

The Code of Conduct: Take the Pledge.



RESPECT



ENVIRONMENT



COMMUNITY



ETHICS



CONFIDENTIALITY



Kuwait Petroleum Corporation
and subsidiaries

Contents

The CEO's Letter	<i>i</i>
Introduction	<i>iii</i>
1. Valuing All People	<i>1</i>
1.1 Respect for Religious Beliefs	<i>2</i>
1.2 Harassment	<i>2</i>
1.3 Rights of the Individual	<i>2</i>
2. HSE Policy and Commitment	<i>5</i>
3. Good Citizenship & Social Responsibility	<i>7</i>
3.1 Respect for the Law	<i>8</i>
3.2 Substance Abuse	<i>8</i>
3.3 Social and Political Relations	<i>8</i>
4. Ethical Business Conduct	<i>9</i>
4.1 Business Ethics	<i>10</i>
4.2 Conflict of Interest	<i>10</i>
4.3 Bribery & Corruption	<i>11</i>
4.4 Gifts & Entertainment	<i>11</i>
4.5 Outside Employment	<i>12</i>
4.6 Preventing Fraud & Theft	<i>12</i>
5. Confidentiality	<i>13</i>
5.1 Information and Knowledge Management	<i>14</i>
5.2 Requests for Employee Information	<i>14</i>
5.3 Representing or Speaking on Behalf of KPC	<i>14</i>
5.4 Information Technology – Privacy, Security and Copyrights	<i>15</i>
5.5 Confidential Information	<i>16</i>

The CEO's Letter

THE CEO'S LETTER

Dear KPC Colleagues,

We are all proud that Kuwait Petroleum Corporation, together with its subsidiaries, is universally recognized as one of today's top ten energy conglomerates and a leader in providing safe, clean energy to the global markets. KPC's vision is:

1. To be a highly profitable and performance driven company, significantly contributing to the Kuwaiti economy;
2. To strengthen the world class reputation of all our operations and encourage continuous learning in all our activities; and
3. To become a leader in HSE performance and apply the latest and the most appropriate technologies in our operations.

The methods we employ to attain these results are as important as the results themselves. These include the knowledge, experience and talents of our employees, the wisdom of our strategy and the values that drive our behavior. Within the KPC Group, we believe in upholding the highest standards of ethical and professional behavior in everything we do. To that end, we have adopted the enclosed Code of Conduct as a document that outlines the conduct expected of our employees. In drafting it, we have relied on basic principles of honesty, truthfulness, fairness, equity, integrity and respect for people. These principles apply to all our business affairs and describe the behaviors expected of every employee. As employees, we should promote trust, openness, teamwork, professionalism and pride in what we do. We will conduct our business in an ethical, professional, environmentally sustainable and socially responsible manner. Ethical behavior cannot be an optional "extra"; it must always be an integral part of the way we do business.

To accomplish these objectives, we need the loyalty and support of all our employees. The Code of Conduct is intended to serve the individual employee as a set of basic guidelines designed to assist the employee in avoiding actions that may reflect badly on the employee or on the Corporation. Since it is obviously impossible to make this an all-inclusive document, employees must use their judgment so that their conduct conforms to the intent and spirit sought in all matters including those not specifically mentioned herein.

You should also be mindful that this Code of Conduct is designed to supplement, not replace, the existing personnel policies in each of the KPC Group companies. In addition, some management positions referred to in this document may not necessarily match the names of the positions in your company. Your company's management will update you from time to time with the appropriate titles of the managers and officers to whom you should turn to seek authorizations or answers to questions you may have.

As KPC Group employees, we are expected to review this Code of Conduct periodically and apply its principles to our daily work with complete understanding and compliance.

Thank you for your cooperation.

Hani A. Hussain
Chief Executive Officer

Introduction

This Code of Conduct applies to employees of Kuwait Petroleum Corporation and all direct and indirect wholly-owned subsidiaries of Kuwait Petroleum Corporation (together, “KPC”).

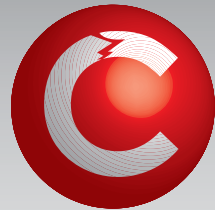
The intent of this document is to provide a set of guidelines to all employees in the conduct of their business and professional activities and when dealing with colleagues, vendors, customers, contractors, government agencies and the public. This document serves as a reminder to all KPC employees that it is important for all of us to uphold the highest standards of integrity and personal conduct in all matters that involve KPC.

You should also be aware that breaches of these values may result in disciplinary action against transgressors and on those who cover up or hide information against KPC interests. References to disciplinary action in this Code are to disciplinary action in accordance with locally applicable policies and laws; such action may extend to termination of employment in appropriate cases.

In addition to such disciplinary action, you might be subject to legal action in case of any infraction of public law.

Upon joining KPC and while performing your duties, you must comply with this Code of Conduct.

1. valuing all people



I pledge to
**respect my colleagues regardless of
their nationality, race, religion or gender.**

1.1 Respect for Religious Beliefs

KPC's policy is to respect the beliefs and religious practices of people of all faiths. It is, therefore, the responsibility of each employee to honor and respect the right of others to practice their religious beliefs in dignity. Interference with these rights and freedoms will be considered a violation of the law and KPC policy and will be subject to disciplinary action, including termination of employment.

1.2 Harassment

KPC intends to provide a work environment that is pleasant, healthy, comfortable and free from intimidation, hostility or other offensive behaviors toward employees, contractors, vendors or customers. Sexual harassment of any sort, including verbal, physical or visual, is strictly prohibited. The making of false accusations and defamatory statements, whether verbal or written, of such harassment is also strictly prohibited. Any employee who engages in any act of harassment in the course of employment shall be subject to disciplinary action. If you believe that you may have been subjected to harassment, you should immediately report the occurrence to the Compliance Officer. All complaints will be treated in strict confidentiality and will be promptly investigated.

1.3 Rights of the Individual

(a) Good Working Environment

KPC endeavors to provide a safe, healthy, pleasant and supportive working environment for all its employees.

(b) Employee Indemnification

We will indemnify you and hold you harmless, whether you are a current or former employee, if, in the performance of your duties or acting at KPC's request, you are made a party to any civil, criminal or administrative action brought against you and/or KPC. In such a situation, we will pay any costs or expenses reasonably incurred and any amounts paid to settle any action or judgment actually and reasonably incurred by you in connection with the investigation, defense or appeal of such proceedings, provided:

1. You acted in good faith and honestly believed such actions to be in KPC's interests;
2. In the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, you had reasonable grounds for believing that your actions were lawful;
3. You promptly notify us of the initiation of such proceedings;
4. You positively participate in the defense;
5. You allow us to participate in your defense; and
6. You obtain our prior written approval before making any settlement in the proceedings.

(c) Equal Employment Opportunity

KPC's policy is to provide equal employment opportunity in conformance with all applicable laws and regulations to individuals who are qualified to perform a particular job. We administer our personnel policies, programs and practices in a nondiscriminatory manner in all aspects of the employment relationship, including recruitment, hiring, work assignment, promotion, transfer, termination, benefits and salary administration and selection for training.

(d) Fair Treatment (Advancement, Development, Discipline)

Our employees are valuable to the future of KPC and are KPC's greatest assets. As such, all decisions that directly affect an employee's employment status will be fair and equitable. This manifests itself in three ways:

1. **Advancement** will be on the basis of merit and performance. Clear criteria will be applied to candidates for vacant posts and the most capable will be promoted.

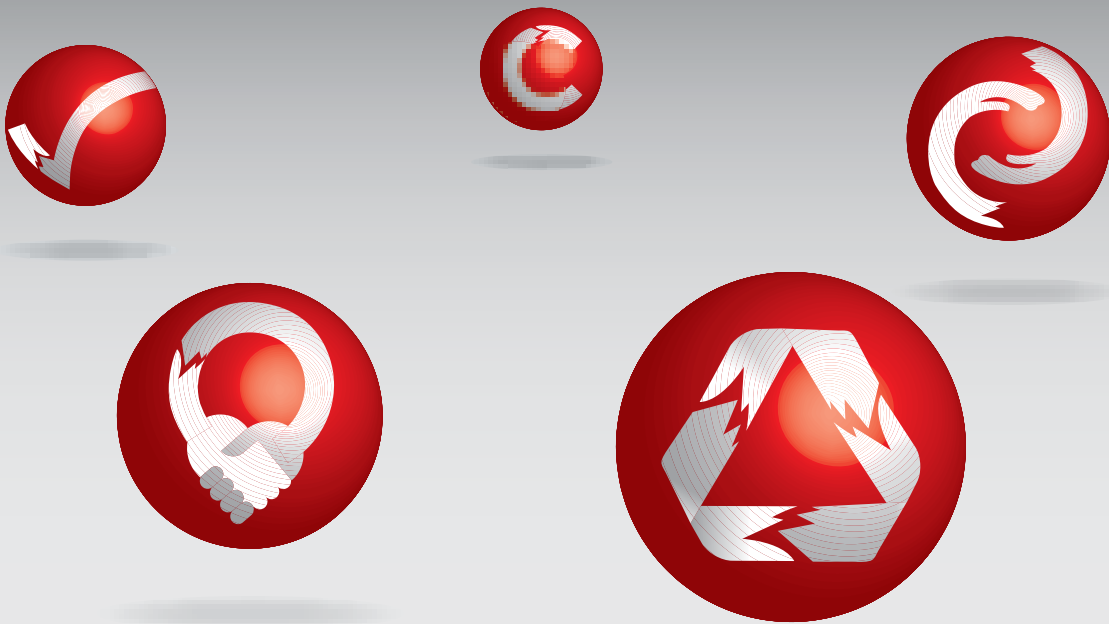
2. **Development** is an essential aspect for all KPC employees. KPC endeavors to provide an environment for improving your qualifications, abilities and skills compatible with your employment position and responsibilities, as well as KPC's policies, rules, regulations and plans.

3. **The Disciplinary Process** will always be fair and equitable. If you are a party to a disciplinary review, you will have the opportunity to forward your case or grievance to the Personnel Department. You will be considered innocent of any alleged violation unless found otherwise. At all times, you will be kept fully aware of your rights and options and will have access to an appeals process if found to be in violation. Disciplinary actions will be prescribed according to the disciplinary code of your relevant personnel policy. You are advised to refer to your personnel policy and to contact the Personnel Department for any additional information.

(e) Participation

You are encouraged to offer your suggestions and ideas for improving our products and services, systems, policies and procedures.

2. HSE policy & commitment



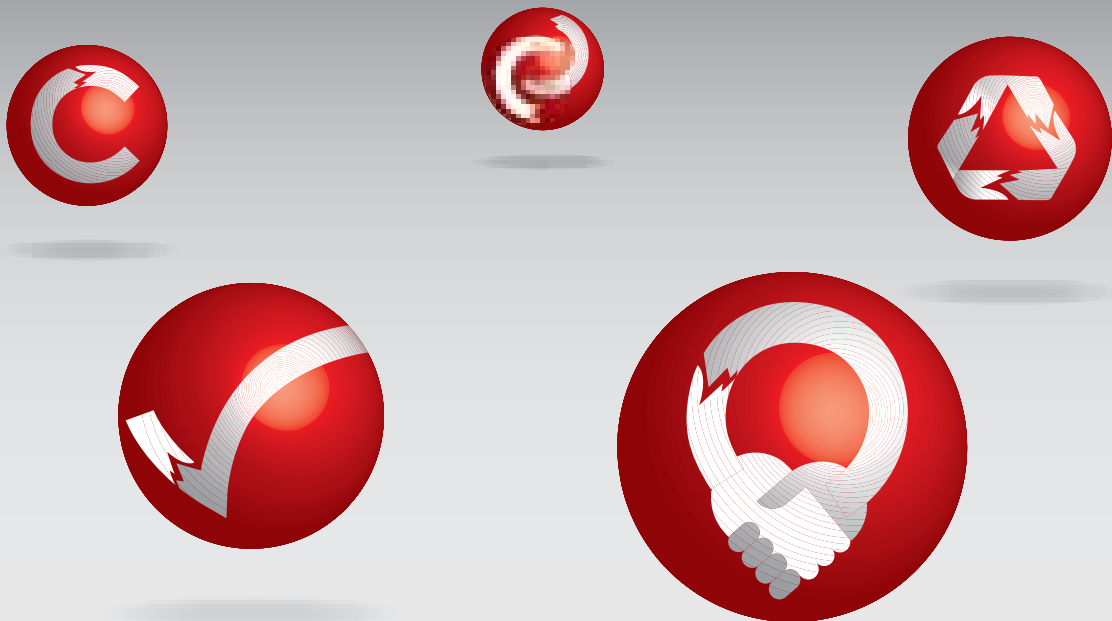
I pledge to
**protect the environment & the health
& safety of my colleagues.**

A good performance in Health, Safety and Environment has tangible and intangible benefits by way of protecting our environment and caring for the welfare of our employees and contractors. Our goals in this regard are to achieve zero injuries and illnesses and to ensure the protection of the environment wherever we conduct our business. Furthermore, off-the-job safety of our employees is just as important as safety on the job.

Strict compliance with applicable HSE policies and standards is an ethical and professional value of KPC. We aim to conduct our business in a healthy, safe and environmentally acceptable manner.

We recognize that HSE systems in one set of our operations might be inapplicable to other operations, so you should strictly adhere to your company's HSE policy, standards and procedures. As a result, all HSE principles, procedures and practices established and documented in your relevant HSE Management System must be followed and implemented.

3. good citizenship & social responsibility



I pledge to
contribute positively to my community.

3.1 Respect for the Law

You are required to obey all local laws and regulations. We endeavor to maintain appropriate levels of legal awareness to protect KPC's interests and those of our employees by anticipating the legal requirements that may arise from new laws and regulations, new business endeavors or modifications of existing business arrangements. You are responsible for reporting any occurrences or circumstances that may have legal implications for KPC.

You are also required to obey the laws of other countries when traveling on business trips or training courses.

3.2 Substance Abuse

We are committed to providing a safe, healthy, productive and comfortable working environment. Accordingly, you are expected to be in suitable mental and physical condition while at work for effective and safe performance of your duties.

Whenever use or abuse of any mood-altering substance (such as alcohol, prescription or illegal drugs) interferes with a safe workplace, appropriate action will be taken. The possession or use of mood-altering, non-prescription substances at the workplace, or coming to work under the influence of such substances, is strictly prohibited, is considered a violation of safe work practices and will be subject to disciplinary action.

Use, possession, transportation or sale of any illegal drugs or other mood-altering, non-prescription substances on KPC-owned or leased business premises is strictly prohibited. We reserve the right, in accordance with the law, to search all persons and their personal effects at any time on KPC property or upon entering KPC premises for any of those items, and to require employees to submit to medical evaluation or testing where cause exists to suspect use of illegal substances.

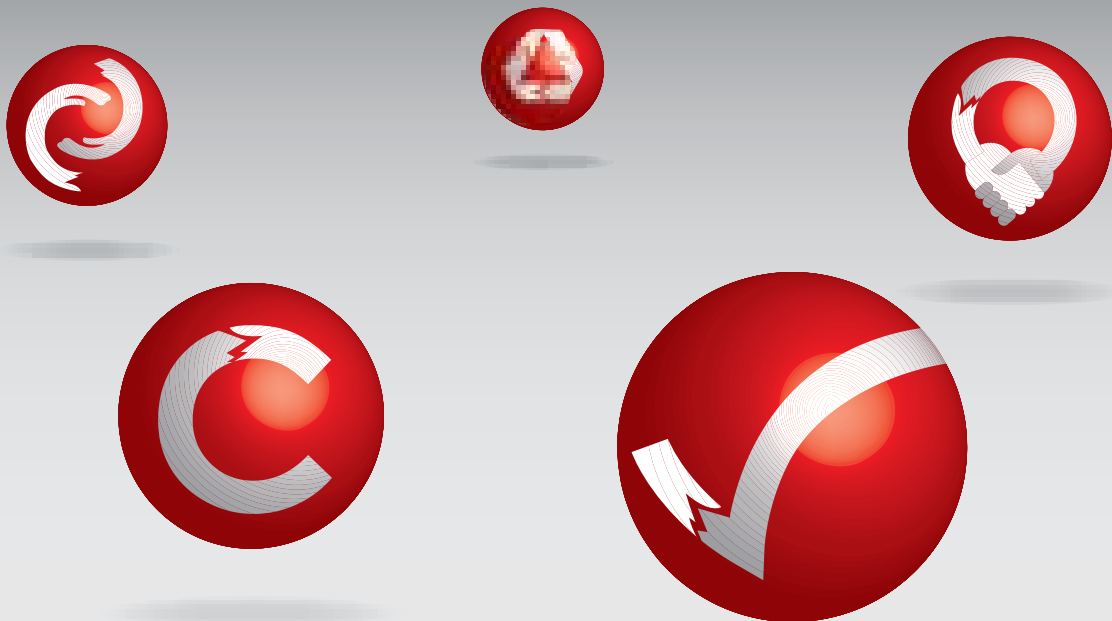
3.3 Social and Political Relations

We recognize that we have an important role to play in the welfare of the society and that we have a responsibility to communicate, participate and cooperate with local authorities and with organizations interested in the welfare of the society. We encourage all our employees to accept this responsibility and take part in discussions and activities designed to solve community problems in the best interest of the society and KPC, but also to ensure that they do not appear to be acting as spokespeople for KPC.

Employees as individual citizens should maintain good relationships with society, including participating effectively in professional societies, licensed charities and community centers.

You have the right to voluntarily participate in the political process. No one at KPC may require you to contribute to, support or oppose any political group or candidate. You may not, however, work on a political campaign activity during official working hours, on KPC-owned or leased property or by using KPC-owned or leased assets such as computers, printers, photocopies, electronic mail and other such assets.

4. ethical business conduct



I pledge to
act ethically.

4.1 Business Ethics

Our reputation, and the trust and confidence of those with whom we deal, are among our most vital corporate resources. We are committed to conducting our affairs in a uniformly ethical manner and pursuant to a standard of fundamental honesty and fair dealing. This standard requires adherence to all laws, regulations and normal ethical practices that apply to our business activities, including adherence to official working hours and appropriate business attire. We expect all employees to act in the highest integrity and to report violation of law or policies to the Compliance Officer. You should obey all lawful instructions given by KPC or by any person duly authorized to do so.

4.2 Conflict of Interest

We all have a responsibility always to work in KPC's best interests and, therefore, must avoid situations and actions that may constitute or create the *appearance* of constituting a conflict of interest with those of KPC without first having declared your personal interest. Conflicts of interest are often difficult to identify in the early stages and can arise during the course of performing your regular business. Nevertheless, it is your responsibility to seek guidance from your supervisor or the Compliance Officer if there exists a conflict of interest or even the chance of one arising or appearing to arise.

The simple acts of disclosing the possibility of a conflict of interest and abiding by the instructions of the Compliance Officer in that respect release you of the risk of losing the trust placed in you to act in KPC's best interests. Therefore, you are urged to discuss any potential conflict of interest with your supervisor or with the Compliance Officer immediately when a potential conflicting circumstance arises. It is always better to look for any such possibility and disclose the same to the Compliance Officer rather than losing KPC's trust at a later stage.

While it is not possible to identify every circumstance that may lead to a conflict of interest, ones similar to the following examples are deemed to create a conflict of interest:

- Knowingly holding, or having a relative such as a spouse, sibling, parent, child, uncle, aunt, nephew, niece, grandparent, grandchild or parent- or sibling-in-law who holds, a substantial financial interest in any enterprise with which KPC has business dealings (e.g., suppliers, contractors, vendors, customers and licensees);

- Knowingly holding, or having such a relative who holds, a substantial financial interest in any enterprise in which KPC has an investment;
- Accepting, directly or indirectly, from any vendor or supplier of services any vacations, cash payment, service, loan (except from financial institutions) or discount (except those offered generally to KPC employees) or other items reasonably seen to be inducements by you or any of your relatives of the first or second degree;
- Acting as a director, officer or employee of any non-affiliated business or other institution with which KPC has a business relationship;
- Directing a business opportunity from KPC for your personal interest;
- Using KPC assets (e.g., stationery, letterhead, funds, facilities, equipment, tools, personnel or job-related know-how) for the benefit of other business or personal interests; and
- Engaging in outside activities that may adversely affect your impartiality or judgment or that may interfere with or adversely affect your ability to perform your official duties.

4.3 Bribery & Corruption

Corruption is any abuse of an official position for personal gain. Bribery is a form of corruption. You must not offer, solicit or accept a bribe in any form and not permit any third parties acting on behalf of KPC to do so. You may not accept any gift, payment or bribe, or anything else of value, whether directly or indirectly, from any person for the purpose of influencing an official act or decision, or to obtain, retain or direct business to any company or person.

4.4 Gifts & Entertainment

In principle, there is nothing wrong with receiving or giving gifts of appreciation of nominal value and of a promotional nature endorsed with a corporate logo such as calendars, diaries, pen sets and calculators.

However, if you receive any gift valued at over KD100 or the local currency equivalent or any lesser amount stipulated in your local policy, you must declare the same to your supervisor.

You are also prohibited from offering any gift to anyone employed by an outside organization, government department, or anyone else with whom KPC has or may be in the process of developing a business relationship where the giving of such a gift violates the regulations issued by your company or the laws governing the recipient.

4.5 Outside Employment

Generally, KPC's employment contracts prohibit any employment outside KPC, except pro bono work at registered charitable organizations. Accordingly, we will strictly enforce this provision and any employee who violates this prohibition will be subject to disciplinary action, including termination of employment.

We recognize, however, that some KPC companies' employment contracts may permit outside employment by employees so long as it does not interfere with an employee's official duties. In those cases, you are advised that outside employment could give rise to a conflict of interest with respect to your continued employment. Therefore, if your company permits outside employment, you must obtain written approval from your Managing Director (or the manager to whom he has delegated that responsibility) before accepting any supplemental job. You must also notify your supervisor if your duties in outside employment change significantly.

In either case, you must devote all official working time to work duties and not engage in any other duties without permission from the Personnel Department.

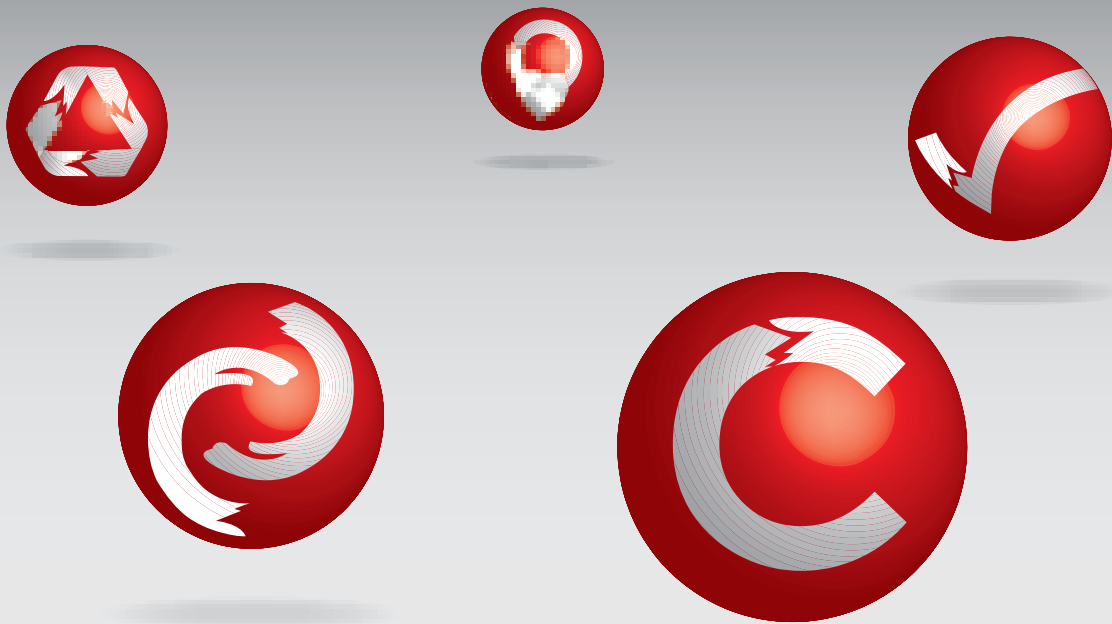
4.6 Preventing Fraud & Theft

Fraud and theft are violations of the law and of this Code of Conduct. Types of fraud and theft include but are not limited to:

- Falsifying contractual issues such as receipts, charges, quantities, quality, etc.;
- Falsifying qualifications and experience;
- Misappropriation of funds;
- Deliberate misinterpretation of information;
- Unauthorized use of contractor manpower, vehicles and equipment; and
- Misuse of budget funding, including petty cash, vouchers etc.

You should seek advice from your supervisor or the Compliance Officer before entering into an activity that could be construed as fraud or theft.

5. confidentiality



I pledge to
**guard business secrets and
confidential information.**

5.1 Information and Knowledge Management

We are very much aware of the need to control the flow of data, information and knowledge from within KPC and to protect and maintain the knowledge that currently resides here. Deliberate misuse by you of KPC's knowledge for personal gain or for the benefit of a competitor is a serious breach of your contract and shall be subject to disciplinary action. Accordingly, when sharing information with those outside KPC, it is imperative that you obtain prior authorization to do so from your supervisor or the General Counsel.

5.2 Requests for Employee Information

In order to insure the accuracy and objectivity of information concerning current or former employees, you are required to refer any calls or written requests to release information about other employees, such as personnel, medical and other records, to the Personnel Department. Any employee who examines or releases information about a current or former employee without specific authorization will be subject to disciplinary action.

5.3 Representing or Speaking on Behalf of KPC

KPC's interest is to develop a positive relationship with members of the media, government officials, community leaders and business partners. All public relations activities and contact with the media and senior government officials must be handled only by or with the approval of the responsible Managing Director.

You must be careful to distinguish between speaking personally and in an official capacity on behalf of KPC. If you do not have explicit authority to make statements to the media and you receive enquiries from a media representative, you must make no comment other than to refer the media representative to the Media Relations Department.

Any statements or press releases must be cleared in advance by the Media Relations Department if they involve KPC's business.

5.4 Information Technology – Privacy, Security and Copyrights

We use modern information technology systems to facilitate our work. In giving employees and authorized contractors access to this technology, we also expect personnel to be responsible in its use. You must be careful not to be involved in unauthorized actions such as:

- Accessing or attempting to access data, files or directories of others on their PCs or directories;
- Violating KPC computer users' policies;
- Tampering with software or hardware;
- Illegal copying of copyrighted software;
- Illegal photocopying of copyrighted documents;
- Releasing of confidential data or sharing of confidential information with others;
- Attempting to intrude or hack into KPC's computers or PCs; and
- Unauthorized use or disclosure of user ID's and passwords.

You should be aware that KPC may monitor computer use, including email, to verify compliance with its computer users' policies. Any violations will be subject to disciplinary action.

5.5 Confidential Information

Many of our employees have been placed in positions of trust or confidence because of the work they perform and therefore are exposed to or have access to KPC funds, employee payroll data, personnel records, employee billing records, vendor and service contracts, operational data, license agreement, computerized information, financial information and other types of sensitive information that is considered confidential or personal in nature.

Whether you are a current or former employee, you are reminded of the covenants of confidentiality in your employment contract and that revealing any type of confidential or sensitive information to unauthorized persons or tampering with or altering KPC records and/or property is a violation of that trust and may result in disciplinary or legal action, including termination of employment. If you have any questions or doubts about what is considered confidential information or may constitute a violation of trust, you are urged to seek advice from the Compliance Officer. Former employees shall not release any information without prior written approval from KPC.