

**INSIDER TRADING POLICY  
FOR  
DIRECTORS, OFFICERS AND EMPLOYEES  
OF  
KODIAK OIL & GAS CORP.**

**I. PURPOSE**

This policy provides guidelines to employees, officers and directors of Kodiak Oil & Gas Corp. (the Company) with respect to transactions in the Company's securities.

**II. SCOPE**

Applies to all transactions in the Company's securities, including common stock, options for common stock and any other securities the Company may issue from time to time, such as preferred stock, warrants and convertible debentures, as well as to derivative securities relating to the Company's stock, whether or not issued by the Company, such as exchange-traded options.

It applies to all officers of the Company, all members of the Company's Board of Directors, and all employees of, and consultants and contractors to, the Company and its subsidiaries who receive or have access to Material Nonpublic Information (as defined below) regarding the Company. This group of people, members of their immediate families, and members of their households are sometimes referred to in this Policy as "Insiders." This Policy also applies to any person who receives Material Nonpublic Information from any Insider.

Any person who possesses Material Nonpublic Information regarding the Company is an Insider for so long as the information is not publicly known. Any employee can be an Insider from time to time, and would at those times be subject to this Policy.

**III. GUIDELINES**

It is the policy of the Company to oppose the unauthorized disclosure of any nonpublic information acquired in the workplace and the misuse of Material Nonpublic Information in securities trading.

**Specific Policies**

- 1. Trading on Material Nonpublic Information.** No director, officer or employee of, or consultant or contractor of the Company, and no member of the immediate family or household of any such person, shall engage in any transaction involving a purchase or sale of the Company's securities, including any offer to purchase or offer to sell, during any period commencing with the date that he or she possesses

Material Nonpublic Information concerning the Company, and ending at the close of business on the second Trading Day following the date of public disclosure of that information, or at such time as such nonpublic information is no longer material. As used herein, the term “Trading Day” shall mean a day on which national stock exchanges are open for trading.

2. **Tippling.** No Insider shall disclose (“tip”) Material Nonpublic Information to any other person (including family members) where such information may be used by such person to his or her profit by trading in the securities of companies to which such information relates, nor shall such Insider or related person make recommendations or express opinions on the basis of Material Nonpublic Information as to trading in the Company’s securities.
3. **Confidentiality of Nonpublic Information.** Nonpublic information relating to the Company is the property of the Company and the unauthorized disclosure of such information is forbidden.

#### IV. **POTENTIAL CRIMINAL AND CIVIL LIABILITY AND/OR DISCIPLINARY ACTION**

1. **Liability for Insider Trading.** Insiders may be subject to penalties of up to \$1,000,000.00 and up to ten years in jail for engaging in transactions in the Company’s securities at a time when they have knowledge of nonpublic information regarding the Company.
2. **Liability for Tippling.** Insiders may also be liable for improper transactions by any person (commonly referred to as a “tippee”) to whom they have disclosed nonpublic information regarding the Company or to whom they have made recommendations or expressed opinions on the basis of such information as to trading in the Company’s securities. The Securities and Exchange Commission (the “SEC”) has imposed large penalties even when the disclosing person did not profit from the trading. The SEC, the stock exchanges and the National Association of Securities Dealers, Inc. use sophisticated electronic surveillance techniques to uncover insider trading.
3. **Possible Disciplinary Actions.** Employees of the Company who violate this Policy shall also be subject to disciplinary action by the Company, which may include ineligibility for future participation in the Company’s equity incentive plans or termination of employment.

#### V. **PROCEDURES**

1. **Mandatory Trading Window for Officers, Directors and Certain Employees, Recommended For All Employees.** The period beginning one month before the end of each quarter and ending two Trading Days following the date of public disclosure of the financial results for that quarter, is a particularly sensitive period of time for transactions in the Company’s stock from the perspective of

compliance with applicable securities laws. This sensitivity is due to the fact that officers, directors and certain other employees will, during that period, often possess Material Nonpublic Information about the expected financial results for the quarter.

Accordingly, to ensure compliance with this Policy and applicable federal and state securities laws, all directors, officers and employees having access to the Company's internal financial statements or other Material Nonpublic Information shall refrain from conducting transactions involving the purchase or sale of the Company's securities other than during the period (the "trading window") commencing at the close of business on the second Trading Day following the date of public disclosure of the financial results for a particular fiscal quarter or year and continuing until the end of the second month prior to the end of the next fiscal quarter. The safest period for trading in the Company's securities, assuming the absence of Material Non-public Information, is probably only the first ten days of the trading window.

From time to time, the Company may also recommend that directors, officers, selected employees and others suspend trading because of developments known to the Company and not yet disclosed to the public. In such event, such persons are advised not to engage in any transaction involving the purchase or sale of the company's securities during such period and should not disclose to others the fact of such suspension of trading.

The purpose behind the suggested self-imposed "trading window" period is to help establish a diligent effort to avoid any improper transaction.

It should be noted, however, that even during the trading window, any person possessing Material Nonpublic Information concerning the Company should not engage in any transactions in the Company's securities until such information has been known publicly for at least two Trading Days, whether or not the Company has recommended a suspension of trading to that person. Trading in the Company's securities during the trading window should not be considered a "safe harbour" and all directors, officers and other persons should use good judgment at all times.

2. **Pre-clearance of Trades.** The Company has determined that all officers and directors of the Company should refrain from trading in the Company's securities, even during the trading window, without first complying with the Company's "pre-clearance" process. Each officer and director should contact the Company's Chief Financial Officer prior to commencing any trade in the Company's securities. The Company may find it necessary, from time to time, to require compliance with the pre-clearance process from certain employees, consultants and contractors other than and in addition to officers and directors.

Any employee with any questions regarding trading in the Company's securities is encouraged to contact the Chief Financial Officer.

- 3. Individual Responsibility.** Every officer, director and employee has the individual responsibility to comply with this Policy against insider trading, regardless of whether the Company has a mandatory trading window for that Insider or any other Insiders of the Company. The guidelines set forth in this Policy are guidelines only, and appropriate judgment should be exercised in connection with any trade in the Company's securities.

An Insider may, from time to time, have to forego a proposed transaction in the Company's securities even if he or she planned to make the transaction before learning of the Material Nonpublic Information and even though the Insider believes he or she may suffer an economic loss or forego anticipated profit by waiting.

## **VI. APPLICABILITY OF POLICY TO INSIDE INFORMATION**

### **Regarding Other Companies**

This Policy and the guidelines described herein also apply to Material Nonpublic Information relating to other companies, including the Company's customers, vendors or suppliers ("business partners"), when that information is obtained in the course of employment with, or other services performed on behalf of, the Company. Civil and criminal penalties, and termination of employment may result from trading on inside information regarding the Company's business partners. All employees should treat Material Nonpublic Information about the Company's business partners with the same care required with respect to information related directly to the Company.

### **Definition of Material Nonpublic Information**

It is not possible to define all categories of material information. However, information should be regarded as material if there is a reasonable likelihood that it would be considered important to an investor in making an investment decision regarding the purchase or sale of the Company's securities.

While it may be difficult under this standard to determine whether particular information is material, there are various categories of information that are particularly sensitive and, as a general rule, should always be considered material. Examples of such information may include:

- Financial results
- Projections of future earnings or losses
- Results of drilling or exploration programs
- Announcements regarding reserves
- News of a pending or proposed merger, joint venture or property acquisition
- News of pending or proposed dispositions

- Impending bankruptcy or financial liquidity problems
- Changes in dividend policy
- Stock splits
- New equity or debt offerings
- Significant litigation exposure due to actual or threatened litigation
- Major changes in senior management

Either positive or negative information may be material.

Non-public information is information that has not been previously disclosed to the general public and is otherwise not available to the general public.

### **Certain Exceptions**

For purposes of this Policy, the Company considers that the exercise of stock options for cash under the Company's stock option plans or the purchase of shares under the Company's stock option plans or the purchase of shares under the Company's employee stock purchase plan (but not the sale of any such shares) is exempt from this Policy, since the other party to the transaction is the Company itself and the price does not vary with the market but is fixed by the terms of the option agreement or the plan.

### **Rule 10b5-1 and Rule 10b5-1 Arrangements for Selling Company Securities**

Rule 10b5-1 under the Securities Exchange Act of 1934 rule creates the presumption that a person aware of material non-public information relative to the Company has "used" that information in trading, subject to designated affirmative defenses aimed at showing that the information was not a factor in the trading decision. These affirmative defenses to the SEC's awareness-equals-use presumption in Rule 10b5-1 are exclusive and rather narrow. Under Rule 10b5-1, a defendant found to be "aware" of material non-public information relative to the Company at the time of a trade must prove that before becoming aware of the information, he or she had (1) entered into a binding contract to make such trade, (2) instructed another person to make the trade for his or her account, or (3) adopted a written plan for trading pursuant to which such trade was made. Such contract, instruction or plan must have either: (a) specified the amount to be purchased or sold, the price (which may be a particular dollar price or the market price on a particular date or a limit price) and the date on which the securities were to be purchased or sold (which may be any date during the period a limit order is in effect), (b) included a written formula or algorithm or computer program for determining amount, price and date, or (c) permitted the trading person to exercise no influence over how, when or whether to effect purchases or sales.

Rule 10b5-1 will protect officers, directors and employees from insider trading liability under Rule 10b-5 for transactions under a previously established contract, plan or instruction that meets the requirements of Rule 10b5-1. Purchases and sales of securities of the Company by insiders pursuant to arrangements which satisfy the requirements of Rule 10b5-1 will be exempt from the restrictions of this Policy, provided that such plans are approved by the Company's

Chief Executive Officer and legal counsel for the Company before they are entered into by an insider.

### **Additional Information - Directors and Officers**

Directors and officers of the Company must also comply with the reporting obligations and limitations on short-swing transactions set forth in Section 16 of the Securities Exchange Act of 1934, as amended. The practical effect of these provisions is that officers and directors who purchase and sell the Company's securities within a six-month period must disgorge all profits to the Company whether or not they had knowledge of any Material Nonpublic Information. Under these provisions, and so long as certain other criteria are met, neither the receipt of an option under the company's option plans, nor the exercise of that option, nor the receipt of stock under the Company's employee stock purchase plan is deemed a purchase under Section 16; however, the sale of any such shares is a sale under Section 16. Moreover, no officer or director may ever make a short sale of the Company's stock. The Company has provided, or will provide, separate memoranda and other appropriate materials to its officers and directors regarding compliance with Section 16 and its related rules.

### **Inquiries**

Please direct your questions as to any of the matters discussed in this Policy to the Company's Chief Executive Officer.