



## **Red Mountain Resources Code of Conduct and Ethics**

The Board of Directors of Red Mountain Resources, Inc. (the "Company") has adopted this Code of Conduct and Ethics (the "Code") in order to (i) promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest; (ii) promote full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission (the "SEC") and in other public communications made by the Company; (iii) promote compliance with applicable governmental laws, rules and regulations; (iv) encourage prompt internal reporting of violations of the Code; and (v) ensure accountability for adherence to the Code.

This Code applies to all directors, officers and employees of the Company (which for purposes of this Code include its subsidiaries as applicable) and sets forth specific policies to guide you in the performance of your duties. Your responsibilities include helping to create and maintain a culture of ethical standards and commitment to compliance, and, in the case of the directors and officers, maintaining a work environment that encourages employees to raise concerns to the attention of management, and promptly addressing employee compliance concerns.

### **Honest and Ethical Conduct**

The Company's policy is to promote high standards of integrity by conducting its affairs honestly and ethically. Each director, officer and employee must act with integrity and observe the highest ethical standards of business conduct in his or her dealings with the Company's customers, suppliers, partners, service providers, competitors, employees and anyone else with whom he or she has contact in the course of performing his or her job.

### **Compliance with Laws, Rules and Regulations**

You are required to comply with the law, rules and regulations that govern the conduct of the Company's business including, without limitation, all laws prohibiting insider trading, money laundering, bribery and improper payments, and to report any suspected violations in accordance with the section below titled "Reporting and Investigations."

### **Trading in Company's Securities**

The Company is a public company. The Company is required to establish procedures to ensure that Confidential Information (defined below) is kept confidential and that all persons who have such information are aware of their obligations not to discuss the information with outsiders until the information becomes public. Such Confidential Information may be disclosed only by the officers of the Company in accordance with the applicable laws and regulations.

You must not buy or sell securities of the Company on the basis of the relevant Confidential Information which you derive from your employment with the Company until such Confidential Information has been disclosed adequately to the public. Individuals affected by this restriction include not only executives, but also employees at all levels, and outsiders who may receive the information from an informed source within the Company. For a more detailed discussion on this matter, you should refer to the separate Company document entitled "Insider Trading Policy."



## **Conflicts of Interest**

You may not make any investment, accept any position or benefits, participate in any transaction or business arrangements or otherwise act in a manner that creates or appears to create a “conflict of interest” (as described below) with the Company unless you make full disclosure of all facts and circumstances to, and obtain the prior written approval of, the Chief Executive Officer (in the case of employees) or the Board of Directors or an appropriate committee thereof (in the case of officers and directors).

A “conflict of interest” arises when you take actions or have interests that conflict in any way with the interests of the Company. These conflicts may make it difficult for you to perform your work objectively and efficiently. Conflicts of interest also arise when an employee, officer or director (or a member of his or her family) receives improper personal benefits as a result of his or her position in the Company.

## **Receipt of Gifts**

You must not solicit or receive favors, gifts, loans or other benefits from any client, contractor, supplier or competitor, unless these are casual gifts (other than money) of nominal value which are customarily offered to others having a similar relationship with the client, contractor, supplier or competitor. In addition, you are not permitted to receive compensation in connection with services performed relating to any transaction entered into by the Company, other than compensation received in the ordinary course.

## **Confidential Information**

You are required to maintain the confidentiality of all material non-public information (“Confidential Information”) that you receive or become privy to in connection with the Company’s business, except when disclosure is required by court order or the order of a competent regulatory or other agency including securities regulators or stock exchanges. Confidential Information includes matters such as undisclosed financial performance information, indications of business potential, including sales and earnings, drilling and production results, significant asset developments, obtaining or losing important business contracts, information that might prejudice the Company’s ability to pursue certain objectives, be of use to competitors or harmful to the Company, its suppliers or its customers, if disclosed. Confidential Information also includes any information relating to the Company’s business and affairs that results in or would reasonably be expected to result in a significant change in the market price or value of any of the Company’s securities or any information a reasonable investor would consider important in making an investment decision. You must not use Confidential Information for your own advantage or profit.

## **Disclosure**

It is the Company’s policy to make full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws and regulations and in all reports and documents that the Company files with, or submits to, securities regulators and in all other public communications made by the Company. The Company’s management has the general responsibility for preparing such filings and such other communications and shall ensure that such filings and communications comport with applicable laws, rules and regulations. Each director, officer and employee who is involved in the Company's disclosure process must: (i) be familiar with and comply with the Company's disclosure controls and procedures and its internal control over financial reporting; and (ii) take all necessary steps to ensure that all filings with the SEC and all other public communications about the financial and business condition of the Company provide full, fair, accurate, timely and understandable



disclosure. Employees must provide all necessary information to management when requested and must inform management if they become aware that information in any such filing or communication was untrue or misleading at the time of such filing or communication was made or if they have information that would affect any filings or communications to be made in the future.

### **Accuracy of Accounting Records**

The Company's accounting records are relied upon to produce reports for management, shareholders, creditors, governmental agencies and others. The financial statements and the books and records on which they are based must accurately reflect all corporate transactions and conform to all the legal and accounting requirements and the Company's system of internal controls. All directors, officers and employees have a responsibility to ensure that the Company's accounting records are accurately maintained and do not contain any false or intentionally misleading entries. Each director, officer and employee must cooperate fully with the Company's accounting department, as well as the Company's independent public accountants and counsel. The Company is committed to the establishment of an environment that ensures the accuracy of its publicly disclosed financial information.

### **Protection and Proper Use of the Company's Assets**

You should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. The Company's assets should only be used for legitimate business purposes. All employee requests for reimbursement from the Company, whether for travel expenses or other business-related items, must be legitimate, properly documented and incurred in connection with business purposes of the Company.

### **Corporate Opportunities**

Directors, officers and employees of the Company may not: (a) take for themselves personally opportunities that are discovered through the use of corporate property, information or position; (b) use corporate property, information or position for personal gain; or (c) compete with the Company. Directors, officers and employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

### **Fair Dealing**

Directors, officers and employees of the Company must deal fairly and with integrity with all of the Company's customers, suppliers, subcontractors and competitors. All employees and representatives must employ the highest ethical business practices in source selection, negotiation, determination of awards and the administration of all purchasing activities. Deceptive, misleading or false representations about the Company or any of its assets or services must not be made. Special consideration must also be given to avoiding conflicts of interest between the Company and the person or firm to be employed. The Company seeks to outperform its competitors fairly and honestly through superior performance, never through unethical or illegal business practices. Theft of proprietary information, possession of trade secret information that was procured without the owner's consent or inducing such disclosures by past or present employees of other companies is prohibited.

### **Independent Auditors**

You are prohibited from directly or indirectly taking any action to fraudulently influence, coerce, manipulate or



mislead the Company's independent public auditors (for both financial and reserves matters) for the purpose of rendering the financial statements of the Company misleading.

## **Reporting and Investigations**

Employees are encouraged to talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation. If you know of or suspect a violation of applicable laws, rules or regulations or this Code or other Company policy, including complaints relating to accounting, internal accounting controls or auditing matters, you are encouraged to immediately report that information to the Chief Executive Officer (in the case of employees) or the Audit Committee of the Board of Directors ("Audit Committee") (in the case of officers and directors). Reports of suspected violations should identify as many relevant facts as possible, including, if applicable: (1) the date(s) relevant to the identified issue; (2) the name(s) of any persons involved in the identified activity; (3) the specific facts that give rise to the concerns expressed; and (4) any suggestions for resolving or dealing with the problems or issues identified. Any report or allegation of a violation of applicable laws, rules, regulations or this Code or other Company policy may be sent anonymously. Persons outside the Company may also report complaints or concerns to the Company. The Company's mailing address is 2515 McKinney Avenue, Suite 900, Dallas, TX 75201.

If any report of wrongdoing relates to accounting or financial reporting matters, or relates to persons involved in the development or implementation of our Company's system of internal controls, a copy of the report will be promptly provided to the chairman of the Audit Committee, which may participate in the investigation and resolution of the matter.

After receiving a report of an alleged prohibited action, the Chief Executive Officer or Audit Committee, as applicable, must promptly take all appropriate actions necessary to investigate. All directors, officers and employees are expected to cooperate in any internal investigation of misconduct.

## **Enforcement**

If, after investigating a report of an alleged prohibited action by a director or executive officer, the Audit Committee determines that a violation of this Code or other Company policy or other misconduct has occurred, the Audit Committee will report such determination to the Board of Directors.

Upon receipt of a determination that there has been a violation of this Code or other Company policy or other misconduct, the Board of Directors (in the case of officers and directors) or the Chief Executive Officer (in the case of all other employees) will take such preventative or disciplinary action as it deems appropriate, including, but not limited to, reassignment, demotion, dismissal and, in the event of criminal conduct or other serious violations of the law, notification of appropriate governmental authorities. Such preventative or disciplinary actions will be reasonably designed to:

- Deter future violations of this Code or other Company policy or other wrongdoing; and
- Promote accountability for adherence to the policies of this Code and other applicable policies.

In determining the appropriate preventative or disciplinary actions in a particular case, the Board or the Chief Executive Officer may consider the following matters:

- The nature and severity of the violation;
- Whether the violation was a single occurrence or repeated occurrences;



- Whether the violation appears to have been intentional or inadvertent;
- Whether you had been advised prior to the violation as to the proper course of action; and
- Whether or not you had committed other violations in the past.

You are reminded that violations of this Code may also constitute violations of law that could result in civil or criminal penalties for you and/or the Company.

### **Prohibition on Retaliation**

The Company recognizes that resolving reported problems or concerns will advance the overall interests of the Company, and will help to safeguard the Company's assets, financial integrity and reputation. Therefore, the Company will not tolerate actual or threatened retaliation, harassment or discrimination against any director, officer or employee who makes a good faith report of a suspected violation of this Code. Violations of this Code may result in disciplinary action, up to and including discharge.

### **Waivers**

The Audit Committee is responsible for monitoring compliance with this Code. If you would like to seek a waiver of this Code, you must make full disclosure of your particular circumstance to the Chief Executive Officer for presentation to the Board of Directors. Each of the Board of Directors (in the case of a violation by a director or executive officer) and the Chief Executive Officer (in the case of a violation by any other person) may, in its or his discretion, waive any violation of this Code. All persons should note that it is not the Company's intention to grant or to permit waivers from the requirements of this Code. The Company expects full compliance with this Code.

Amendments to and waivers of this Code will be publicly disclosed as required by applicable laws, rules and regulations.

### **Documenting Compliance with this Policy**

Appropriate records evidencing compliance with this Code shall be maintained by the Company, including copies of correspondence relating to request for, and determinations relating to, waivers of this Code, and copies of documents relating to reports and complaints of violations of this Code.

### **No Rights Created**

This Code is a statement of certain fundamental principles, policies and procedures intended to govern the directors, officers and employees of the Company in the conduct of the Company's business. It is not intended to and does not create any rights in an employee, customer, supplier, competitor, shareholder or any other person or entity.