

# **TRANSATLANTIC PETROLEUM CORP.**

## **CODE OF CONDUCT**

### **INTRODUCTION**

This Code of Conduct (the "Code") embodies the commitment of TransAtlantic Petroleum Corp. (the "Company") and our subsidiaries to promote honest and ethical conduct and to conduct our business in accordance with all applicable laws, rules and regulations and high ethical standards. All officers, employees, and directors (as hereinafter defined) are expected to adhere to the principles and procedures set forth in this Code. This Code shall be our code of ethics for our officers, employees, and directors (collectively "Personnel" or "Person"). This Code is separate and apart from, and in addition to, any policies the Company may have in effect, from time to time, relating to our employees, officers and Board of Directors ("Board").

This Code strives to deter wrongdoing and promote the following six objectives:

- Honest and ethical conduct;
- Avoidance of conflicts of interest;
- Full, fair, accurate, timely and transparent disclosure;
- Compliance with applicable government and self-regulatory organization laws, rules and regulations;
- Prompt internal reporting of Code violations; and
- Accountability for compliance with the Code.

### **CODE COMPLIANCE AND REPORTING**

Our Personnel should strive to identify and raise potential issues before they lead to problems, and should ask about the application of this Code whenever in doubt. Any Person who becomes aware of any existing or potential violation of this Code should promptly notify a member of the Audit Committee of our Board. Acting through our Board, the company will take such corrective action to address any existing or potential violation of this Code brought to our attention.

### **PERSONAL CONFLICTS OF INTEREST**

A "personal conflict of interest" occurs when a Person's private interest interferes with the interests of the Company. A conflict of interest exists where the interests or benefits of a Person or an entity which is, with respect to that Person, a "related party" as defined in Ontario Securities Commission Rule 61-501 ("Rule 61-501"), conflict with the interests of the Company. Personal conflicts of interest, whether actual or apparent, are prohibited as a matter of Company policy, unless they have been approved or waived by the Company. The Company has adopted a definition of independence set out below.

In particular, a Person must never use or attempt to use his or her position at the Company to obtain any improper personal benefit for himself or herself, for his or her family members, or for any other person, including loans or guarantees of obligations, from any person or entity.

Service to the Company should never be subordinated to personal gain or advantage. Conflicts of interest, whether actual or apparent, should, to the extent possible, be avoided.

Any Person who is aware of a material transaction or relationship that could reasonably be expected to give rise to a conflict of interest should discuss the matter promptly with a member of the Audit Committee of our Board. The Company must report all material "related party transactions" as defined in Rule 61-501, under applicable accounting rules, securities laws, the rules and regulations of The Toronto Stock Exchange (the "Exchange"), and of any securities commission ("Commission") having jurisdiction over the Company.

## **PUBLIC DISCLOSURE**

It is Company policy that the information in our public communications, including our filings made with the Exchange and any Commission, be full, fair, accurate, timely and understandable and shall be timely filed or communicated. Our Personnel who are involved in the Company's disclosure process, are responsible for the Company's compliance with this policy. In particular, these individuals are required to maintain familiarity with the disclosure requirements applicable to the Company and are prohibited from knowingly misrepresenting, omitting, or causing others to misrepresent or omit, material facts about the Company to others, whether within or outside the Company, including the Company's independent auditors.

## **COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

It is Company policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of each Person to adhere to the standards and restrictions imposed by those laws, rules and regulations. No Person may interfere with or seek to improperly influence, directly or indirectly, the auditing of our financial results or records. If a Person is not aware or familiar with the laws, rules or regulations that apply specifically to our business, he or she must request such information from a member of the Audit Committee.

It is both illegal and against Company policy for any Person who is aware of material non-public information relating to the Company, or any other private or governmental issuer of securities, to buy or sell any securities of those issuers, or recommend that another person buy, sell or hold the securities of those issuers. Any Person who is uncertain about the legal rules involving his or her purchase or sale of any Company securities, or any securities in issuers with which he or she is familiar by virtue of his or her work for the Company, should consult with a member of the Audit Committee before making any such purchase or sale.

## **AMENDMENT, MODIFICATION AND WAIVER**

This Code may be amended or modified by our Board. Waivers of this Code may only be granted by the Board or a committee of the Board with specific delegated authority.

## **DEFINITION OF INDEPENDENCE**

The Company adopts the definition of independence found in section 1.4 of Multilateral Instrument 52-110 set out in full below:

### **Section 1.4 Meaning of Independence**

- (1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
- (2) For the purposes of subsection (1), a “material relationship” is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment.
- (3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
  - (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
  - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
  - (c) an individual who:
    - (i) is a partner of a firm that is the issuer's internal or external auditor,
    - (ii) is an employee of that firm, or
    - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
  - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
    - (i) is a partner of a firm that is the issuer's internal or external auditor,
    - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
    - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
  - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and
  - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.
- (4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because
  - (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or

- (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.
- (5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
- (6) For the purposes of clause (3)(f), direct compensation does not include:
  - (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
  - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
- (7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member
  - (a) has previously acted as an interim chief executive officer of the issuer, or
  - (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.
- (8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.