

Corporate Policies & Procedures

Confidential Information

Policy Number: A161
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Approved by Charlie Fischer
President & Chief Executive Officer

POLICY

Any and all information concerning the business affairs of the Company and its shareholders is to be kept confidential vis-à-vis third parties. To regulate the use and disclosure of such information, the Company has adopted the use of specific Corporate Policies and Procedures including the following:

Policy 113

Records Management: All Company records shall undergo security classification to identify and designate sensitive Company information which should be given special security protection.

Policy 140

Security: Specific safeguards for the protection of classified information should be followed.

Policy 151

Conflict of Interest: No employee shall have a personal or business interest which conflicts with the Company's interests.

Policy 152

Insider Trading: No employee shall trade in securities of the Company if he or she is aware of confidential information which would reasonably be expected to have a significant effect on the market price or value of such securities.

Policy 154

Employee Inventions: All matters concerning employee inventions will be handled in accordance with the Employee Secrecy and Invention Agreement.

Policy 171

Employee Protection of Computer Hardware, Software and Data: Employees are responsible for maintaining the confidentiality of the Company's business information, whether owned by the Company or under licence, against loss, theft or misuse.

The purpose of this Policy is to assist employees and contractors in determining their responsibilities with respect to Confidential Information of the Company.

DEFINITIONS

Confidential Information a. Financial information, such as earnings, assets, debts, prices, pricing structures, volume of purchases or sales or other financial data, whether relating to the Company generally, or to particular products, services, geographic areas and time periods.

b. Supply and service information, such as goods and services supplier's names or addresses, terms of supply or service contracts, or to particular transactions or related information about potential suppliers to the extent that such information is not generally known to the public, and to the extent the combination of suppliers or use of a particular supplier, though generally known or available, yields advantages to the Company, the details of which are not generally known.

c. Marketing information, such as details about ongoing or proposed marketing programs or agreements by or on behalf of the Company, sales forecasts or results of marketing efforts or information about impending transactions.

d. Employees' personal information, such as medical histories, compensation or other terms of employment, actual or proposed promotions, hiring, resignations, disciplinary actions, terminations or reasons therefor, training methods, performance, or other employee information. Personal information, as defined in federal legislation, includes all personal information, but does not include the name, title, business address, business telephone number, fax or e-mail of an employee of an organization.

e. Customer information, such as any compilation to past, existing or prospective retail or wholesale customer's names, addresses or backgrounds, records of purchases and prices, proposals or agreements between customers and company, status of customer's accounts or credit, or related information about actual or prospective customers.

PROCEDURES

Employee Secrecy and Invention Agreement/Consultant Confidentiality Undertaking

All employees of the Company must be familiar with the provisions of this Policy and at the time of their hiring must execute the Employee Secrecy and Invention Agreement substantially in the form attached hereto and Exhibit A . All consultants of the Company must be familiar with the provisions of this Policy and shall execute a Consultants Agreement containing the Confidentiality Undertaking substantially in the form attached hereto as Exhibit B .

EXHIBIT A
EMPLOYEE SECRECY AND INVENTION AGREEMENT

IN CONSIDERATION of my employment, or the continuation of my employment as the case may be, and the compensation paid to me while in the employ of Nexen Inc. or any subsidiary thereof, (hereinafter called the "Company"), by which I may be employed from time to time, I hereby covenant and agree with the Company as follows:

1. In this Agreement Confidential Information shall mean:

1.1. Financial information, such as earning, assets, debts, prices, pricing structures, volume of purchases or sales or other financial data, whether relating to the Company generally, or to particular products, services, geographic areas and time periods.

1.2. Supply and service information, such as goods and services supplier's names or addresses, terms of supply or service contracts, or to particular transactions or related information about potential suppliers to the extent that such information is not generally known to the public, and to the extent the combination of suppliers or use of a particular supplier, though generally known or available, yields advantages to the Company, the details of which are not generally known.

1.3. Marketing information, such as details about ongoing or proposed marketing programs or agreements by or on behalf of the Company, sales forecasts or results of marketing efforts or information about impending transactions.

1.4. Employees' Personal Information, such as medical histories, compensation or other terms of employment, actual or proposed promotions, hiring, resignations, disciplinary actions, terminations or reasons therefore, training methods, performance, or other employee information.

1.5. Customer information, such as any compilation to past, existing or prospective retail or wholesale customer's names, addresses or backgrounds, records of purchases and prices, proposals or agreements between customers and company, status of customer's accounts or credit, or related information about actual or prospective customers.

2. In this Agreement Inventions and Discoveries shall mean:

2.1. Inventions and Discoveries including improvements developed made or conceived by myself either alone or with others, at any time, whether or not patented or patentable.

3. I hereby agree that:

3.1. Any and all Confidential Information and any Inventions and Discoveries shall be the sole and exclusive property of the Company and will be held by me in trust for the benefit of the Company only.

3.2. I shall not divulge, or authorize anyone else to divulge, either during the time I am so employed or afterwards, knowledge of the Inventions and Discoveries or any Confidential Information acquired in the course of my employment.

3.3. I shall not, directly or indirectly, disclose or use, at any time, either during or subsequent to my employment, any Confidential Information, Inventions or Discoveries, knowledge or data of the Company (whether or not obtained, acquired or developed by me) unless I shall first secure the written consent of the Company to the disclosure or use.

3.4. I shall take all reasonable actions, that the Company deems necessary or appropriate to prevent the unauthorized use or disclosure of any Confidential Information, Inventions and Discoveries.

3.5. I shall disclose promptly to an authorized representative of the Company all Inventions and Discoveries and all information in my possession as to possible applications thereof to industry and other uses thereof and therefor.

3.6. I shall not file any patent applications relating to Inventions and Discoveries except with the prior consent of an authorized representative of the Company. At the request of the Company, and without expense to me, I shall execute such documents and perform such other acts as the Company deems necessary to obtain patents on Inventions and Discoveries in any jurisdiction or jurisdictions and to assign to the Company or its designees Inventions and Discoveries and any patent applications, whether or not active, and patents relating thereto.

3.7. Upon termination of any employment by the Company, or upon request of the Company, to deliver to the Company all written materials, and all substances, models, mechanisms and the like containing or relating to Confidential Information or Inventions and Discoveries, all of which written materials or other things shall be and remain the sole property of the Company. For this purpose, "written materials" shall be deemed to mean and include letters, memoranda, reports, notes, notebooks, books of account, data, drawings, prints, plans, specifications, formulae and all other documents or writings and all copies thereof, whether in hard copy or on computer.

3.8. All Inventions and Discoveries made or conceived prior to my employment by the Company which as of the date of commencement of such employment I owned or in or to which I had an interest or right, other than those patented prior to such employment are set out in Exhibit A hereunder. Any such Inventions and Discoveries not so patented or listed shall be presumed to be made or conceived during my employment by the Company. Subject to the foregoing, I shall not be requested or required to assign or disclose any Inventions and Discoveries developed, made or conceived prior to such employment, or information relating thereto.

3.9. I shall not be requested or required to violate, and I agree to respect, any valid obligations I now have to prior employers or others

relating to Confidential Information, Inventions and Discoveries. I have disclosed to the Company any such obligations.

3.10. Any violation of this Agreement will cause the Company immediate and irreparable harm and the damages the Company will suffer may be difficult or impossible to measure and the Company shall be entitled to the issuance of a restraining order, preliminary and permanent injunction, without bond, restraining and enjoining such a violation by me or any entity or person acting in concert with myself. Such remedy shall be additional to and not in limitation of any other remedy which may otherwise be available to the Company.

3.11 If any of the provisions of this Agreement are, or become, invalid or unenforceable, the remaining provisions shall be, and continue to be, fully effective.

3.12. This Agreement shall be governed by, and construed under, the laws of the Province of Alberta.

3.13. This Agreement constitutes the entire Agreement between the Company and me with respect to the subject matter hereof.

3.14. This Agreement and the obligations undertaken hereunder shall survive the termination of my employment by the Company.

DATED AT _____, this _____ day of _____, 20____

EMPLOYEE-SIGNATURE

WITNESS

EMPLOYEE - NAME

EXHIBIT B

CONSULTANT'S CONFIDENTIALITY UNDERTAKING

The Consultant hereby agrees and acknowledges that in the course of performing the services, it will have access to and will be entrusted with detailed confidential information, patents and trade secrets concerning the business of the Company and the present and contemplated products, techniques and other services evolved or used by the Company, and agrees that the disclosure of any such confidential information to competitors of

the Company or to the general public would be highly detrimental to the best interests of the Company. The Consultant acknowledges and agrees that the right to maintain the confidentiality of such confidential information, patents and trade secrets, and the right to preserve its goodwill, constitute proprietary rights which the Company is entitled to protect. Accordingly, the Consultant covenants and agrees with the Company that, save with the written consent of the Company, it will not, either during the term of this Agreement, or at any time thereafter, disclose any of such confidential information, patents, and trade secrets to any person, outside of the Company, nor shall it use the same for any purpose other than the purposes of performing the Services. The Consultant agrees that all restrictions contained in this clause are reasonable and valid in the circumstances and all defenses to the strict enforcement thereof by the Company are hereby waived by the Consultant. Upon termination or expiry of this Agreement for any reason, the Consultant agrees to deliver to the Company all documents, records, reports and notices, and copies thereof, which are in its possession which relate in any way to the business of the Company or its customers.

In addition, given the Consultants access to such detailed confidential information, patents and trade secrets concerning the business of the Company, the Consultant agrees that it shall not:

- a. Purchase or sell Company securities with knowledge of a material fact or material change with respect to the Company which has not been generally publicized by issuance of a press release or other public announcement; or
- b. inform, other than in the necessary course of business, any other person or company about a material fact or material change with respect to the Company before that fact or change has been generally publicized.

Accordingly, the Consultant shall take great care to maintain confidential all unpublicized material information respecting the Company and prevent inadvertent disclosure of such information to family, friends, stockbrokers and others.