's securities should be for investment purposes only and not short-range speculation. Short-range speculation based on fluctuations in the market put the personal gain of the Insider in conflict with the best interests of the Corporation and its shareholders. Speculating in Corporation stock based on short-range speculation is not part of the Corporation's culture and the Corporation discourages directors, officers and employees from frequent trading in Corporation stock. Insiders and their Related Persons are prohibited from trading in options on the Corporation's securities.

(e) Short Sales

Insiders and their Related Persons shall not, directly or indirectly, sell securities of the Corporation if he or she does not own or has not fully paid for the securities to be sold. In other words, betting against the Corporation by short selling the Corporation's securities is prohibited.

(f) Other Public Companies

No Insider or their Related Persons may trade in the securities of customers, suppliers, joint venturers or third parties negotiating a merger or acquisition with the Corporation while having knowledge of Material Undisclosed Information regarding such third parties.

(g) Requirements Following Termination

Insiders who are possessed of Material Undisclosed Information continue to be in a "special relationship" after termination of their relationship with the Corporation, and remain subject to prohibitions against insider trading and tipping, until the close of the second clear and full trading day following the Corporation's widespread release of such information.



(h) Timing of Trading After Release

It would be improper for an employee to enter a trade immediately after the Corporation has made a public announcement of Material Information, including an earnings release. Because the Corporation's shareholders and the investing public should be afforded time to receive the information, digest it and act upon it, as a general rule, trading prohibitions continue until at least two clear and full trading days after the Material Information has been released to the public.

(i) Hardship Not an Exception

Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are no exception. Securities laws do not recognize such mitigating circumstances and even the appearance of an improper transaction must be avoided to preserve the Corporation's reputation for adhering to the highest standards of conduct.

(j) Pre-Clearance of Trades

If an employee wishes to trade in a security of the Corporation, it is recommended that such employee pre-clear the trade with a member of the Disclosure Committee to ensure there is no inadvertent breach of this Policy.

(k) Disclosure of Trading Activities

Upon request, an Insider must report to a member of the Disclosure Committee all of his or her transactions and those of his or her Related Persons in the Corporation's securities and certify that all such transactions have been conducted in compliance with the provisions of this Policy.

(l) Margin Accounts

Securities held in a margin account may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Because such a sale may occur at a time when a director, officer or employee had Material Undisclosed Information or is otherwise not permitted to trade in the Corporation's securities, the Corporation prohibits directors, officers and employees and their Related Persons from purchasing Corporation securities on margin or holding Corporation securities in a margin account.



(m) **Annual Certification**

Certain Insiders and any other persons designated by the Disclosure Committee will be required to certify in writing on a periodic basis, and when requested that they have read and fully understand this Policy and intend to comply with applicable trading laws and this Policy. See Schedule “C”.

7. Insider Reporting

(a) **General**

Generally speaking, Insiders are required to report all transactions in the Corporation’s securities to the applicable Canadian securities regulatory authorities. Again, for the purpose of these rules, the concept of a security is very broad and Insiders must report transactions in shares, debt securities, options, warrants, and other convertible securities and derivatives. The requirement is to report securities:

- (i) directly or indirectly “beneficially owned” by Insiders, or
- (ii) over which the Insiders exercise “control or direction”.

The foregoing requirement is very broad and applies to securities held by Insiders through nominees, affiliates and controlled corporations, as well as securities over which Insiders may, by contract or otherwise, enjoy or share the incidents of ownership without being the registered holder.

There are, however, certain exemptions to the insider reporting requirement relating to those officers not responsible for a principal business unit, directors and senior officers of immaterial subsidiaries of the Corporation and directors and senior officers of certain affiliates of Insiders.

(b) **Online Insider Reporting**

Insider reporting in Canada must be made through the System for Electronic Disclosure by Insiders through its web site at www.sedi.ca (the “**SEDI system**”). The SEDI system has been designed to provide Insiders with the ability to do their own filings. The Chief Financial Officer or other personnel at the Corporation designated by the Chief Financial Officer will be available to assist Insiders in registering with the SEDI system, establishing their “insider profile”, assisting with questions from time to time, and acting as an Insider’s agent for filing in special circumstances, such as where a Insider is unable to access the Internet within the 5 day period for filing an insider report. However, it is always the Insider’s responsibility to enter his, her or its own insider reports on the SEDI system.



(c) **Getting Started on SEDI**

Insiders are required to register with the SEDI system before the Insider will be able to file an insider report. Once the Insider is registered, SEDI will issue a SEDI user ID and password. The Insider will then be required to enter his/her/its “insider profile”. The insider profile sets forth certain identifying information, such as his, her or its name, address, relationship to the Corporation and other reporting issuers, names of registered holders of securities (if applicable), etc. Once the insider profile has been created, SEDI assigns an insider number and an insider access key. After receiving an insider number and access key, the Insider can file an insider report. From there, an insider report can be filed or a previously filed report can be amended.

In order for the Chief Financial Officer or other designated personnel at the Corporation to act as an Insider’s agent for filing, you will need to provide your insider number and insider access key assigned by SEDI.

(d) **The Obligation to Report**

A person’s obligation to file an insider report is triggered when the person first becomes an “Insider” (for example, the election as a director or the appointment as a senior officer of the Corporation). The Insider is required to make an Initial Report (on SEDI) disclosing holdings of securities of the Corporation **within 10 days** of the date of becoming an Insider. There is no obligation to file an Initial Report if an Insider does not, at the time of becoming an Insider, beneficially own or exercise control or direction over, any of the Corporation’s securities. Any change in or transfer of beneficial ownership or control or direction over securities of the Corporation requires the filing of a Change Report (on SEDI).

A change in ownership will occur not only as a result of the acquisition or disposition of securities, but also with the transfer of the securities into or out of the name of an agent, nominee or custodian. A change also occurs in other circumstances, including on the conversion or exchange of securities, acquisition or disposition by gift or inheritance, redemption, retraction, cancellation, repurchase, short sale, grant, exercise and expiration of options, warrants and rights, acquisition or disposition, exercise, settlement or expiration of third party derivatives, and compensation for property or services. A Change Report must be filed **within 5 days** of any change in ownership or control or direction.

There are daily fines for late reporting and certain regulatory authorities publish a list of insiders who are late reporters.



(e) Updating SEDI Profile

Insiders are required to update their insider profile on SEDI (i) if there is a change in the Insider's name, his/her/its relationship to the Corporation, or if he/she/it ceases to be an Insider, within 10 days of the event, or (ii) if there has been any other change to the insider profile, at the next time of filing an insider report or amended insider profile.

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(f) Ownership and Attribution

It is the Corporation's policy that insider reports shall be filed for all trades where the Insider has a direct or indirect pecuniary interest. As a general rule, an Insider should be reporting trades of the Corporation's securities:

- owned in his or her or its own name;
- held by a bank or broker as nominee or custodian on his or her or its behalf (e.g., in a "street name");
- held by a corporation controlled by him or her or it;
- held with another in joint tenancy, community property or other joint ownership;
- held in an RRSP or similar account;
- pledged as collateral for a loan;
- held by minor children and other relatives residing in his or her home, which usually include children temporarily living away from home while attending college or university;
- held by a spouse or relative not residing in his or her home if he or she is a custodian, guardian or otherwise has or shares a controlling influence over the purchase, sale or voting of such securities or otherwise retains a pecuniary interest respecting the securities;
- held by a trust in which he or she or it is a beneficiary and has or shares the power to make purchase or sale decisions;



- held by a trust for which he or she or it serves as a trustee or in which he or she or it has a pecuniary interest (including pecuniary interests by virtue of performance fees and holdings by his or her immediate family); and
- held by a general partnership or limited partnership in which he or she or it is a general partner.

Insiders shall also report any equity monetization transactions, namely, where the insider enters into an agreement, arrangement or understanding of any nature or kind, the effect of which is to alter either or both of (i) the Insider's economic exposure to the Corporation, or (ii) the Insider's economic interest in a security of the Corporation, as contemplated by Multilateral Instrument 55-104 *Insider Reporting Requirements and Exemptions*, subject to exemptions as specified therein.

(g) Stock Based Incentive Plans

Any securities acquired or sold under incentive plans of the Corporation by an Insider must be reported. Insiders must, for instance, separately report all option grants (and lapses, including for this purpose, the cancellation of an option on expiry), all securities acquired upon the exercise of options and all dispositions of securities so acquired. This would include options and the exercise thereof, as well as common shares acquired under any equity plan of the Corporation. In certain circumstances, special annual reporting rules apply relating to acquisitions of securities pursuant to an automatic securities purchase plan by directors and senior officers of the Corporation or a subsidiary.

(h) Issuer Events

Insiders are permitted to defer filing a Change Report in respect of changes caused by "Issuer Events", such as: (i) stock dividends; (ii) stock splits; (iii) consolidations; (iv) amalgamations; (v) reorganizations; (vi) mergers; or (vii) any other similar event that affects all holdings of a class of securities equally, until the Insider's next required Change Report (i.e., following a purchase or sale of securities or other reportable event). The Corporation is required to file an Issuer Event report on SEDI no later than one business day following the occurrence of an Issuer Event. The Corporation must also update its profile any time there is a change in the designation of an outstanding class of securities or if a new class of securities is issued or a class ceases to be outstanding.



8. Prohibited Market Manipulation and Fraud

Securities laws, corporate laws and criminal laws in Canada prohibit direct or indirect engagement or participation in acts, transactions, trading methods or other practices, or courses of conduct, that a person or company knows or ought reasonably to know, (i) results in or contributes to a misleading appearance of trading activity in, or on an artificial price for, the Corporation's securities; or (ii) perpetrates a fraud on any person or company.

9. Potential Civil, Criminal and Disciplinary Sanctions

Engaging in prohibited insider trading, tipping, market manipulation or fraud, or violating insider reporting requirements, may have severe consequences, including fines, imprisonment and civil liability.

Violations of the Policy or insider trading, tipping, market manipulation, fraud or insider reporting laws by any director, officer or employee may subject such person to disciplinary action by the Corporation, up to and including termination, and may be deemed to be cause for the termination of any contract between the Corporation and any such person. Such persons may also be accountable to the Corporation for any benefit or advantage received as a result of insider trading.

Insiders should understand that the ultimate responsibility for avoiding improper transactions, complying with securities legislation and stock exchange regulations, and filing insider trading reports rests with each individual.



SCHEDULE “A”

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.



SCHEDULE “B”

NECESSARY COURSE OF BUSINESS

The “**necessary course of business**” exception may, depending on the circumstances, cover communications with:

- (a) vendors, suppliers, or strategic partners on issues such as research and development, sales and marketing, and supply contracts;
- (b) employees, officers, and Board members;
- (c) lenders, legal counsel, auditors, underwriters, and financial and other professional advisors to the Corporation;
- (d) parties to negotiations;
- (e) labour unions and industry associations;
- (f) government agencies and non-governmental regulators; and
- (g) credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the agency’s ratings generally are or will be publicly available).

However, the “necessary course of business” exemption does not permit the Corporation to make selective disclosure of material information to analysts, institutional investors or other market professionals.



SCHEDULE "C"

FORM OF RECEIPT AND ACKNOWLEDGEMENT

I, _____ hereby acknowledge that I have received and read a copy of the *Policy and Procedures Governing Insider Trading* of Serinus Energy Inc. (the "**Corporation**"), as amended November 10, 2010, and agree to comply with its terms. I understand that violation of insider trading or tipping or insider reporting laws or regulations may subject me to severe civil and/or criminal penalties, and that violation of the terms of the above-titled policy may subject me to discipline by the Corporation up to and including termination.

DATED _____

If an individual:

Witness

Signature

If not an individual:

By: _____

Name:

Title:

By: _____

Name:

Title: