



CODE OF BUSINESS ETHICS

Approved by Miskolc Enterprise Board of Directors on January 1, 2008

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SECTION I. PREAMBLE

The reputation and success of the Company depends largely on compliance with both legal requirements and the highest ethical standards. The present Business Ethics Code (hereafter referred to as ‘the Code’) is a statement of our commitment to principles of acceptable standards of business practice. In addition to legislative requirements within the Company, including its Charter and intra-corporate documents, the Code establishes principles and rules for business performance on the basis of moral and ethical values and professional standards. The Code is an intra-corporate (local) document binding on all managers, officials and employees in the Company.

Objectives of the Business Ethics Code:

- establishment of criteria for the conduct of employees within the Company and for their relations with other parties, based on uniform values;
- development of a common corporate culture based on the highest ethical standards, trust, mutual respect, integrity and honesty.
- detection and prevention of potential risks, solution of ethics-related problems;
- developing and maintaining trust towards the Company by the business community and reinforcement of the Company reputation as a transparent and fair market participant.

SECTION II. MISKOLC PHILOSOPHY

The Code is based on the Company philosophy as stated in the following and defined behavioral standards expected of all company employees.

Company Mission

To answer society's needs for energy resources through innovative, environmentally safe, and feasible solutions. Thanks to its unique resource base, high level of technology and team of committed professionals, the Company ensures stable growth of its business and an increase in shareholder profits. Our activities promote social stability, prosperity and progress wherever we are located.

The Company's Vision of the Future

MISKOLC AS A LEADING OIL AND GAS COMPANY.

Corporate Values

- PROFESSIONALISM AND CONSTANT IMPROVEMENT as conditions to successfully fulfill our obligations to all concerned;
- EFFECTIVENESS AND GOOD CONSCIENCE as permanent benchmarks for actions that guarantee and reinforce our impeccable reputation;
- CREATIVITY AND RESPONSIBILITY that ensure the development and competitiveness of the Company;
- TRUST AND RESPECT as a basis for constructive interaction and mutual support.

Company Ethical Principles

- **PRINCIPLE 1**
ENSURING PROFITABILITY AND EFFECTIVENESS

The Company considers the profitability and effectiveness of its activities as its moral duty to the shareholders and all interested (related) parties and uses all lawful means possible to accomplish that goal.

- **PRINCIPLE 2**
OBSERVANCE OF LAWS AND REGULATIONS

The Company strictly adheres to the requirements of Spain and international law, to industry and corporate rules, and to standards and procedures.

- **PRINCIPLE 3**
SOCIAL RESPONSIBILITY

The Company promotes development of the regions in which it is located by preserving the environment, professionally managing the issues of health protection and labor safety of the employees, and paying taxes and salaries without delay.

- **PRINCIPLE 4**
GOOD BUSINESS CONDUCT

The Company seeks to ensure the highest quality of its products and services, to discharge its contractual obligations honestly and on time, and to carry out corporate management in an open and responsible manner.

All ethical principles are equally significant to the Company, and should be observed without any preferences or priorities.

SECTION III. STANDARDS OF BUSINESS CONDUCT

This section brings together regulations, procedures and recommendations which serve as benchmarks for rules of conduct. They are based on Miskolc Enterprise business principles and policies, and will help to resolve complicated or uncertain situations and/or to assess correctness of action decision.

Standards of Business Conduct

Interaction of the Company with its affiliate companies (ADCs)

- Interaction of the Company with its affiliate and dependent companies

Rules of conduct for Company employees

- Mutual responsibilities of the Company and its employees
- General rules for interaction within the Company
- Additional regulations for managers and officials of the Company ADCs
- Protection of the Company property and resources
- Employee protection, accident prevention and environmental safety
- Confidentially
- Conflict of interest
- Gifts and other benefits
- Financial reporting and managerial accounting

Relations between the Company and External Interested (Related) Parties

- Shareholders and investors
- European society
- State authorities
- Business partners
- Competitors

3.1. Interaction of the Company with its affiliate and dependent companies (ADCs)

Miskolc Enterprise is a large corporation whose success is determined by the joint activities of the Company managerial structure and its ADCs.

Acting as a controlling or a predominant shareholder in its ADCs, the Company takes into account the interests of other ADC shareholders, their employees and creditors.

Interaction of the managerial structure and ADCs is based on openness, transparency, trust, mutual support, and respect for one another's professionalism.

The Company head office:

- provides financial, managerial and other assistance to ADCs in order to improve their effectiveness and profitability, market attractiveness and competitiveness;
- promotes engagement of highly qualified staff, as well as creating conditions for success in the workplace;
- maintains an atmosphere of mutual assistance and cooperation in conducting managerial functions;
- develops the scientific, managerial, technological and reputational potential of its ADCs.

In turn, the Company ADCs:

- ensure continued improvement of their effectiveness and that of the Company in the framework of their responsibility and authority;
- implement the Company strategy, consistently following all of respective policies;
- support Miskolc reputation of reliability;
- provide the Company head office with accurate and appropriately documented operational data and financial results.

3.2. Rules of business conduct for Company employees

3.2.1. Mutual responsibility of the Company and its employees

Mutual responsibility means that both the Company and its employees share common basic views; perform their duties respecting each other conscientiously and in good faith.

The Company fulfills its responsibility and obligations toward the employees by:

- ensuring a stable and acceptable salary, and labor conditions compliant with legal regulations;
- ensuring an appropriate level of labor, industrial and environmental safety in accordance with legislative requirements and Company internal documents;
- providing social security, medical assistance and other components of corporate social responsibility within programs being implemented by the Company;
- building long term relations with employees, placing its trust in employees and providing an open dialogue with them;
- developing and improving training systems, incentives, assessment of employees' potential;
- recognizing employee creativity and aspiration for self-development, for improving their own professional competence and carrying out complicated tasks;
- maintaining an atmosphere of cooperation, mutual understanding and stability in the Company.

The Company employees are responsible for observing the following requirements:

- performing their duties in good faith;
- upholding the Company reputation;
- improving their professional knowledge and skills;
- observing intra-corporate labor regulations, carrying out orders and instructions of the Company managers and officials;
- observing the rules of business ethics established by the present Code.

3.2.2. General rules for interaction in the Company

Interaction within the Company is based on mutual respect for individuals, a desire for successful results in solving professional tasks, and maintaining good relations among the staff.

The Company supports:

- respectful and proper relations among colleagues and an atmosphere of mutual understanding and cooperation;
- exchange of experience and information among colleagues and assisting one another in achieving the desired results;
- punctual, precise and timely recognition of obligations assumed for the Company and colleagues;
- reasonable use of one's own and a colleague's working hours.

The Company does not allow discrimination, or any form of harassment, victimization or persecution on the basis of nationality, sex, age, culture or other characteristics.

3.2.3. Additional regulations for managers and officials of the Company and its ADCs

The Company expects all of its managers to respect the employees and their rights. Managers must not use any methods that may damage employees' personal dignity and must not make unreasonable, unlawful or unfair decisions.

The Company also pays special attention to the following responsibilities by managers:

- ensuring safety of employees' workplaces and their work environment;
- ensuring open and continuous access to information required by employees to accomplish their work; providing opportunities for corporate feedback;
- taking into account the results of each employees' work;
- discovering and using new opportunities for improving the Company effectiveness and competitiveness;
- observing rules of exemplary personal behavior in line with the Company principles and standards;
- displaying professionalism, competence, creativity and readiness for initiatives.

3.2.4. Protection of Company property and resources

Property and resources of Miskolc Enterprise constitute the basis for its prosperity and long-term development. Resources of the Company can be used only for work related purposes.

The Company expects the following from its employees:

- effective use of equipment and other resources of the Company;
- careful treatment of its property and technical equipment;
- proper use and protection of commercial and technical information that is Company intellectual property;
- observance of recommendations in intra-corporate documents on treating Company equipment or resources properly.

3.2.5. Labor protection, accident prevention and environmental safety

The health and safety of employees plus labor and environment protection are high priorities for the Company. Miskolc Enterprise takes extreme measures to ensure safety and eliminate potential accidents and emergencies.

The Company requires every employee to:

- always observe safety precautions and labor protection regulations to maintain safe conditions at all workplaces;
- be highly responsible in following environmental safety rules, and take all possible measures to reduce adverse effects of production on nature and the environment.

3.2.6. Confidentiality

Miskolc Enterprise protects confidential information as a necessary condition for maintaining its stability and competitiveness. Disclosure of confidential information may inflict damage on the Company.

The Company insists on observing the following rules:

- confidential information can only be used in the performance of Company duties. Conveying it to any party, including colleagues whose work is not related to its use, is allowed only when authorized by an immediate superior;
- non-disclosure of confidential information must also be observed by former Company employees (unless they and the Company have other agreements);
- disclosure of information to investors and state authorities can be made only according to the procedures stipulated by the Company Charter and incorporation documents. The information must meet all requirements established by legislation and by stock market regulations, and contain no inaccurate data;

¹The Company rules on these issues are listed in the Major Provisions of Miskolc Enterprise Policy on Industrial, Labor and Environmental Safety.

- it is important² to respect the proprietary data of business partners, including intellectual property, copyright and allied rights;
- use of Company information by an employee in recommending anyone to perform transactions with securities of the Company and ADCs is strictly prohibited.
- employees must avoid transactions with securities of the Company and ADCs that require using confidential information.

3.2.7. Conflict of interest

Conflicts between the interest of the Company and its employees' personal interests create a negative effect on work quality and can cause damage to the Company. Miskolc Enterprise seeks to rule out any possibility of such situations. Adherence to the following is required:

- a business decision must be guided exclusively by the Company interests. Personal or family circumstances must not influence employee judgment about which actions do or do not comply with the Company interests;
- financial or other relations which may allow conflict of interest and may impede efficient performance of one's employment duties must be avoided;
- if an employee or an immediate relative has any pecuniary or financial interest in the activities of a competitor, supplier or customer company (or their affiliated parties), the employee must inform his/her superior. This must also be done if an employee has a share or participates, directly or indirectly, in financial assets or equity of such companies;
- the misuse of one's position with the Company for personal benefit, including gifts, remuneration, compensation and/or other profits for oneself or others, or in exchange for the Company products, work and services or gaining access to confidential information, is prohibited.

If a conflict of interest or a significant risk thereof arises, discussion of the matter with one's immediate superior is mandatory².

²Rules adopted by the Company with respect to a conflict of interest, are not limited to those set forth in the Code. Other requirements can be studied by addressing other internal documents of the Company, in particular, Regulations on the Procedure of Formation and Operation of Miskolc Enterprise Board of Directors

3.2.8. Gifts or other benefits

The Company allows receiving or giving business gifts only when it complies with adopted business practices and does not violate the applicable laws or ethical standards.

While receiving or giving a gift remember the following:

- the gesture must not imply any obligations owed to the giver of the gift;
- the value of the gift should be commensurate with the occasion and the business relations between the receiver or giver of the gift and Miskolc Enterprise.

While representing the interests of Miskolc Enterprise, the following standards must be strictly observed:

- avoid situations in which receiving or giving of presents or rendering services may create or give the impression of creating a conflict between personal and corporate interests;
- while working with state and municipal authorities, organizations and their officials and employees adhere strictly to requirements and prohibitions of laws and regulations covering the reasons and procedures for giving presents or performing other types of remuneration;
- giving or accepting expensive presents/gifts and participation in expensive entertainment events is allowed only with a prior consent of superior manager.

If an employee believes an ambiguous relationship may arise between the receiver and the giver of a gift or service, such employee must duly inform his/her immediate superior.

3.2.9. Maintaining financial reporting and managerial accounting

The Company is interested in strengthening its reputation as a transparent and fair market participant. It strictly observes the legislative requirements and regulations governing reporting instruments.

The Company adheres to standards which are intended, primarily, for employees who are responsible for maintenance and submission of financial reporting and managerial accounting data:

- business transactions are completely and accurately registered in financial reports and other accounting documents, in accordance with the principle of transparency of the Company activities;
- credibility of keeping and accounting of financial information is maintained based on strict adherence to intra-corporate supervision procedures;
- storage and use of accounting documents is performed in accordance with requirements of applicable laws.

3.3. Relations between the Company and External Interested (Related) Parties

In Company relations with external interested (related) parties (investors, shareholders, state authorities, suppliers, customers etc.), the Company interests are represented by its employees. Therefore, the provisions of this Code Section apply equally to the Company and its employees.

3.3.1. Shareholders and investors

The Company ensures high profitability and proper dividend payments. Miskolc Enterprise respects the rights of all of its shareholders equally, irrespective of the amount of shares they own and adheres to the following principles:

- seeks opportunities to objectively minimize investor risks. In this connection, the Company discloses information, in proper volumes, on its activities and refrains from actions which may mislead investors;
- makes best efforts to increase shareholder value, to rule out any possibility of corporate conflicts, and to ensure efficient corporate governance. Strict adherence to the provisions of Miskolc Code of Corporate Conduct, Information Policy Regulation, and other intra-corporate documents is the Company's top priority.

3.3.2. European society

The Company considers corporate social responsibility an important component of interaction with state authorities, business and society. Miskolc Enterprise adheres to a policy of high social responsibility to its employees and their family members, the residents of regions where the Company operates, and to society at large.

In the framework of the Company policy on social responsibility:

- various social programs for the Company employees are being developed and implemented;
- socio-economic cooperation in regions where the Company is located is maintained in the field of educational institutions, medical centers, sports facilities, cultural centers construction, in infrastructure development and public services and amenities improvement;
- charity and sponsorship activities are ongoing.

3.3.3. State authorities

The Company is aware of its special social responsibility in connection with the indirect financial involvement in the company, and seeks to serve as an example of legal and ethical obligations before the Spain State.

- The Company observes all legislative requirements related to performance of entrepreneurial activities, including full tax payments and other mandatory payments;
- The Company ensures profitability of its economic activities in meeting the primary goal of the charter as a commercial organization;
- Any employee of the Company is entitled to participate in political activities providing he/she is not participating during company time. Personal participation of employees in political life and their respective expenses in money and time are fully voluntary and must not interfere with their activities in the Company.

3.3.4. Business partners

The Company interacts with business partners (customers, suppliers, contractors, advisers) on the basis of long-term cooperation, mutual benefit, respect, trust, honesty and fairness. Miskolc Enterprise performs business only with reliable business partners performing lawfully.

- The Company deals honestly and in good faith in its contractual obligations with its business partners and requests the same in return;
- The Company resolves disputes arising in the course of its activities by legal and judicial measures, through negotiations and mutually acceptable compromises;
- The Company always takes into account the legal requirements of the countries in which it conducts business.

3.3.5. Competitors

The Company builds relations with its competitors on principles of mutual respect and welcomes and supports mutually beneficial cooperation. Miskolc Enterprise rejects any display or indication of unfair competition or abuse of a dominant position in the Company business activity.

- The Company rigorously observes the anti-monopoly laws of the countries where it is involved.
- The Company employees are obliged to avoid harsh talk or impolite statements about the Company competitors and have no right to criticize their products or services without valid reasons;
- On difficult issues of relations with competitors, the employees must consult their immediate superiors.

SECTION IV. APPLICATION OF THE CODE

4.1. Observance of Code provisions

In their professional activities, employees must observe all standards and rules established by the Company. Violation of the Code provisions may lead to administrative penalties and to Company losses or reduced efficiency resulting in a direct impact on the well-being of all employees of the Company.

Each employee is responsible for adhering to the ethical standards. Strict observance of this Code is mandatory for all employees of the Company, irrespective of their status and job position.

An employee who has any questions on application of standards and rules in the present Code may turn for advice to an immediate superior or put the question to an employee responsible for coordination of activities in the sphere of business ethics by e-mail at: code.miskolc@ymail.com

If an employee believes that another employee, adviser or partner has violated or possibly violated the Code provisions, he/she must report of any such matter according to the procedure stipulated by the Code. Reports about committed or suspected violations can be submitted:

- to the immediate superior or superior management;
- by e-mail to: code.miskolc@ymail.com

If the applicant prefers to be unknown he/she should provide sufficient information for a full and complete investigation to be conducted. Any interested person, not employed by the Company (for instance, a Company supplier or service provider, investor etc.), can also report on such violations committed by a Company employee. A report may be submitted via e-mail to: code.miskolc@ymail.com

The Recipient of said report is obligated to verify its validity either independently, or with the assistance of respective services. If the facts stated in the report are confirmed, the materials and recommendations on further actions shall be given to the respective competent Company official.

If the information suggests a violation of the law, the official will pass the information to respective Company authorities. If the information appears valid and suggests a misdemeanor or crime (administrative or criminal violation) has been committed, this information is to be passed to law-enforcement authorities. If a violation of the Code does not come within the sphere of criminal prosecution the following measures can be applied to the employee in fault: removal of bonus or other rewards or incentives, denial of promotion, public reprimand. If ample legal substantiation is available, the issue of disciplinary action may also be considered.

If a report of the above-mentioned type contains valid facts, every provider of information will receive guarantees that his/her reporting will be kept confidential. However, if such a report has been submitted purposely with false information, or if misconduct by the informant is established, then the respective punitive measures may be applied to the informant.

4.2. Execution system

The responsibility for organization of and supervision over the Code requirements, as well as for amending and modifying the Code rests with:

- the Company Board of Directors;
- the Company President;
- the Business Ethics Council;
- employees responsible for coordination of activities in the sphere of business ethics.

The Board of Directors approves the Code, amendments and supplements to it, determines the major aspects of implementing the Code provisions and monitors the overall results of its implementation and application. Preliminary examination of decisions taken by the Company Board of Directors on issues of implementing and applying the Code, may be delegated to one of the committees under the Board of Directors of Miskolc Enterprise.

The Company President is responsible for implementing the business ethics policy and the Code provisions, and reports to the Board of Directors on the results.

The Business Ethics Council, as the Company consultative body, organizes activities aimed at implementing the business ethics policy and the Code provisions, develops recommendations for the Company managers and officials in the related areas to business ethics, and monitors execution of the Code requirements. The Business Ethics Council functions on the basis of a Regulation approved by the Company Board of Directors. Decisions taken by the Business Ethics Council are advisory and are intended to aid in possible decisions and other actions by the Company bodies, managers, and officials. The Business Ethics Council may include representatives of the Company top management and working collective, shareholders, investors, and other interested (related) parties.

An employee responsible for coordination of activities in the sphere of business ethics receives information about violations and passes it on to respective bodies of the Company, coordinates technical and informational support of activities aimed at discussion, application, and modification of the Code.

SECTION V. FINAL PROVISIONS

5.1. Adoption of the Code

Adopting, modifying or amending the Code is the responsibility of the Company Board of Directors. Before adoption of the Code, its draft undergoes discussion in the Company subdivisions. All submitted comments and suggestions shall be considered by the established Business Ethics Council, which presents respective recommendations to the Board of Directors.

The Code shall be adopted by the Company Board of Directors and then disseminated to all subdivisions of the Company. The Code text shall be placed on the website: <http://miskolc.jimdo.com> and be issued as a brochure/pamphlet to any employee upon request. All employees of the Company (including recently hired) must read the Code text at least once and attest to it by their signatures.

Training sessions on studying the Code and making actual practices comply with its provisions shall be conducted for the Company employees.

5.2. Modifications of and amendments to the Code

All suggestions about modifying or amending the Code shall be submitted by the Company employees to heads of their subdivisions or corresponding bodies of the Company, to employees responsible for coordination of activities in the sphere of business ethics, or by e-mail to: code.miskolc@ymail.com These suggestions shall be studied, gathered, categorized and considered by the Business Ethics Council.

Recommendations of the Business Ethics Council about modifying or amending the Code shall be submitted to the Company President, who is entitled to present an issue of the Code modification or amendment to the Company Board of Directors for their consideration.