

CODE OF CONDUCT OF BUSINESS ETHICS AND CORPORATE SOCIAL RESPONSIBILITY

*Adopted by the board of directors (**Board of Directors**) of S.D. Standard Drilling Plc
(**S.D. Standard Drilling** or the **Company**) on 24 April 2012.*

1. Introduction

S.D. Standard Drilling has a strong commitment in promoting honest conduct and ethical business conduct by all employees and compliance with the laws that govern the conduct of S.D. Standard Drilling's business and the Company shall enjoy an impeccable reputation for corporate trustworthiness. S.D. Standard Drilling believes that a commitment to honesty, ethical conduct and integrity is a valuable asset that builds trust with its customers, suppliers, employees, shareholders and the communities in which it operates. To implement its commitment, S.D. Standard Drilling has developed a code of conduct of business ethics and corporate social responsibility (the Code).

The Code shall apply to all entities controlled by the Company and all employees, directors and officers of the Company (Employee). All Employees are required to read and understand the Code. The Code shall be reflected, promoted and implemented in policies, decisions and actions and the Company shall encourage suppliers, consultants and other business partners within its sphere to influence to adopt these principles.

2. Compliance with Laws, Rules and Regulations

All Employees are responsible for complying with the applicable laws, rules and regulations and regulatory authorities that affect the Company's business. Questions with respect to an Employee's duties under the law should be directed to the chief executive officer (CEO).

3. Honest and Fair Dealing

Employees shall endeavour to deal honestly, ethically and fairly with the Company's customers, suppliers, competitors and employees. No Employee should take unfair advantage of anyone through manipulation, concealment, abuse of privilege information, misrepresentation of material facts, or any other unfair-dealing practice.

4. Conflict of Interest and Corporate Opportunity

Employees shall avoid any interest that conflicts or appears to conflict with the interests of the Company or that could reasonably be determined to harm the Company's reputation, and report any actual or potential conflict of interest immediately to the CEO or a Director.

A conflict of interest exists if actions by any Employee are, or could reasonably appear to be, influenced directly or indirectly by personal considerations, duties owed to persons or entities other than the Company, or by actual or potential personal benefit or gain. Employees owe a duty to advance the legitimate interests of the Company when the opportunities to do so arise.

5. Confidentiality and Privacy

Each Employee shall protect the confidentiality of Company information. Confidential information includes such items as non-public information concerning the Company's business, financial results and prospects and potential corporate transactions. Employees are required to keep such information confidential during employment as well as thereafter, and not to use, disclose, or communicate that confidential information other than in the course of employment. The consequences to the Company and the Employee concerned can be severe where there is unauthorized disclosure of any non-public, privileged or proprietary information.

Each Employee shall also comply with S.D. Standard Drilling's policy regarding handing of inside information, cf. also 8 below.

6. Proper Use of Company Assets

The Company's assets are only to be used for legitimate business purposes and only by authorised Employees or their designees. This applies to tangible assets (such as office equipment, telephone, copy machines, etc.) and intangible assets (such as trade secrets and confidential information). Employees have a responsibility to protect the Company's assets from theft and loss and to ensure their efficient use.

7. Corporate communications policy

Only certain designated Employees may discuss the Company with the news media, securities analysts and investors. All inquiries from regulatory authorities or government representatives should be referred to the CEO. Employees exposed to media contact when in the course of employment must not comment on rumours or speculation regarding the Company's activities.

8. Securities Trading

S.D. Standard Drilling is a public Company subject to a number of laws concerning the purchase of its shares and other publicly traded securities. Applicable laws and Company policy prohibits Employees and their family members from trading securities while in possession of material, non-public information relating to the Company or any other company, including a customer or supplier that has a significant relationship with the Company.

Information is "material" when there is a substantial likelihood that a reasonable investor would consider the information important in deciding whether to buy, hold or sell securities. In short, any information that could reasonably affect the price of securities is material. Information is considered to be "public" only when it has been released to the public through appropriate channels and enough time has elapsed to permit the investment market to absorb and evaluate the information. If an Employee has any doubt as to whether he possesses material non-public information, he should contact the Company's representative in charge of insider trading matters and the advice of legal counsel may be sought.

Members of the Board, officers and senior managers (Primary Insiders) are subject to various reporting and insider trading requirements. Primary Insiders are required to obtain clearance in advance of any contemplated securities transactions from the Company's representative in charge of insider trading matters or the Board and are also required to comply with all reporting requirements.

S.D. Standard Drilling has adopted policies regarding handing of inside information which all Employees are required to read, understand and comply with.

9. Drugs and Alcohol

S.D. Standard Drilling prohibits the illegal use, sale, purchase, transfer, possession or consumption of controlled substances, other than medically prescribed drugs, while on Company premises. Company policy also prohibits the use, sale, purchase, transfer or possession of alcoholic beverages by Employees while on Company premises, except as authorised by the Company. This policy requires that the Company must abide by applicable laws and regulations relative to the use of alcohol or other controlled substances.

10. Policies against Discrimination and Harassment

The Company prohibits discrimination against any Employee or prospective Employee on the basis of sex, race, colour, age, religion, sexual preference, marital status, national origin, disability, ancestry, political opinion, or any other basis prohibited by the laws that govern its operations.

The Company prohibits unlawful harassment. Employees are expected to treat one another with respect. "Harassment" includes any conduct likely to cause offense or humiliation to any person or that

might, on reasonable grounds, be perceived by a reasonable person to place a condition on employment or on any opportunity for training or promotion.

11. Electronic communication

Electronic communications include all aspects of voice, video, and data communications, such as voice mail, e-mail, fax, and Internet. Employees should use electronic communications for business purposes and refrain from using the Company's electronic communications for personal use.

12. Integrity of Corporate Records

All business records, expense accounts, payrolls, service records, and other reports should accurately reflect the facts.

The books and records of the Company should be prepared with care and honesty and should accurately reflect its transactions. All corporate funds and assets should be recorded in accordance with Company procedures.

The Company's accounting personnel must provide the independent public accountants and the Board of Directors with all information they request. Employees should not, and should not direct or permit others, to take any action to fraudulently influence, manipulate or mislead independent public accountants engaged in the audit or review of the Company's financial statements, or fail to correct any materially false or misleading financial statements or records, for the purpose of rendering those financial statements materially misleading.

13. S.D. Standard Drilling shall prevent money laundry

The Company will take necessary steps to prevent its financial transactions from being used by others to launder money as defined under applicable laws.

14. Entertainment, Gifts, Payments and Bribery

Decisions by the Company and its agents relating to the procurement and provision of goods and services should always be free a perception that favourable treatment was sought, received or given as the result of furnishing or receiving gift, favours, hospitality, entertainment or other similar gratuity. The giving or receiving of anything of value to induce such decisions is prohibited. Employees should not solicit a gift or favour from those with whom we do business. Providing or receiving gifts or entertainment of nominal value motivated by commonly accepted business courtesies is permissible.

No bribes or other similar payments and benefits, directly or indirectly, shall be paid to employees of suppliers or customers.

15. Compliance with Anti-Trust Laws

The Company's business may be subject to United States, European Union and other foreign government anti-trust and similar laws. All Employees must comply with such laws and you should confer with the CEO whenever you have a question with respect to the possible anticompetitive effect of particular transactions.

16. Health, Safety and Environmental Protection

The Company shall conduct its business in a manner designed to protect the health and safety of its Employees, its customers, the public, and the environment. S.D. Standard Drilling's policy is to operate its business in accordance with all applicable safety, environmental and safety laws and regulations so as to ensure the protection of the environment and the Company's personnel and property. All Employees should conduct themselves in a manner that is consistent with this policy.

17. Resource efficiency

The Company's assets and services and business model shall be designed in such a way that energy and materials are efficiently used, and waste and residual products are minimized over the life cycles.

18. Human Rights

The Company shall support and respect and commit to the principles set out in the international recognized social and ethical standards for protection of human rights.