



Code of Business Conduct and Ethics

General

Candax Energy Inc. (the "Corporation") prides itself on its commitment to a culture of honesty, integrity and accountability and strives to operate in accordance with the highest ethical standards and applicable laws and regulations. This Code of Business Conduct and Ethics (the "Code") outlines the ethical principles that should guide all representatives of the Corporation and the Corporation's subsidiaries and controlled entities (collectively, "Candax") in their daily work. For the purpose of this Code, any reference to "representatives" includes any director, officer or employee of Candax.

The Code is not meant to be a complete list of all legal and ethical obligations of the representatives of Candax. Candax provides this Code to its representatives to offer guidance in properly recognizing and resolving the legal and ethical issues that they may encounter while conducting Candax's business. Should a representative be confronted with a situation where further guidance is required, the matter should be discussed with a member of management or the audit committee (the "Audit Committee") of the board of directors of the Corporation.

Representatives are expected to report situations of non-compliance with respect to this Code, to a member of management or the Audit Committee. No representative will be subject to retaliation by Candax for reporting, in good faith, a violation of this Code.

It is the responsibility of each representative to become familiar with the principles set out in this Code and to integrate them into every aspect of Candax's business. All senior management representatives will be required to personally certify that they understand their continuing obligation to comply with this Code.

Conflicts of Interest

Representatives have a duty of loyalty to Candax and are therefore expected to always act in Candax's best interests. A conflict arises when the personal interests or activities of a representative influence or have the potential to influence the exercise of his or her judgment in the performance of his or her duties. Conflicts of interest and even the *appearance* of a conflict of interest may compromise Candax's reputation and must be avoided.

Candax respects its representatives' right to privacy in their personal activities and financial affairs. It is the responsibility of each representative to ensure that his or her personal conduct complies with the following principles, which are not intended to address every potential conflict situation.

1. **Employment or Affiliation with a Competitor, Supplier or Customer:** Unless a representative notifies the directors of Candax of his or her intention to do so, no representative may: (i) act as a director, officer, representative, consultant or agent of an entity that is a competitor, supplier or customer of Candax, or (ii) own, directly or indirectly, a beneficial interest in any competitor, supplier or customer of Candax, unless the representative is making an investment in securities that are listed, or proposed to be listed, on a national or international securities exchange and the total value of the investment is less than 2% of the value of the class of securities involved.

2. **Independent Business Ventures:** Representatives may not engage in independent business ventures or agree to perform services for other businesses, unless stated otherwise in such representative's employment or consulting agreement with Candax.
3. **Personal Benefits, Gifts, Bribes and Kickbacks:** Representatives may not use their position as a representative of Candax to derive or secure any personal, financial or other benefit for themselves or their relatives. A representative may not solicit and/or accept any gift or favour from any competitor, supplier or customer except to the extent customary and reasonable in amount and not in consideration for any improper action by the recipient. Finally, the offering or accepting of bribes, payoffs or kickbacks made directly or indirectly to obtain an advantage in a commercial transaction is strictly prohibited.
4. **Reporting Conflict:** Representatives are expected to report to Candax any personal interests which conflict or may conflict with the interests of Candax.

Although the principles above refer only to representatives of Candax, representatives must also exercise care to avoid actual or potential conflicts of interest that may arise because of the activities of their immediate family members and other members of their household.

Protection and Proper Use of Corporate Assets

All representatives of Candax should endeavour to protect Candax's assets and ensure they are used for legitimate business purposes only. Theft, carelessness and waste have a direct impact on Candax's profitability. Any suspected incidents of fraud or theft should be immediately reported for investigation.

The assets of Candax include information, equipment, office supplies, hardware, software, intellectual property and time. Such assets may not be used for personal benefit, nor may they be sold, borrowed or given away without proper authorization. Occasional personal use of certain corporate resources (e.g. computer, fax, e-mail) is acceptable where the interests of Candax are not adversely affected. However, representatives are expected to consult a member of management for approval if in doubt.

Use of E-Mail and Internet Services

E-mail systems and Internet services are provided to help representatives do work. Incidental and occasional personal use is permitted, but use for personal gain or any improper purpose is not. Representatives may not access, send or download any information that could be insulting or offensive to another person, such as sexually explicit messages, cartoons, jokes, unwelcome propositions, ethnic or racial slurs, or any other message that could be viewed as harassment. "Flooding" Candax's systems with junk mail and trivia hampers the ability of the systems to handle legitimate corporate business and is prohibited.

Representatives' messages (including voice mail) and computer information are considered corporate property. Unless prohibited by law, Candax reserves the right to access and disclose this information as necessary for business purposes. Representatives should use good judgment, and should not access, send messages or store any information that he or she would not want to be seen or heard by other individuals.

Corporate Opportunities

Representatives owe a duty to Candax to advance its legitimate interests when an opportunity to do so arises. In this regard, representatives may not appropriate for their own use, or that of another person or organization, the benefit of any business venture or opportunity which they learned about during the course of their employment, unless it is first offered to Candax and Candax decides not to pursue it.

Confidentiality of Corporate Information

During the normal course of business, representatives may have access to non-public information regarding Candax's customers, suppliers, operations, strategic plans, financial affairs, representatives and trade secrets, among other things. This information is a key corporate asset and every representative has an obligation to protect it and keep it in the strictest confidence, except when disclosure is explicitly authorized pursuant to the Corporation's Disclosure Policy or when disclosure is legally required. The unauthorized use or disclosure of Candax's confidential information could destroy its value and give unfair advantage to others. Care should be taken in disposing of documents containing confidential information, for example, shredding documents, before discarding.

A representative's obligation to protect Candax's confidential information exists whether or not the information is explicitly labelled as being confidential and the obligation continues even after leaving the employ of Candax.

Fair Dealing

Candax competes vigorously in its business dealings but is committed to practices that are fair and honest. In this regard, representatives are expected to respect the rights of, and deal fairly with, Candax's representatives, customers, suppliers, shareholders, business partners, regulators and competitors. No representative may take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair dealing practice.

Compliance with Laws, Rules and Regulations

Candax is subject to a number of laws, rules and regulations with respect to the conduct of its business. Representatives are expected to maintain compliance with the letter and spirit of all laws governing the jurisdictions in which they perform their duties. This Code does not purport to address all areas of law that representatives might encounter in the day-to-day business of Candax. However, the following areas are worth specifically mentioning:

1. **Human Rights Laws:** Candax values the diversity of its representatives, customers and suppliers and is committed to providing equal treatment in all aspects of the business. Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical, visual or otherwise. Candax does not tolerate any conduct that is discriminatory or harassing or otherwise compromises an individual's human rights.
2. **Privacy Laws:** Candax is committed to maintaining the accuracy, confidentiality, security and privacy of the personal information of its customers, suppliers and representatives. Representatives who have access to personal information are expected to support Candax's efforts to develop, implement and maintain procedures and policies designed to manage personal information.
3. **Health and Safety Laws:** Candax complies with all applicable health and safety laws and regulations as part of its commitment to providing its representatives with a safe and healthy work environment. Representatives have a responsibility to maintain this work environment. In this regard, representatives are expected to work in a safe manner with due regard for their personal safety as well as that of their co-workers and to report accidents, injuries, hazardous equipment and unsafe practices. Representatives are prohibited from engaging in the business of Candax while under the influence of alcohol or illegal drugs.

4. **Environmental Laws:** Cognizant of its responsibility to the environment, Candax strives to conform to all applicable environmental laws and regulations and to promote the respect of the environment in its activities. Representatives are expected to support Candax's efforts to develop, implement and maintain procedures and programs designed to protect and preserve the environment.
5. **Securities Laws:** Candax is committed to protecting security holder investments and expects all representatives to comply with the applicable reporting obligations and trading restrictions imposed by Candax, a securities commission or stock exchange. Representatives who are in possession of material information about Candax must not trade in securities of Candax until such information is generally and publicly available. Providing inside information to others who then trade on it is also strictly prohibited. Representatives should make themselves familiar with the Corporation's Disclosure Policy.
6. **Competition Laws:** Competition laws are enacted to limit practices that are seen to impair the function of a free and open marketplace. A complete description of these laws is beyond the scope of this Code, however, they include: price fixing, bid rigging, price discrimination, allocation of markets and boycotting of certain suppliers or customers. Representatives having regular dealings with customers and suppliers should become familiar with the laws applying to these practices, as non-compliance can result in severe penalties being imposed on both Candax and the individuals involved.

Duty to Report

Representatives who know of or suspect a violation of this Code or of any applicable laws or regulations have an obligation to immediately report this information to a member of management or the Audit Committee. No one will be subject to retaliation because of a good faith report of suspected misconduct. All reported violations will be promptly investigated and treated confidentially to the extent possible. Representatives are expected to cooperate fully in internal investigations of misconduct.

Administration of the Code

The board of directors of the Corporation are responsible for monitoring compliance with the Code, for regularly assessing its adequacy, for interpreting the Code in any particular situation and for approving any changes to the Code as is required from time to time.

Any waiver of a provision of this Code for directors or officers may be made only by the board of directors of the Corporation and will be promptly disclosed to the public as required by law or regulation.



Certification

I understand that Candax Energy Inc. ("Candax") is dedicated to conducting its business with ethics and integrity.

Consistent with this view, as a Representative of Candax or any of its subsidiaries, it is my responsibility to act in all respects consistent with Candax's Code of Business Conduct and Ethics, applicable policies and procedures in compliance with applicable laws and regulations.

I understand that I can contact a member of management or the audit committee (the "Audit Committee") of the board of directors of Candax if I have any questions or concerns or believe that any violations have occurred, are occurring or may occur.

I agree to report actual or potential violations to a member of management or the Audit Committee. I understand that reports may be made anonymously.

I understand that failure to comply with Candax's Code of Business Conduct and Ethics, other policies and procedures or applicable laws and regulations may be grounds for disciplinary action up to and including termination of my association with Candax.

Date

Representative Signature

Representative Name *(please print)*

Representative Title *(please print)*