

CORPORATE SOCIAL RESPONSIBILITY AND ETHICS POLICY

FRAM EXPLORATION ASA

ADOPTED BY BOARD OF DIRECTORS 11 APRIL 2011

1 PURPOSE

The Company is committed to provide unique value creation for all its shareholders, employees and other stakeholders. We believe that our integrity and standards are important to our sustainability and value as a company. The Company pursues opportunities while taking the social impact of our business operations into consideration.

This document contains the basic principles that FRAM will follow with respect to our Corporate Social Responsibilities and Ethics ("CSRE").

2 BASIC CORPORATE SOCIAL RESPONSIBILITY PRINCIPLES

2.1 Respect for Human rights

FRAM supports the principles set forth in the Universal Declaration of Human Rights. The Company shall ensure that our operations are conducted in accordance with basic human rights standards.

2.2 Development

FRAM will only operate in an environment where every reasonable care is taken to act as a responsible citizen.

2.3 Environment

FRAM aims for an optimum protection of the environment, which includes not harming any living creatures. A proactive and systematic approach to this topic will isolate problems and prevent them from occurring.

2.4 Integrity

FRAM shall maintain high standards of integrity. The Company shall be honest and fair in all dealings.

2.5 Anti corruption

The Company will not permit or tolerate engagement in extortion, fraud, bribery or other forms of corruption.

3 RULES GOVERNING PERSONAL CONDUCT

3.1 Employee health, safety and working environment

FRAM places high priority on health, safety and environmental (HSE) considerations to achieve good results. HSE is integrated in everything we do.

- We invest in job satisfaction and a good working environment.
- We respect and care about the environment within which we operate in accordance with laws and regulations.
- We act according to precautionary principles with an active attitude towards safety and environmental issues.
- We always reduce risks not to cause harm to people or the environment. Therefore we think solutions at source rather than in terms of protection or repairs.
- We plan well, assess along the way and take the time to work safely and everyone has the right and obligation to report unsafe work.
- New equipment and installations should be designed for high HSE standards in operation.
- Everyone is responsible for own and others' safety and to ensure that goals are met.
- Everyone contributes to gain support for our HSE attitudes and to transfer of experience.
- HSE is a line management responsibility.

3.2 Diversity

FRAM will not discriminate on the basis of gender, religion, race, national or ethnic origin, cultural background, social group, disability, sexual orientation, marital status, age or political opinion. Harassment and other improper conduct are not tolerated.

3.3 Communication on illegal or unethical conduct

Every employee has the right to, and is encouraged to, report possible illegal or unethical conduct by the Company to someone who is in a position to initiate corrective measures. Examples that ought to result in a report include breach of law, breach of corporate directives and guidelines, breach of code of conduct, bullying of colleagues, discrimination, harassment, illegal use of substances, poor working environment, corruption, cases of tax evasion, insider trading, economic disloyalty, embezzlement, theft, fraud and other forms of economic crimes.

The Company has established a separate Whistle Blower Policy.

4 CODE OF ETHICS

All employees play an important role in corporate governance. Senior officers are vested with both the responsibility and authority to protect, balance, and preserve the interests of all of the Company's stakeholders, including stockholders, clients, employees, suppliers, and citizens of the communities in which business is conducted. Senior officers and employees fulfill this responsibility by prescribing, enforcing, and following the policies and procedures employed in the operation of the Company's financial organization, and by demonstrating the following:

4.1 Honest and ethical conduct

Employee shall exhibit and promote the highest standards of honest and ethical conduct through the establishment and operation of policies and procedures that:

- Encourage and reward professional integrity in all aspects of the financial organization, by eliminating inhibitions and barriers to responsible behavior, such as coercion, fear of reprisal, or alienation from the financial organization or the enterprise itself.
- Prohibit and eliminate the appearance or occurrence of conflicts between what is in the best interest of the enterprise and what could result in material personal gain for a member of the organization.

- Company directors, officers and employees have an obligation to promote the best interests of the Company at all times. They should avoid any action which may involve a conflict of interest with the Company.
- Directors, officers and employees should not have any undisclosed, unapproved financial or other business relationships with suppliers, customers or competitors that might impair the independence of any judgment they may need to make on behalf of the Company.
- Conflicts of interest would also arise if a director, officer or employee, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company.
- Where conflicts of interest arise, directors, officers and employees must provide full disclosure of the circumstances and abstain from any related decision making process.

Directors, officers and employees must also avoid apparent conflicts of interest, which occur where a reasonable observer might assume there is a conflict of interest and, therefore, a loss of objectivity in their dealings on behalf of the Company.

- Provide a mechanism for members of the finance organization to inform senior management of deviations in practice from policies and procedures governing honest and ethical behavior.
- If any employee or director has knowledge or is suspicious of non-compliance with any provision of this code or is concerned whether circumstances could lead to a violation of this code, he or she should address the situation in accordance with the Company's whistle blower policy. The Company will not allow any retaliation against a director, officer or employee who acts in good faith in reporting any such violation or suspected violation.
- Senior officers should demonstrate their personal support for such policies and procedures through periodic communication reinforcing these ethical standards throughout the Company.

4.2 Financial record and periodic reports

The management will establish and manage the Company's transactional reporting systems and procedures. All employees shall contribute to ensure that:

- The Company complies with its obligations to disclose all material information in accordance with all applicable securities laws.
- All employees comply with the Company's Insider Information policies and all other financial and disclosure controls and procedures.
- Business transactions are properly authorized and completely and accurately recorded on the Company's books and records in accordance with IFRS and established Company financial policy.
- The retention or proper disposal of Company records shall be in accordance with established Company financial policies as well as applicable legal and regulatory requirements.
- Periodic financial communications and reports will be delivered in a manner that facilitates the highest degree of clarity of content and meaning so that readers and users will quickly and accurately determine their significance and consequence.

4.3 Compliance with applicable laws, rules and regulations

The management will establish and maintain mechanisms to:

- Educate appropriate employees of the Company about any federal, state or local statute, regulation or administrative procedure that affects the operation of the finance and accounting organization and the Company generally.
- Monitor the compliance of the Company with any applicable federal, state or local statute, regulation or administrative rule.
- Identify, report and correct in a swift and certain manner, any detected deviations from applicable federal, state or local statute or regulation.
- If a law conflicts with a provision of this code, employees must comply with the law; however, if a local custom or policy conflicts with a provision of this code, employees should discuss the situation with a member of the management.

4.4 Accountability for adherences to the code set out in clause 4 of the CSRE

All directors and employees are responsible for abiding by the code set out in this clause 4 in the CSRE. This includes individuals responsible for the failure to exercise proper supervision and to detect and report a violation by their subordinates. Discipline may, when appropriate, include dismissal.

5 ROLES AND RESPONSIBILITIES

The Board of Directors is responsible for developing the CSRE policy, guidelines and procedures, and for monitoring the performance of the CSRE policy that govern the Company.

Each FRAM employee, member of management, and Board Member is responsible for following the core CSRE principles as outlined in this document.
