



## **Nexen Marketing** *Code of Conduct*

### ***For Persons Engaged in Natural Gas Sale for Resale Transactions and Voluntarily Submitting Energy Pricing Data To Bona Fide Publications***

Nexen Marketing (“Nexen”) adopts the following Code of Conduct for persons engaged on Nexen’s behalf or on behalf of any of Nexen’s subsidiaries in natural gas sale for resale transactions and for voluntarily submitting energy pricing data to appropriate trade publications. This Code of Conduct is in keeping with the policies in place of Nexen Inc., the corporate parent, which policies set out the requirement to conduct our business in an ethical manner compliant with all applicable laws and regulations.

Nexen holds a blanket certificate from the Federal Energy Regulatory Commission (“FERC”) authorizing Nexen to engage in natural gas sales for resale in the United States. This blanket certificate is not applicable to transactions involving the so-called “first sale” of natural gas. Nexen’s sale for resale transaction must confirm the following principles:

No Nexen employee may engage in any action or transaction that is without a legitimate business purpose and that is intended to or foreseeably could manipulate market prices, market conditions or market rules for natural gas. Prohibited actions and transactions include, but are not limited to, the following:

1. Pre-arranged offsetting trades of the same product among the same parties, which involve no economic risk and no net change in beneficial ownership (sometimes called “wash trades”); and
2. Collusion with another party for the purpose of manipulating market prices, market conditions, or market rules for natural gas.

Nexen does not share energy pricing data with market participants and does not permit its employees to share energy pricing data with market participants. Nexen employees may provide energy pricing data to bona fide energy trade publications only in compliance with 18 C.F.R. § 284.403 and this Code of Conduct.

Nexen’s decision to submit energy pricing data to bona fide energy publications is completely voluntary. Nexen reserves the right to decline to provide, or cease to provide, energy pricing data to a publication in Nexen’s complete discretion, without reservation, barring further changes in law or regulation.

To the extent that Nexen engages in reporting of transactions to publishers of natural gas indices, persons responsible for reporting shall comply with this Code of Conduct, as well as any applicable FERC policies, and shall provide accurate and factual information, and shall not knowingly submit false or misleading information or omit material information to any such publisher. Nexen reporting of transaction data will be done in compliance with the following guidelines:

1. Nexen selects the index price publishers to which it provides transactional data.
2. Nexen will submit only raw data on a transaction-by-transaction basis. No mathematical calculations will be performed and included as data by Nexen.
3. Nexen will submit data on all applicable transactions it completes unless existing contract agreements prevent it from doing so.

4. Nexen does not include the counter-party's name in its transaction data submissions.
5. Nexen will submit a complete set of data that includes all applicable transactions with data elements or fields for the particular index. The data will be submitted at a transactional level as frequently as stipulated for the index. Quantities will be presented in standard units. Commodity specification will be reasonably consistent with those of the index publisher.
6. Nexen will submit buy-sell indication for each transaction when it is contractually or otherwise permitted to do so and has received adequate assurances from the publisher that the data will be protected from improper release or misuse.
7. Nexen will include transactions executed on electronic trading platforms and over-the-counter clearinghouses.
8. Nexen will not report any intra-company transactions, transactions executed with affiliate companies or trading desks within the corporation.
9. Nexen will not report structured transactions or negotiated transactions that are composed of a combination of standard products such as forwards, futures, and options.
10. The personnel reporting trade data to an index developer on behalf of Nexen are not responsible for trading. The prices reported to index developers are the same as those recorded on the books and records of the company in accordance with generally accepted accounting principles. No other employee of Nexen may provide energy pricing data to the publishers of an index.
11. Nexen will make reasonable efforts to review the transaction data prior to submission, to be reasonably available for queries prior to publication, to notify the publication of errors as consistent with the materiality standard defined by the publication, and to challenge a published index only when such challenges are warranted.
12. Nexen will make reasonable efforts to submit data electronically, but submission via facsimile will occur when otherwise unavoidable. If Nexen does not execute applicable transactions during the transaction reporting interval, no information will be submitted to the publication.
13. Nexen will maintain records of the transaction submitted for audit purposes and periodically review or audit Nexen's data submission processes for consistency with this Code of Conduct. Nexen will comply with Nexen's internal record retention policy and shall retain for a period of five (5) years all data and information upon which it billed the prices charged for natural gas sales for resale or the prices reported to price indices.
14. Nexen will implement procedures to protect against data release or misuse and will review the data protection policies of publications when deciding whether or not to voluntarily provide, or continue to provide, energy pricing data to bona fide trade publications.
15. Nexen's data submission processes will be audited on an annual basis by an independent auditor for consistency with this Code of Conduct.
16. Nexen will provide this Code of Conduct to its employees and contractors. Nexen will also make this Code of Conduct available to the public on its corporate website.