

TRANSGLOBE ENERGY CORPORATION (the "Company")
"WHISTLEBLOWER" PROTECTION POLICY

In July 2002 and July 2010, the United States Congress adopted, respectively, the *Sarbanes-Oxley Act* ("SOX") and the *Dodd-Frank Wall Street Reform and Consumer Protection Act* ("Dodd-Frank"), which are applicable to all companies, such as ours, whose shares are registered under the *U.S. Securities Exchange Act of 1934*, as amended (the "Exchange Act").

SOX and Dodd-Frank created new protections for employees of publicly traded companies, forbidding retaliation of any kind against employees who engage in certain "whistleblowing" activities. According to SOX and Dodd-Frank, employers must not "discharge, demote, suspend, threaten, harass, directly or indirectly, or in any other manner discriminate against" any employee, deemed to be a "whistleblower," in the terms and conditions of employment because the employee participates in lawful conduct designed to expose or assist with investigations of U.S. federal securities law violations.

Specifically, employee conduct that SOX and Dodd-Frank protect from retaliation includes:

- (1) providing information to or otherwise assisting in an investigation by a U.S. federal regulatory or law enforcement agency, any member of the U.S. Congress or committee of the U.S. Congress, or any person with supervisory authority over the employee or who has the authority to investigate, discover, or terminate misconduct, where such information or investigation relates to any conduct of the employer that the employee reasonably believes constitutes a possible violation of specified U.S. federal securities laws, any rule or regulation of the U.S. Securities and Exchange Commission ("SEC"), or any other U.S. federal law relating to fraud against shareholders, that has occurred, is occurring, or is about to occur;
- (2) filing, testifying, participating in, or otherwise assisting in a proceeding relating to alleged violations of any U.S. federal securities laws described in (1) above; and
- (3) making disclosures of information that are required and protected under SOX, Dodd-Frank, the Exchange Act, and any other law, rule or regulation subject to SEC jurisdiction.

This Policy confirms that the Company will not, directly or indirectly, discharge, demote, suspend, threaten, harass, retaliate against, or in any other manner discriminate against anyone who:

- (a) makes a good faith complaint to the Company or to an outside governmental authority, or to both, about suspected Company or employee violations of law or violations of the Company's codes or policies, or otherwise amounts to serious improper conduct;
- (b) makes a good faith complaint to the Company or to an outside governmental authority, or to both, regarding accounting, internal accounting controls or auditing matters that may lead to incorrect or misrepresentations in financial reporting;
- (c) provides information (or causes information to be provided) to or assists either the Company or an outside governmental authority in an investigation regarding violations of law or any of the Company's codes or policies; or

- (d) files, testifies or participates in a governmental investigation or judicial or administrative proceeding relating to alleged violations of law.

Of course, SOX, Dodd-Frank and this Policy do not supplant or otherwise affect existing rights that employees might have under other laws.

In addition to the foregoing, under section 2.3, paragraph 7 of Multilateral Instrument 52-110 of the Canadian Securities Administrators Act, the following is established as a further requirement regarding whistleblower programs for companies subject to Canadian securities laws:

"An audit committee must establish procedures for:

- (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters;*
- (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters."*

Complaint Procedures

1. The Company is firmly committed to compliance with all applicable securities laws and regulations, accounting standards, accounting controls and audit practices.
2. The fair and accurate reporting of all material financial and non-financial facts regarding the Company and its affairs is of paramount importance, and we will not tolerate fraud or misrepresentation of any kind.
3. As part of this effort, we encourage all employees to raise -- either in person or anonymously -- concerns and complaints they have regarding any suspected violations of law or any of the Company's codes or policies by reporting them as outlined below. All employees, whether or not serving in a supervisory capacity, are required to report suspected violations.
4. All concerns and complaints regarding possible violation of law or any of the Company's codes or policies should be directed to one or more members of our Company's Audit Committee as shown on Appendix A.
5. You are free to choose whatever form of private communication you think best to express your concern or complaint, and may communicate your concern or complaint anonymously if you so choose -- all we ask is that you be clear about your concerns or complaints. Although we will maintain the anonymity of your concern or complaint if you choose to make it anonymously, we encourage you to put your name to your concern or complaint because appropriate follow-up questions and investigations may not be possible unless the source of the information is identified. Concerns or complaints expressed anonymously will be investigated, but consideration will be given to the seriousness of the issue(s) raised, the credibility of the concern or complaint and the likelihood of confirming allegations from attributable sources.

6. All concerns and complaints, whether received by one or more of the members of the Company's Audit Committee either from an employee or an outside governmental authority, or from both, will be promptly investigated, and appropriate corrective action taken if warranted by the investigation, no later than 90 days after receipt of such concern or complaint.
7. All concerns and complaints will be kept confidential to the extent possible, and all sources of all concerns and complaints will be kept anonymous by the Company's Audit Committee consistent with the need to conduct an adequate investigation.
8. Any employee that submits a concern or complaint concerning a violation or possible violation of law or any of the Company's codes or policies must be acting in good faith and have reasonable grounds for believing that the information disclosed indicates a violation. Concerns or complaints that are discovered to have been maliciously made or knowingly false will be viewed as a serious disciplinary offence and may result in disciplinary action against the complainant.

RETALIATION AGAINST EMPLOYEES WHO RAISE A CONCERN OR COMPLAINT WITH EITHER A MEMBER OF THE COMPANY'S AUDIT COMMITTEE OR ANY OUTSIDE GOVERNMENTAL AUTHORITY WILL NOT BE TOLERATED BY THE COMPANY, WHETHER SUCH RETALIATION IS BY ANY OFFICER, EMPLOYEE OR AGENT OF THE COMPANY, OR BY ANY CONTRACTOR OR SUBCONTRACTOR OF THE COMPANY.

Appendix A

Audit Committee Members

NAME	<u>TELEPHONE NO.</u>	<u>E-MAIL ADDRESS</u>
Steven Sinclair (Committee Chair)	+ 1 403 605 6116 – Cell	stevenwsinclair@gmail.com
Edward LaFehr	+ 1 403 404 3247 - Cell	ed.lafehr@baytexenergy.com
David Cook	+ 1 713 419 6808 - Cell	davidc@trans-globe.com