

**HKN, Inc.**

**"WHISTLEBLOWER POLICY"**

This Whistleblower Policy is intended to encourage and enable employees and others to communicate serious concerns they may hold with regard to the Company's legal and corporate policy compliance. It is the policy of HKN, Inc. as well as its majority-owned subsidiaries ("the Company") that any employee of the Company shall have the right and opportunity to provide information regarding actions they reasonably believe to be violations of securities law, rules of the Securities and Exchange Commission, other federal or state laws relating to fraud against shareholders, or the Company's policies and procedures including, without limitation, the Company's Policy on Ethics and Professional Standards.

Any employee who wants to report evidence of alleged improper activity pursuant to this policy should contact his/her immediate supervisor, or the supervisor's manager. In instances where the employee is not satisfied with the supervisor or manager's response, or is uncomfortable for any reason addressing such concerns to their supervisor or the manager of such supervisor, the employee may contact the General Counsel's office. If the employee is uncomfortable for any reason contacting the office of the General Counsel, the employee may contact the Chair of the Audit Committee of the Board of Directors. The contact information for the Chair of the Audit Committee and General Counsel is readily available to all employees within the Company. Employees are encouraged to provide as much specific information as possible including names, dates, places, and events that took place, the employee's perception of why the incident(s) may be a violation, and what action the employee recommends be taken. Anonymous written or telephonic communications will be accepted. Employees who choose to identify themselves will receive a reply to their report within 20 working days or as soon as practicable thereafter.

There shall be no retribution by the Company, any officer or director, employee, contractor, subcontractor or agent of the Company towards the employee disclosing the information described above. An employee that retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment.