



**Investigations Policy**

**March 2005**

# INVESTIGATIONS POLICY

## Introduction

As a publicly traded trust, it is essential that Zargon Energy Trust (the “Trust”) protect its reputation and the integrity of its operations. Therefore it is critical that the Trust, Zargon Oil & Gas Ltd. and its subsidiaries and affiliates (collectively “Zargon”) have a procedure in place where concerns regarding questionable business practices can be raised and dealt with in a prompt and professional manner.

The Investigations Policy set out below applies to all directors, officers, employees and consultants of Zargon.

Violation of this policy may result in disciplinary actions up to and including termination in the case of a director, officer or employee or termination of the consulting contract in the case of a consultant.

## How to Raise a Concern

All directors, officers, employees and consultants are encouraged to promptly report either verbally or in writing to their immediate supervisor, all evidence of instances by a director, officer, employee or consultant that may include, but are not limited to any of the following:

- Fraud, theft or other potential criminal offences or violations of any statute, regulation, rule or policy.
- Disclosure of misleading or fraudulent information.
- Questionable or misleading accounting practices or significant internal control deficiencies.
- The misleading or coercion of auditors or any other attempt to improperly affect Zargon’s financial statements or financial reporting policies.
- Breaches of Zargon’s Code of Business Conduct.
- Harassment or other inappropriate workplace conduct.
- Breaches of environmental or occupational health and safety regulations.

If you do not receive a satisfactory response from your immediate supervisor or if you are uncomfortable with raising your concerns with your supervisor, please contact a senior officer of Zargon. If you do not receive a satisfactory response from a senior officer, or if you are uncomfortable with addressing your concerns to a senior officer, please contact the Chairman of the Audit Committee of the board of directors as follows:

Mr. Kyle D. Kitagawa

#916, 401 – 9<sup>th</sup> Avenue SW

Calgary, Alberta T2P 3C5

Telephone: (403) 517-8777  
Fax: (403) 206-6195  
Residence: (403) 249-0137  
Mobile: (403) 815-8006  
Email: kitagawa@shaw.ca

Anonymous communications that are meaningful and helpful will be accepted.

All complaints under this policy will be investigated in a prompt, discreet, thorough and professional manner. Confidentiality will be maintained, except as necessary to conduct an investigation. All reports that are made to supervisors and senior officers in respect of matters covered by this policy will be reported to the Audit Committee on a regular basis.

### **No Retaliation**

Zargon will not permit any retaliation, retribution, harassment or other types of discrimination against anyone who reports in good faith an incident as described above. Good faith means that you believe that you are providing truthful information when you report an incident. It is unacceptable to report an incident knowing it to be false.