

TOTAL ENERGY SERVICES INC.

DISCLOSURE POLICY AND PROCEDURES

(as of January 12, 2012)

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TOTAL ENERGY SERVICES INC.

DISCLOSURE POLICY AND PROCEDURES

A. OBJECTIVE AND SCOPE

The objective of this Disclosure Policy (the "Policy") is to set out the policies and procedures that govern communications to the public concerning Total Energy Services Inc. and its divisions, affiliates and subsidiaries (collectively "Total Energy"). Subject to certain exceptions, the general principle underlying this Policy is that disclosure of material information respecting the business and affairs of Total Energy should be:

- timely, factual and accurate; and
- broadly disseminated.

Among other things, this Policy:

- (i) confirms Total Energy's existing disclosure practices; and
- (ii) provides guidelines concerning electronic communications.

This Policy applies to all directors, officers, employees, consultants retained by and all persons authorized to speak on behalf of, Total Energy (see **Section G** below). It covers:

- (i) disclosure in documents filed with securities regulators and other written statements released by Total Energy;
- (ii) oral communications made on behalf of Total Energy, including presentations by senior management, statements made in meetings and telephone conversations with analysts and investors and interviews with the media; and
- (iii) information posted on Total Energy's website or contained in other electronic communications.

This Disclosure Policy supersedes and replaces all prior Policies and Procedures adopted by Total Energy in respect of Confidentiality, Disclosure of Information and Restrictions on Trading, and all prior policies addressing subject matter dealt with in this Disclosure Policy.

Each director and officer of Total Energy and other person designated as a "key employee" by a member of the Disclosure Committee may be asked to sign an acknowledgment, annually or more frequently as the Disclosure Committee may determine, to the effect that he or she has been provided with a copy of and has read and understands this Disclosure Policy.

B. DISCLOSURE POLICY

A Disclosure Committee (the "Disclosure Committee") has been established by Total Energy, which is comprised of the following individuals:

- Chairman of the Board of Total Energy
- Chief Executive Officer of Total Energy

- Chief Financial Officer of Total Energy
- General Counsel of Total Energy.

The Disclosure Committee is not a committee of the board of directors of Total Energy (the "Board of Directors"), but rather a committee consisting of senior personnel of Total Energy, who are knowledgeable about the business and affairs of Total Energy and involved in the day-to-day management of Total Energy. Determinations respecting the materiality of information and other actions required under this Disclosure Policy will generally need to be made or undertaken within tight time constraints (having regard to the requirements of applicable securities legislation and the stock exchange rules) and, often, it will not be practicable or possible to defer consideration of disclosure matters that may arise in the conduct of the business of Total Energy to a scheduled meeting of the Board of Directors or attempt to convene a meeting of the directors of Total Energy to consider such matters.

The Disclosure Committee will hold scheduled quarterly meetings and will meet at such other times as conditions dictate. At least one member of the Disclosure Committee will attend quarterly management meetings involving divisional managers. **It is essential that the members of the Disclosure Committee be kept fully apprised of all pending significant developments concerning Total Energy so that the Disclosure Committee is in a position to evaluate and discuss those developments and to determine whether information concerning such developments should be disclosed to the public.** All directors, officers and employees of Total Energy should discuss any significant development or potential significant development with a member of the Disclosure Committee.

In addition, each director, officer and employee of Total Energy should promptly notify a member of the Disclosure Committee (or the Board of Directors) if such person becomes aware of a misrepresentation in a written document or public oral statement made by, or on behalf of, Total Energy, and of the failure by Total Energy to make timely disclosure of any material information in accordance with this Policy. If any member of the Disclosure Committee receives a notification respecting an alleged misrepresentation in a written document or public oral statement made by, or on behalf of, Total Energy or notification of a failure by Total Energy to make timely disclosure of any material information in accordance with this Policy, such notification should be properly considered by the Disclosure Committee.

There are circumstances in which it is appropriate (to protect the interests of Total Energy and its shareholders) that information be kept confidential (see **Section C** below). If it is determined that information should remain confidential, the Disclosure Committee will determine how that information will be controlled.

The Disclosure Committee will review this Disclosure Policy on an annual basis, or more frequently if determined appropriate by the Disclosure Committee or as instructed by the Board of Directors (due to a change in law, for example), and will recommend such changes to this Policy as the Disclosure Committee considers appropriate (including to take account of new developments and standards of practice). In addition, the Disclosure Committee will report to the Board of Directors on a quarterly basis (or more frequently as the Committee may determine or the Board of Directors may request), respecting the determinations and activities of the Disclosure Committee since the date of the last scheduled meeting of the Board of Directors.

Except as otherwise expressly provided in this Policy, any decisions required to be made hereunder may be made by one member of the Disclosure Committee. A member who so makes a decision hereunder will communicate such decision to the other members of the Disclosure Committee as soon as reasonably practicable.

In addition to its other duties, as set out in this Disclosure Policy, the Disclosure Committee will:

- (i) have responsibility for the implementation of this Disclosure Policy;
- (ii) monitor the effectiveness of and compliance with this Disclosure Policy; and
- (iii) educate or develop a program for the education of directors, officers and employees of Total Energy concerning disclosure issues and the requirements of this Disclosure Policy.

The Chief Financial Officer of Total Energy will maintain (for at least three years) a file containing all material public information prepared and disseminated by or on behalf of Total Energy, including continuous disclosure materials filed with securities regulatory authorities or a stock exchange, and transcripts or tape recordings of conference calls, debriefing notes and notes from meetings and telephone conversations with analysts and investors. In addition, the Chief Financial Officer of Total Energy will maintain (for at least two years) a file containing material public information known to Total Energy, but not produced by or on behalf of Total Energy (or any other member of Total Energy), including analyst reports (to the extent made available to Total Energy) and newspaper articles concerning Total Energy.

C. PRINCIPLES OF DISCLOSURE OF INFORMATION

Under applicable securities laws, Total Energy is required to immediately disclose any material change that occurs in the affairs of Total Energy, subject to certain exceptions under which the confidentiality of information concerning a material change may be preserved. For purposes of securities laws, a material change is:

- (i) a change in the business, operations or capital of an issuer that would reasonably be expected to have a significant effect on the market price or value of any of the securities of that issuer; or
- (ii) a decision to implement a change referred to in (i) above made by the board of directors, or by senior management of the issuer who believe that confirmation of the decision by the issuer's board of directors is probable.

Securities legislation also recognizes the concept of a "material fact", which is a fact that significantly affects or would reasonably be expected to have a significant effect on the market price or value of the issuer's securities. Material facts, alone, do not give rise to disclosure obligations under securities laws, although the existence of undisclosed material facts does restrict trading (*i.e.*, a person with knowledge of an undisclosed material fact concerning Total Energy is precluded from trading securities of Total Energy).

Under applicable stock exchange rules, Total Energy is required to make timely disclosure of both material changes and material facts affecting Total Energy, subject to certain exceptions under which the confidentiality of such information may be preserved. The TSX uses the term "material information" to capture both concepts. For purposes of Exchange rules, material information consists of any information relating to the business and affairs of Total Energy that

results in or would reasonably be expected to result in a significant change in the market price or value of any of Total Energy's listed securities.

It is the Disclosure Committee's responsibility to determine whether a particular development is material in the context of Total Energy's affairs. As securities regulatory authorities have recognized, materiality judgments are difficult and attempting to create an exhaustive list of events that are always or never material is neither appropriate nor feasible. Although certain regulatory authorities have provided guidance as to the types of events that may be material, they recognize that their lists are not exhaustive and recourse to such lists should not be a substitute for issuers exercising their own judgment in making materiality determinations. Decisions concerning the materiality of developments affecting Total Energy will often require careful subjective judgments on behalf of the Disclosure Committee. National Policy 51-201: *Disclosure Standards* ("NP 51-201") provides guidance on disclosure practices and acknowledges that, in making materiality judgments, it is necessary to take into account a number of factors that cannot be captured in a simple bright-line standard or test.

The factors to be considered by the Disclosure Committee in determining whether a development is material will include the nature of the information itself, the volatility of Total Energy's publicly traded securities, prevailing market conditions and such other considerations as the Disclosure Committee may consider relevant. In order to assist the Disclosure Committee in making materiality judgments, Total Energy should monitor the market's reaction to information that is publicly disclosed. Consideration may also be given to analyst reports (if any), which may assist members of the Disclosure Committee in understanding how the marketplace values Total Energy.

In discharging its obligation to disclose material information, Total Energy will be guided by the following general disclosure principles.

1. Subject to certain exceptions, material information should be promptly disclosed by way of news release.
2. Annual and interim financial results should be publicly released as soon as practicable following approval of the applicable financial statements and related news release by the Board of Directors.
3. In certain circumstances, the Disclosure Committee may determine that disclosure of particular information would be unduly detrimental to Total Energy and its shareholders (and holders of outstanding exchangeable shares of Total Energy). In this situation, steps should be taken (under the direction of the Disclosure Committee) to keep the relevant information confidential until the Disclosure Committee determines that it is appropriate to make public disclosure. Examples of instances in which disclosure might be unduly detrimental to the interests of Total Energy and its shareholders include:
 - (i) where release of the information would prejudice the ability of Total Energy to pursue specific objectives or to complete a transaction or series of transactions that are underway;
 - (ii) where disclosure of the information would provide competitors with confidential Total Energy information that would be of significant benefit to them; and

- (iii) where disclosure of information concerning the status of ongoing negotiations would prejudice the successful completion of those negotiations.

In circumstances where disclosure of a material change might have such an effect and the Disclosure Committee determines to keep information concerning the material change confidential, the Disclosure Committee will cause a confidential material change report to be filed with the applicable securities regulators. Whenever disclosure of any material information is delayed, the Disclosure Committee should monitor market activity in Total Energy's securities, as any unusual market activity may suggest that news of the confidential matter has been leaked. The Disclosure Committee will periodically review any decision to keep material information confidential.

4. Disclosure should include any information, the omission of which would make the rest of the disclosure misleading (*i.e.*, "half-truths" are misleading).
5. Disclosure should be factual and balanced, neither over-emphasizing favourable news nor under-emphasizing unfavourable news. Unfavourable news should be disclosed just as promptly and completely as favourable news. News releases should contain enough detail to enable readers to understand the substance and importance of the relevant Total Energy development.
6. Selective disclosure is not acceptable. If previously undisclosed material information is disclosed (including inadvertently) to any person who is not subject to an obligation of confidentiality, such information should be broadly disclosed as soon as practicable by way of news release.
7. Posting information on Total Energy's website, in and of itself, does not constitute adequate disclosure of material information for purposes of applicable securities laws and stock exchange rules.
8. Disclosure should be promptly corrected if Total Energy subsequently learns that earlier disclosure by Total Energy contained a material error at the time it was disclosed or where the information subsequently becomes incorrect or dated in a material respect.
9. Disclosure relating to Total Energy developments requires the exercise of judgment by the Disclosure Committee in respect of the timing and propriety of such disclosure. It is recognized that Total Energy development disclosure may be misleading where the disclosure is late or premature, and, accordingly, the timing of disclosure requires careful consideration. Announcements of an intention to proceed with a transaction or activity should not be made unless Total Energy has the ability to carry out the intent (although proceeding may be subject to contingencies) and a decision has been made to proceed with the transaction or activity by the Board of Directors or by senior management of Total Energy with the expectation of concurrence from the Board of Directors. All individuals subject to this Policy should keep in mind that many transactions considered by businesses are not completed for one reason or another, even in cases where considerable enthusiasm for a transaction exists between the prospective parties to that transaction at the outset. In particular, business combination transactions are subject to numerous sensitivities (pricing and deal structure, for example) and are often abandoned by parties notwithstanding the existence of significant support for those transactions in the early stages. Proposed business combination transactions are an example of a type of transaction that has the potential to significantly affect the trading price of a listed entity's publicly traded securities -- in fact, the mere existence of rumors concerning a business

combination has, on numerous occasions, caused surges in the trading price of listed securities of other entities. Accordingly, the need to avoid premature disclosure is particularly acute in such circumstances. Significant damage to Total Energy's reputation may occur if the announcement of a proposed transaction results in a significant increase in the trading price of Total Energy's shares and Total Energy is ultimately unable to consummate that transaction.

If a determination is made that information concerning a Total Energy development is material and should be disclosed, the following steps will be taken:

- (i) a draft news release will be prepared by the Chief Executive Officer or other senior officer of Total Energy designated by the Chief Executive Officer who has knowledge of the subject matter;
- (ii) the draft news release will be reviewed by available members of the Disclosure Committee, who will, among other things, evaluate the compliance of the proposed news release with applicable securities laws and the policies of any exchange on which securities of Total Energy are traded;
- (iii) the Chief Financial Officer of Total Energy will have specific responsibility to review and validate any financial data concerning Total Energy contained in a news release and evaluate the release for consistency with applicable accounting standards and guidelines;
- (iv) the Board of Directors or the Audit Committee of the Board of Directors (the "Audit Committee"), as the case may be, will review all news releases announcing quarterly or annual financial results and, if practicable, the Board of Directors or the Audit Committee, as the case may be, will review other news releases containing material financial information not previously disclosed by or on behalf of Total Energy, provided that news releases containing financial information of Total Energy may be disseminated without prior review by or approval of the Board of Directors or Audit Committee, where such dissemination is necessary to permit Total Energy to comply with its obligations under securities laws or exchange rules in relation to disclosure of material changes or other material information;
- (v) as soon as reasonably practicable following the time that the content of a news release involving material information has been settled (or earlier, if appropriate), the Chief Financial Officer, or other senior officer of Total Energy who has knowledge of the subject matter, will advise Market Regulation Services Inc. (or other equivalent authority) ("Regulation Services") of Total Energy's intention to issue the news release and will arrange for dissemination of the same in a manner consistent with this Policy, provided that if Regulation Services (or other equivalent authority) communicates advice respecting the timing of the dissemination of the affected news release, the Disclosure Committee will take such advice into consideration, recognizing, always, that applicable securities laws require immediate dissemination of a news release concerning a material change in the business, operations or capital of Total Energy;
- (vi) as soon as practicable following dissemination of the news release, the Chief Financial Officer, or other senior officer of Total Energy who has knowledge of the subject matter, will cause the news release to be filed with the securities

commission (or similar regulatory authority) in each jurisdiction which Total Energy is a "reporting issuer"; and

- (vii) as soon as practicable following dissemination of the news release, as aforesaid, the Chief Financial Officer, or other senior officer of Total Energy who has knowledge of the subject matter, will cause the news release to be posted on Total Energy's web site.

D. TRADING RESTRICTIONS AND BLACK OUT PERIODS

Insider trading is unethical, illegal and a violation of Total Energy's Insider Trading and Reporting Policy, which sets out additional information respecting trades in securities of Total Energy by insiders (and others). Material undisclosed information concerning Total Energy's business is colloquially called "inside" information and can include financial information, acquisition or divestiture plans and other information concerning Total Energy developments. It is also unethical and illegal for any person in possession of material undisclosed information to communicate that information to a third person, except in the necessary course of business (see **Section F** below). The communication of material undisclosed information concerning the business of a reporting issuer is commonly known as "tipping". The tipping prohibition is not limited to communications made by senior management of Total Energy and others who regularly communicate with analysts, institutional investors and market professionals. **The tipping prohibition applies, for example, to unauthorized disclosures by non-management employees of Total Energy and non-management employees of other members of Total Energy.**

Regular trading blackouts will apply to directors and senior officers of Total Energy (and to certain other employees and consultants of Total Energy who have access to material undisclosed information) during periods when annual and quarterly financial statements are being prepared. The blackout will commence on the fifteenth day of the month following the end of a fiscal quarter or financial year, as applicable, and will terminate at the end of the first trading day following the issuance of a news release disclosing quarterly or year end results, as applicable.

If other undisclosed material information is provided to a director, officer or employee of Total Energy or any other representative of Total Energy, the blackout commences the date the undisclosed material information is provided to that person and terminates at the earlier of:

- (i) the end of the first trading day following the disclosure of the relevant information to the public (for example, if the news release disclosing the information is disseminated on a Monday, the blackout ends at midnight on Tuesday of that week); and
- (ii) the date that the information is no longer material or relevant (where a transaction under consideration is abandoned, for example).

Additional blackouts may be established from time to time as a result of special circumstances relating to Total Energy. All persons with knowledge of these special circumstances (or who are otherwise advised of the existence of a blackout) must observe the blackout. Persons affected by a blackout may include external advisors, such as legal counsel, investment bankers and counter-parties in negotiations of prospective material transactions. The existence of a special purpose blackout will be communicated by a means approved by the Disclosure Committee

(which may include email). All persons subject to this Policy should note that notice of a blackout may be provided by an officer, director or employee of Total Energy who is not a member of the Disclosure Committee. **A notice confirming the existence of a blackout need not be provided by a member of the Disclosure Committee in order to be effective.**

Notwithstanding the existence of a blackout, any person to whom the blackout applies may submit a request to the Chief Executive Officer of Total Energy (or, in the case of a request by the Chief Executive Officer, to the Chairman of the Board of Directors), for approval to trade securities of Total Energy during the blackout. In assessing any such application, the applicable officer will consider whether the applicant is in possession of information of the type that gave rise to the blackout and any other matters that such officer may consider relevant; in addition, such officer may consult with Total Energy's professional advisors, the Board of Directors and other officers of Total Energy, as such officer may consider appropriate.

Directors, officers and other employees of Total Energy who routinely know of undisclosed material information concerning Total Energy may not purchase or sell publicly traded securities of Total Energy with the intention of reselling or buying back in a relatively short period of time in the expectation of a rise or fall in the market price of the securities (as distinguished from purchasing or selling securities as part of a long-term investment program). Directors, officers and other employees of Total Energy and other insiders of Total Energy may not, at any time, sell any publicly traded securities of Total Energy short or buy or sell call or put options or other derivatives in respect of publicly listed securities of Total Energy.

E. MAINTAINING CONFIDENTIALITY

Each director, officer and employee of Total Energy and any other insider of Total Energy who is privy to material undisclosed information concerning Total Energy is prohibited from communicating such information to anyone else, unless it is necessary to do so in the course of Total Energy's business (see **Section F** of this Policy). In order to minimize the likelihood of misuse or inadvertent disclosure of material undisclosed information, the procedures set forth below should be observed.

1. Documents and files containing material undisclosed information should be kept in a place to which access is restricted to individuals who "need to know" the information and code names should be used if practical.
2. Material undisclosed information should not be discussed in places where the discussion will be overheard, such as elevators or restaurants.
3. Material undisclosed information should not be discussed on wireless analog telephones or similar devices, unless it is reasonable to assume that the discussion can be undertaken under secure conditions.
4. A document containing material undisclosed information should not be read or displayed in places where members of the public are also able to view that document and should be discarded in a responsible manner.
5. All persons subject to this Policy should take reasonable steps to maintain the confidentiality of information in their possession outside of the office as well as inside the office.

6. Documents containing material undisclosed information should only be transmitted by electronic means, such as by fax or by e-mail, where it is reasonable to assume that the transmission can be made and received under secure conditions.
7. Unnecessary copying of documents containing material undisclosed information should be avoided and documents containing material undisclosed information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of such documents should be discarded in a responsible manner.
8. Access to material undisclosed electronic data should be restricted through the use of passwords.

All persons subject to this Policy are reminded that communication by e-mail leaves a trail that may be subject to later decryption attempts. All undisclosed material information proposed to be transmitted over the Internet should be secured by reasonable means, having regard to the nature of the relevant information or transaction.

Outside persons privy to undisclosed material information concerning Total Energy should be advised that they must not divulge such information to anyone else, other than in the necessary course of business, and that they may not trade in Total Energy's securities until the information is publicly disclosed. Such outside persons will generally be required to confirm their commitment to non-disclosure in a written confidentiality agreement, provided that written confidentiality agreements will not be required in cases where such persons are otherwise subject to confidentiality restrictions (as in the case of Total Energy's legal counsel, for example).

This Policy in no way affects an employee's obligations respecting confidential business information (including, for example, trade secrets and customer lists), the confidentiality of which must be maintained at all times.

F. DISCLOSURE IN THE NECESSARY COURSE OF BUSINESS

Applicable securities legislation and this Policy recognize that directors, officers and employees of Total Energy who possess material undisclosed information concerning Total Energy may communicate that information to others where such communication is necessary in the course of Total Energy's business. If any person subject to this Policy is in doubt as to whether a particular communication is in the necessary course of business, that person should discuss the matter with a member of the Disclosure Committee.

Whether a particular communication is made in the necessary course of business is, as recognized in NP 51-201, a mixed question of law and fact that must be determined on a case-by-case basis and in light of the policy reasons underlying the prohibition on selective disclosure (including that the general restriction not unduly interfere with the ordinary business activities of Total Energy). The necessary course of business exception (which permits the disclosure of material non-public information concerning Total Energy in the necessary course of the business of Total Energy) would generally be applicable in circumstances where Total Energy (or another member of Total Energy) communicates with:

- vendors, suppliers, or strategic partners on issues such as research and development, sales and marketing, and supply contracts;
- employees, officers, and board members;

- lenders, legal counsel, auditors, underwriters, and financial and other professional advisors to Total Energy;
- parties to negotiations; and
- government agencies and non-governmental regulators.

It is also generally recognized that disclosures by an issuer in connection with a private placement may be in the "necessary course of business" where the issuer is attempting to raise financing. Securities regulatory authorities have recognized that select communications of material information between parties to a private placement may be necessary to effect the private placement.

Selective disclosure of material undisclosed information to the media or to an analyst or other market professional or an investor will generally not be considered to be in the necessary course of business of Total Energy.

G. DESIGNATED SPOKESPERSONS

Total Energy has designated certain individuals as spokespersons for Total Energy, and those individuals have responsibility for communicating on behalf of Total Energy with the investment community, regulators, the media and the public in general. The current spokespersons are:

- Chairman of the Board of Total Energy
- Chief Executive Officer of Total Energy
- Chief Financial Officer of Total Energy

To minimize the likelihood of unauthorized or inconsistent disclosure, only designated spokespersons are authorized to discuss Total Energy matters with investors, analysts, the media and other members of the public. Individuals appointed as spokespersons or the Board of Directors may, from time to time, designate other officers, employees or other representatives of Total Energy to speak on behalf of Total Energy as back-ups or to respond to specific inquiries. Generally, however, such designations will be limited, so as to maximize consistency of communications by persons who speak on behalf of Total Energy.

Directors, officers and employees of Total Energy who are not authorized spokespersons must not respond to inquiries from the investment community, the media or others. All such inquiries should be referred to one of the designated spokespersons.

H. NEWS RELEASES

As soon as practicable following the making of a determination that a particular Total Energy development is material, the Disclosure Committee will authorize the issuance of a news release respecting that development, unless the Disclosure Committee determines that information concerning that development should remain confidential for a period of time, in which case appropriate confidential filings will be made and controls on dissemination of the relevant information will be instituted, under the direction of the Disclosure Committee (see **Section C**

above). The foregoing sentence will not apply in respect of news releases approved by the Board of Directors or the Audit Committee - such news releases will be disseminated in accordance with the directions of the Board of Directors or the Audit Committee, as applicable.

If the TSX is open for trading at the time of a proposed announcement concerning previously undisclosed material information, Total Energy will endeavor to provide prior notice of the applicable news release to Regulation Services to enable Regulation Services to evaluate the utility and propriety of a trading halt. If a news release announcing material information is issued outside of trading hours, Total Energy will endeavor to provide notice to Regulation Services before the news release is issued. Generally, news releases that are to be released following the closing of markets should not be disseminated until at least 45 minutes have elapsed from the time of closing of the market on which Total Energy's securities are listed.

News releases should be disseminated through an approved news wire service that provides simultaneous national distribution. All reasonable efforts should be made to ensure consistency in the newswire service through which Total Energy disseminates news releases. As noted above, news releases will also be posted on Total Energy's website after release through a news wire service. The news release page of Total Energy's website should include a notice indicating that the information posted was accurate at the time of posting, but may be superseded by subsequent disclosures.

I. CONFERENCE CALLS

Conference calls may be held to enable representatives of Total Energy to discuss quarterly earnings and other significant Total Energy developments. If held, such conference calls should be accessible simultaneously to all interested parties (by telephone or by way of a webcast over the Internet, for example). At the beginning of each such conference call, a representative of Total Energy should provide appropriate cautionary language with respect to any forward-looking information to be discussed during the call. (See **Paragraph 5** of **Section N** below.)

Total Energy should provide advance notice of any conference call by issuing a news release announcing the date and time of the call and providing information as to how interested parties may access the call. In addition, Total Energy may invite analysts, institutional investors, the media and other interested parties to participate. A tape recording of the conference call should be made available following the call for a minimum of 72 hours.

Where practical, responses to questions anticipated to arise during the course of a conference call should be scripted in advance and reviewed by a member of the Disclosure Committee.

At least one member of the Disclosure Committee will review the recording of each conference call as soon as practicable to assess whether any previously undisclosed material information concerning Total Energy was disclosed during the call, as applicable.

J. RUMOURS

As a matter of policy, Total Energy should generally not comment, affirmatively or negatively, on rumours. That policy also applies to rumours on the Internet. Total Energy's spokespersons

have been instructed to respond consistently to rumours in such circumstances with the following comment:

"It is our policy not to comment on market rumours or speculation."

Where the source of the rumor is unknown, spokespersons expose themselves and Total Energy to risk by making statements such as "[**there is/Total Energy knows of**]" no reason for these rumors or trading activity" or "[**there is/Total Energy knows of no Total Energy development**]", as there is a possibility that someone within the organization is aware of a proposed transaction or initiative that may be the basis of the trading activity. Even if no one within the organization knows of any such information at the time such a statement is made, by making such a statement, Total Energy may be exposed to an affirmative disclosure obligation if the facts change, and such a statement may make future reliance on a "no comment" policy considerably more difficult.

If a rumor can be definitively proven to be false, it may be appropriate to make a public statement to that effect, if the rumor has a negative impact upon Total Energy or the market for Total Energy's publicly traded securities.

Should the TSX request that Total Energy make a definitive statement in response to a market rumour that is causing significant volatility in any listed securities of Total Energy (trading price or volumes, or both), the Disclosure Committee will consider the matter and decide whether to authorize a policy exception.

K. CONTACTS WITH ANALYSTS, INVESTORS AND MEDIA

Meetings with analysts and investors are an important element of Total Energy's investor relations program. Total Energy anticipates that its representatives will meet with analysts and investors on an individual or group basis as needed and will initiate contact with or respond to analyst and investor calls. At least one member of the Disclosure Committee should be present at each meeting involving analysts or investors. Prior authorization of the Disclosure Committee is required before any representative of Total Energy may schedule a meeting with analysts or investors (or both).

All persons subject to this Policy are reminded that the communication of previously undisclosed material information in individual or group meetings does not constitute public disclosure of that information for purposes of applicable securities laws and stock exchange rules. If any representative of Total Energy intends to discuss previously undisclosed material information at an analyst or investor meeting or a press conference or conference call, that material information should be set out in a news release disseminated by Total Energy prior to disclosure at the analyst or investor meeting or at the press conference or conference call, as the case may be.

In any individual or group meeting, care must be taken by Total Energy representatives to restrict their communications to only non-material information and information that has previously been disclosed to the public. All persons subject to this Policy should note that Total Energy cannot alter the materiality of information by breaking down the information into smaller, non-material components. However, Total Energy representatives are not prohibited from discussing non-material information with analysts, even if these pieces might help an analyst complete a "mosaic" of information that, taken together, represents material undisclosed information concerning Total Energy.

Total Energy representatives who attend meetings with analysts and investors on an individual or group basis should keep notes of the comments made at those gatherings (both by Total Energy representatives and others). Where practicable, it is desirable that more than one representative of Total Energy be present at individual and group meetings with analysts or investors, including at least one member of the Disclosure Committee, as aforesaid. The notes from each such meeting should be reviewed as soon as practicable following completion of the meeting (and if feasible, a debriefing held with one or more members of the Disclosure Committee) to assess the information discussed thereat. If such review (or debriefing) uncovers selective disclosure of previously undisclosed material information, appropriate action should be taken under the guidance of the Disclosure Committee.

L. REVIEWING ANALYST DRAFT REPORTS AND MODELS

It is not unusual for analysts to ask officers of publicly traded entities to review research reports under preparation. Total Energy has not adopted a policy of refusing to review analyst reports and will, upon request, review analyst reports for the purpose of pointing out errors in fact based upon publicly disclosed information. When an analyst inquires with respect to his/her estimates, Total Energy representatives may question the analyst's assumptions if the estimate is significantly outside the range of estimates (if any) otherwise provided by other third party professionals. Total Energy representatives should limit their comments in responding to such inquiries to non-material information. As a matter of policy, Total Energy will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with the analyst's model or earnings estimates.

So as not to endorse an analyst's report or model, Total Energy will provide its comments orally or will attach a disclaimer to written comments to indicate the report was reviewed only for factual accuracy.

M. DISTRIBUTING ANALYST REPORTS

Analyst reports are proprietary products of the analyst's firm. Re-circulating a report by an analyst to persons outside Total Energy may be viewed as an endorsement by Total Energy of the report. For these reasons, Total Energy should not provide analyst reports through any means to persons outside of Total Energy, including posting such information on Total Energy's website. Total Energy may post on its website a complete list, regardless of the recommendation, of all the investment firms and analysts who provide research coverage on Total Energy. If provided, such list should not include links to the analysts' websites or any of their publications.

Total Energy may distribute analyst reports to directors and senior officers of Total Energy or to Total Energy's financial and professional advisors.

N. FORWARD-LOOKING INFORMATION

As a general policy, Total Energy does not disseminate earnings guidance or future oriented financial information, as contemplated by National Policy 48 of the Canadian Securities Administrators ("FOFI"). However, the Board of Directors may authorize the dissemination of earnings guidance or FOFI and may establish guidelines relating thereto, on a general or specific basis.

Should other forward-looking information ("FLI") concerning Total Energy be disclosed in Total Energy documents, speeches, conference calls, or otherwise, the following guidelines will be observed.

1. The information, if deemed material, will be broadly disseminated by way of news release.
2. Conclusions, forecasts and projections will only be presented in written documents containing FLI (including any electronic communication) where Total Energy has a reasonable basis for drawing such conclusions or making such forecasts or projections.
3. In respect of FLI contained in any written document (including any electronic communication) the FLI will be clearly identified as forward-looking in a statement to that effect proximate to the FLI.
4. In respect of FLI contained in any written document (including any electronic communication), Total Energy will, in a statement proximate to the FLI: (i) identify the material factors that could cause actual results to differ materially from any conclusion, forecast or projection in the FLI (which may include a sensitivity analysis to indicate the extent to which different business conditions may affect actual outcomes); and (ii) identify all material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the FLI.
5. In respect of FLI communicated orally, each Total Energy representative making a public oral statement should:
 - (i) provide a cautionary statement that the communication contains forward-looking information;
 - (ii) state that (a) actual results could differ materially from a conclusion, forecast or projection in the forward-looking information and (b) certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information; and
 - (iii) state that additional information about (a) the material factors that could cause actual results to differ materially from any conclusion, forecast or projection in the forward-looking information and (b) the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information, is contained in a readily available document or a portion of such a document and shall identify that document or that portion of the document in the oral communication.

6. The forward-looking information will be accompanied by a statement that disclaims Total Energy's intention or obligation to update or revise the forward-looking information, whether as a result of new information, future events or otherwise. Notwithstanding such disclaimers, should subsequent events prove past statements about current trends to be materially off target, Total Energy may choose to issue a news release explaining the reasons for the difference. In this case, Total Energy will update its guidance on the anticipated impact on revenue and earnings (or other key metrics).

If Total Energy has issued a forecast or projection in connection with an offering document to which National Policy 48 (or a successor instrument thereto) applies, Total Energy will update that forecast or projection periodically, as required by such policy or instrument.

Boilerplate should be avoided in the cautionary statements contemplated by this Section and the warnings, cautions, factors, risks and assumptions required to be included with forward-looking information should be tailored to the particular forward-looking information that is being disclosed.

O. QUIET PERIODS

In order to minimize the likelihood of selective disclosure, Total Energy should observe quiet periods prior to quarterly or annual earnings announcements or when material changes are pending. During a quiet period instituted in respect of anticipated quarterly or annual financial announcements, Total Energy should not provide any earnings guidance or make any comments concerning the operations or expected results of the applicable quarter or financial year. The foregoing restriction does not require Total Energy to stop all communications with analysts, investors and others during quiet periods. However, during a quiet period, communications should be restricted to responding to unsolicited inquiries concerning publicly available, nonmaterial information. The quiet period commences on the first day of the month following the end of a fiscal quarter or the first day of the second month following the end of a financial year, as applicable, and terminates at the end of the first trading day following the issuance of a news release disclosing quarterly or year end results, as applicable.

Additional quiet periods may be established from time to time by Total Energy as a result of special circumstances relating to Total Energy. The existence of a special purpose quiet period will be communicated by a means approved by the Disclosure Committee (which may include email). All persons subject to this Policy should note that notice of a quiet period may be provided by an officer, director or employee of Total Energy who is not a member of the Disclosure Committee. **A notice respecting the commencement of a quiet period need not be provided by a member of the Disclosure Committee in order to be effective.**

If, during a quiet period, Total Energy is invited to participate in investment meetings or conferences organized by others, the Disclosure Committee will determine, on a case-by-case basis, if it is advisable to accept the applicable invitation. If such an invitation is accepted, caution must be exercised by Total Energy personnel who attend the relevant event, so as to avoid selective disclosure of any material undisclosed information.

P. RESPONSIBILITY FOR ELECTRONIC COMMUNICATION

The Chief Financial Officer of Total Energy is responsible for monitoring and updating the Investor Relations page of Total Energy's web site and for monitoring all information placed on

the website for accuracy, completeness, currency and compliance with relevant securities laws. The following information should be included on the Investor Relations page of Total Energy's web site:

- (i) all public information that has been disclosed by Total Energy under applicable securities laws or stock exchange rules, including all documents filed with securities regulatory authorities on SEDAR;
- (ii) fact sheets, fact books, slides of investor presentations and materials distributed at analyst and industry conferences (to the extent any of those materials contain information not already noted in similar materials posted on Total Energy's web site); and
- (iii) transcripts (if available) of unitholder meetings, meetings of holders of exchangeable shares of Total Energy, analyst conferences, industry conferences or online conferences.

If Total Energy is considering a public distribution of its securities, the content of the investor relations page of Total Energy's web site should be reviewed by the Disclosure Committee before and during the offering, to assess compliance with applicable securities laws.

The Disclosure Committee must approve all links from Total Energy's website to a third party website. Any such links will include a notice that advises the reader that he or she is leaving Total Energy's website and that Total Energy is not responsible for the content of the third party site.

Investor relations material should be confined to a separate section of Total Energy's website, which includes a notice advising the reader that the posted information was considered accurate at the time of posting, but may be superseded by subsequent disclosures or become inaccurate over time. All data posted to the website, including text and audiovisual material, will identify the date of such material. Total Energy will maintain a log indicating the date that material information is posted and/or removed from the investor relations website. The following retention periods should generally be observed for information posted to the Investor Relations page of Total Energy's web site:

- (i) news releases should be retained for a period of one year from the date of dissemination;
- (ii) quarterly financial statements should be retained for two years following the end of the period to which such financial statements relate;
- (iii) annual financial statements should be retained for three years following the end of the period to which such financial statements relate; and
- (iv) other information should be retained for two years following the date of its posting on Total Energy's web site.

Notwithstanding the foregoing, information should be archived when it is no longer current and removed from Total Energy's web site if it has the possibility to mislead readers, having regard to subsequent events or otherwise.

As noted above, the posting of material non-public information on Total Energy's website does not, in and of itself, constitute public disclosure of that information for purposes of applicable

securities laws and stock exchange rules. Accordingly, material information concerning Total Energy should not be posted on Total Energy's web site prior to the time that such information is disseminated by way of news release.

Responding to electronic inquiries is the responsibility of the Disclosure Committee. Only public information or information that could otherwise be disclosed to investors in accordance with this Policy will be utilized in responding to electronic inquiries. The Investor Relations page on Total Energy's web site should contain a dedicated investor relations link, so as to facilitate requests for additional information and/or hard copies of materials.

In order to avoid inadvertent disclosure of material undisclosed information, directors, officers and employees of Total Energy are prohibited from participating in Internet chat rooms or newsgroup discussions on matters pertaining to Total Energy's activities or its securities. **Directors, officers and employees who encounter a discussion pertaining to Total Energy or its securities should promptly advise a member of the Disclosure Committee, so the discussion may be monitored.**

Each employee's Total Energy e-mail address is, in fact, a Total Energy address. Therefore, all correspondence received and sent by way of e-mail is to be considered Total Energy correspondence.

Q. COMMUNICATION AND ENFORCEMENT

New directors, officers, employees and consultants of Total Energy will be provided with a copy of this Policy and will be advised of its importance. This Policy will be circulated to the foregoing individuals upon commencement of service with Total Energy (or other member of Total Energy, as applicable) and thereafter on an annual basis and whenever changes are made to its contents.

Any employee of Total Energy who violates this Policy may face disciplinary action up to and including termination of his or her employment with Total Energy for cause and without notice. Persons who violate this Policy may also breach certain securities laws. If it appears that an employee may have violated such securities laws, Total Energy may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

R. WAIVERS

As this document is intended to operate as a policy, the Board of Directors may from time to time, on the recommendation of the Disclosure Committee or otherwise, permit departures from the requirements of this Disclosure Policy, either prospectively or retrospectively, and no provision of this Disclosure Policy is intended to give rise to civil liability to securityholders of Total Energy or shares of Total Energy.