

CORPORATE GOVERNANCE POLICY

FOR

FRAM EXPLORATION ASA

ADOPTED BY BOARD OF DIRECTORS 11 APRIL 2011

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Introduction

Fram Exploration ASA (the “**Company**”) is incorporated and registered in Norway. The Board has adopted this corporate governance policy to reflect the Company’s commitment to good corporate governance. In furtherance of this goal, the Board has also adopted a code on board proceedings (Board Rules of Procedures), an Insider Trading Policy and several other policies and charters.

The manner in which the Company is managed is vital to the development of value over time. The Company has a particular responsibility to secure the shareholders’ investments. The Company shall create profitability and increased shareholder value through good governance of the business. It is an aim that good control and governance mechanisms, open and honest communication, as well as equal treatment of all shareholders, shall give a foundation for trust, positive development of values and a good reputation among the Company’s key stakeholders.

The investor environments are increasingly concerned with the interaction between and the role of the management, the Board and shareholders being based on reputable principles for corporate governance. The Company also has a responsibility towards other interest groups, such as co-operating partners, customers, suppliers, employees and government/regulatory authorities.

The Company’s Corporate Governance Policy is based on the Norwegian Code of Practice for Corporate Governance (In Norwegian: Norsk anbefaling for eierstyring og selskapsledelse), last amended on 21 October 2010, (the “**Code**”), and shall establish a basis for good corporate governance, profitability, including long-term profitability for the shareholders.

The adopted Corporate Governance Policy is a tool to maintain the Company’s good relations with its stakeholders and their trust in the Company. The Board and the management of the Company shall ensure that the principles set forth herein are implemented while the Company’s shares are listed on Oslo Axess and that the conduct of all parts of the Company’s business is in line with its policies.

This document is for internal use only. The boards of companies listed on Oslo Axess shall provide for reports on the companies’ corporate governance in the annual report. The report must cover every sections of the Code and any deviations from the Code must be explained. A description of the most important corporate governance principles of the Company shall be made available for external interest groups on www.framexploration.com.

Trondheim, [] 2011

The Board of Directors of Fram Exploration ASA

1 PARAMOUNT OBJECTIVES FOR CORPORATE GOVERNANCE IN THE COMPANY

Through compliance with the Corporate Governance Policy adopted by the Board, the Board and management shall contribute to achieving the following objectives:

- (i) **Trust:** Good corporate governance shall establish a basis for trust in the Board and the management by the shareholders and other stakeholders. Trust shall also be built by ensuring that the Company's behaviour is in accordance with the stated policy.
- (ii) **Transparency:** Communication with the Company's shareholders shall be based on transparency in relation to affairs of the Company which are of importance for assessing the Company's development and its financial position.
- (iii) **Independence:** The relationship between the Board, the management and the shareholders shall be based on independence. Independence shall ensure that business decisions are made on the basis of qualified and neutral reasons.
- (iv) **Equality:** The Company aims to give all its shareholders equal treatment and rights. Deviations from this principle must be based on applicable exemptions in laws and regulations.
- (v) **Control and management:** Good control and governance mechanisms shall contribute to predictability and reduction of risk.

2 CORPORATE GOVERNANCE POLICY FOR THE COMPANY

This Corporate Governance Policy is adopted by the Board on [] 2011 and is in all material respects based on the Code, to which the Board has resolved that the Company shall adhere.

2.1 Implementation and reporting on corporate governance

The Board shall ensure that the Company implements sound corporate governance rules and procedures.

The Board shall provide a report on the Company's corporate governance in the annual report. The report shall cover every section of the Code. If the Company does not fully comply with the Code, this shall be explained in the report.

The Board shall define the Company's basic corporate values and formulate ethical guidelines and guidelines for corporate social responsibility in accordance with these values.

2.2 Business

The Company's business shall be clearly defined in its Articles of Association.

The Company shall have clear objectives and strategies for its business within the scope of the definition of its business in its Articles of Association.

The annual report shall include the business activities clause from Articles of Association and describe the Company's objectives and principal strategies.

2.3 Financing and dividends

The Board and the management of the Company shall at all times aim at keeping the Company's equity and other financing adapted to the Company's objectives, strategies and risk profile.

The Board shall establish a clear and predictable dividend policy as the basis for the proposals on dividend payments that it makes to the general meeting. The dividend policy shall be disclosed.

Mandates granted to the Board to increase the Company's share capital shall as a main rule be restricted to defined purposes. If the general meeting is to consider mandates to the Board for the issue of shares for different purposes, each mandate as a main rule shall be considered separately by the meeting. Mandates granted to the Board shall as a main rule be limited in time to no later than the date of the next annual general meeting. This shall also apply to mandates granted to the Board for the Company to purchase its own shares.

2.4 Equal treatment of shareholders and transactions with close associates

The Company shall have as an objective to treat all shareholders equally and that they shall have equal rights, as described in and subject to the Paramount Objectives above.

The Company shall only have one class of shares.

Any decision to waive the pre-emption rights of existing shareholders to subscribe for shares in the event of an increase in share capital shall be justified. Where the Board resolves to carry out an increase in share capital and waive the pre-emption rights of existing shareholders on the basis of a mandate granted to the Board, the justification shall be publicly disclosed in a stock exchange announcement issued in connection with the increase in share capital.

Any transactions the Company carries out in its own shares shall be carried out either through the stock exchange or at prevailing stock exchange prices if carried out in any other way. If there is limited liquidity in the Company's shares, the Company shall consider other ways to ensure equal treatment of all shareholders.

In the event of any material transactions between the Company and shareholders, members of the Board, executive personnel or close associates of any such parties, the Board shall arrange for a valuation to be obtained from an independent third party. This will not apply if the transaction requires the approval of the general meeting pursuant to the applicable law or regulations. Independent valuations shall also be arranged in respect of transactions between companies in the same group where any of the companies involved have minority shareholders.

The Company shall operate guidelines to ensure that members of the Board and executive personnel notify the Board if they have any material direct or indirect interest in any transaction entered into by the Company.

2.5 Freely negotiable shares

The shares of the Company shall be freely negotiable.

2.6 General meetings

The Board shall take steps to ensure that as many shareholders as possible may exercise their rights by participating in general meetings of the Company, and that general meetings are an effective forum for the views of shareholders and the Board. Such steps may, inter alia, include:

- making the notice calling the meeting and the support information on the resolutions to be considered at the general meeting, including the recommendations of the nomination committee, available on the Company's website no later than 21 days prior to the date of the general meeting;

- ensuring that the resolutions and supporting information distributed are sufficiently detailed and comprehensive to allow shareholders to form a view on all matters to be considered at the meeting;
- setting any deadline for shareholders to give notice of their intention to attend the meeting as close to the date of the meeting as practically possible;
- making appropriate arrangements for the general meeting to vote separately on each candidate nominated for election to the Company's corporate bodies;
- ensuring that the members of the Board, the nomination committee, and the auditor will participate at the annual general meeting; and
- making arrangements to ensure an independent chairman for the general meeting.

Shareholders who cannot attend the meeting in person shall be given the opportunity to vote by proxy. The Company shall in this respect:

- provide information on the procedure for representation at the meeting through a proxy;
- nominate a person who will be available to vote on behalf of shareholders as their proxy; and
- to the extent possible prepare a form for the appointment of a proxy, which allows separate voting instructions to be given for each matter to be considered by the meeting and for each of the candidates nominated for election.

2.7 Nomination Committee

The Company shall have a nomination committee. The general meeting shall elect the chairperson and members of the nomination committee and shall determine the committee's remuneration.

The nomination committee shall be stipulated in the Company's Articles of Association. The general meeting shall stipulate guidelines for the duties of the nomination committee.

The nomination committee shall be composed in a way that takes into account the interests of all the Company's shareholders in general. The majority of the committee shall be independent of the Board and the executive personnel. At least one member of the nomination committee shall not be a member of the Board. No more than one member of the nomination committee shall be a member of the Board, and any such member shall not offer himself for re-election. The nomination committee shall not include the Company's chief executive or any other executive personnel.

The nomination committee's duties are to propose candidates for election to the Board. The nomination committee shall justify its recommendations relative to the needs of the Company.

The Company shall provide information on the membership of the committee and any deadlines for submitting proposals to the committee.

2.8 Composition and independence of the Board

The composition of the Board shall ensure that the Board can attend to the common interests of all shareholders and meets the Company's need for expertise, capacity and diversity. Attention shall be paid to ensuring that the Board can function effectively as a collegiate body.

The composition of the Board shall ensure that it can operate independently of any special interests.

The majority of the shareholder-elected members of the Board shall be independent of the Company's executive personnel and material business contacts. At least two of the members of the Board elected by shareholders shall be independent of the Company's main shareholders. The Board

shall not include executive personnel. If the Board includes executive personnel, the Company shall provide an explanation for this and implement meaningful adjustments to the organisation of the work of the Board, including the use of board committees to help ensure more independent preparation of matters for discussion by the Board.

The chairman of the Board shall be elected by the general meeting, provided that applicable law does not require that the chairman must be appointed by the Board.

The term of office for members of the Board shall not be longer than two years at a time.

The annual report shall provide information to illustrate the expertise of the members of the Board, and information on their record of participation in board meetings. In addition, the annual report shall identify which members are considered to be independent.

Members of the Board shall be encouraged to own shares in the Company

2.9 The work of the Board

The Board shall produce an annual plan for its work, with particular emphasis on objectives, strategy and implementation. The Board shall issue instructions for its own work as well as for the executive management with particular emphasis on clear internal allocation of responsibilities and duties.

In order to ensure a more independent consideration of matters of a material character in which the chairman of the Board is or has been personally involved, the Board' consideration of such matters shall be chaired by some other member of the Board.

The Board shall also appoint a Compensation Committee in order to ensure thorough and independent preparation of matters relating to compensation to the executive personnel. Membership of such a committee shall be restricted to members of the Board who are independent of the Company's executive personnel.

The Board shall provide details in the annual report of any Board committees appointed. The Board shall evaluate its performance and expertise annually.

2.10 Risk management and internal control

The Board shall ensure that the Company has sound internal controls and procedures to manage risks that are appropriate for the extent and nature of the Company's activities. Internal controls and the supporting systems should also encompass the Company's corporate values, ethical guidelines and guidelines for corporate social responsibility.

The Board shall carry out an annual review of the Company's most important areas of exposure to risk and its internal control/risk mitigation arrangements.

The Board shall provide an account in the annual report of the main features of the Company's internal controls and risk management procedures as they relate to the Company's financial reporting.

2.11 Remuneration of the Board

The remuneration of the Board will be determined by the shareholders based upon proposals made by the Nomination Committee.

Members of the Board and/or companies with which they are associated shall not take on specific assignments for the Company in addition to their assignment as a member of the Board. If they do

nonetheless take on such assignments this shall be disclosed to the full Board. The remuneration for such additional duties shall be approved by the Board.

Any remuneration in addition to normal directors' fees shall be specifically identified in the annual report.

2.12 Remuneration of executive personnel

The Board shall establish guidelines for the remuneration of executive personnel.

The guidelines for the remuneration of the executive personnel shall set out the main principles applied by the Compensation Committee in determining the salary and other remuneration of the executive personnel. The guidelines shall help to ensure convergence of the financial interests of the executive personnel and the shareholders.

Performance-related remuneration of the executive personnel in the form of share options, bonus programmes or the like shall be linked to value creation for shareholders or the Company's earnings performance over time. Such arrangements, including share option arrangements, shall incentivise performance and be based on quantifiable factors over which the employee in question can have influence.

These guidelines shall be communicated to the annual general meeting.

2.13 Information and communication

The Board shall establish guidelines for the Company's reporting of financial and other information based on openness and taking into account the requirement for equal treatment of all participants in the securities market.

The Company shall publish an overview each year of the dates for major events such as its annual general meeting, publication of interim reports, public presentations, dividend payment date if appropriate etc.

All information distributed to the Company's shareholders shall be published on the Company's web site at the same time as it is sent to shareholders.

The Board shall establish guidelines for the Company's contact with shareholders other than through general meetings.

2.14 Take-overs

In a bid situation, the Board and management have an independent responsibility to help ensure that all shareholders are treated equally and that the Company's business activities are not disrupted unnecessarily. The Board has a particular responsibility to ensure that shareholders are given sufficient information and time to form a view of the offer.

The Board shall not seek to hinder or obstruct take-over bids for the Company's activities or shares unless there are particular reasons for this.

In the event of a take-over bid for the Company's shares, the Board shall not exercise mandates or pass any resolutions with the intention of obstructing the take-over bid unless this is approved by the general meeting following announcement of the bid.

If an offer is made for a Company's shares, the Board shall issue a statement making a recommendation as to whether shareholders should or should not accept the offer. The Board's

statement on the offer shall make it clear whether the views expressed are unanimous, and if this is not the case it shall explain the basis on which specific members of the Board have excluded themselves from the Board's statement. The Board shall arrange a valuation from an independent expert. The valuation shall include an explanation, and shall be made public no later than at the time of the public disclosure of the Board's statement.

Any transaction that is in effect a disposal of all, or a substantial part of, the Company's assets shall be decided by a general meeting.

This clause 2.14 shall be considered as the Company's guiding principles in the event of a take-over bid.

2.15 Auditor

The auditor shall submit the main features of the plan for the audit of the Company to the audit committee annually.

The auditor shall participate in meetings of the Board that deal with the annual accounts. At these meetings the auditor shall review any material changes in the Company's accounting principles, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the executive management of the Company.

The auditor shall at least once a year present to the audit committee a review of the Company's internal control procedures, including identified weaknesses and proposals for improvement.

The Board shall hold a meeting with the auditor at least once a year at which neither the chief executive nor any other member of the executive management is present.

The Board shall establish guidelines in respect of the use of the auditor by the Company's executive management for services other than the audit.

The Board must report the remuneration paid to the auditor at the annual general meeting, including details of the fee paid for audit work and any fees paid for other specific assignments.

3 CONFLICT WITH RULES

These Corporate Governance Policies shall constitute guidelines and good practices for the Board.

In case of any conflict between these Corporate Governance Policies and applicable law or the Articles of Association of the Company, the latter shall prevail.

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