

CONTINENTAL ENERGY CORPORATION



**POLICY ON
ANTI-BRIBERY AND
ANTI-CORRUPTION**

CONTENTS

1.	Effectiveness and Change.....	2
2.	Purpose of This Policy.....	2
3.	Policy Statement.....	2
4.	Definitions.....	2
5.	Applicability of ABC Laws.....	5
6.	Persons Subject to this Policy - Continental Personnel.....	5
7.	Persons Subject to this Policy - Relationship Parties.....	6
8.	Prohibited Acts Under this Policy.....	7
9.	Gifts and Hospitality.....	8
10.	Kickbacks and Facilitation Payments.....	9
11.	Political and Charitable Contributions.....	9
12.	Financial Records.....	10
13.	Preventative Due Diligence - Standard of Care.....	10
14.	Disciplinary Actions Under this Policy.....	10
15.	Penalties Under Applicable ABC Law.....	10
16.	Certificates and Compliance Control for this Policy.....	11
17.	Reporting Procedure.....	11
18.	Policy Compliance Officers.....	11
19.	Oversight Committees.....	12
20.	Companion Policies.....	12
21.	Regulatory and Public Notice Filings.....	12
22.	Attached Appendices.....	12
	Appendix-A: Form of Undertaking of Compliance for Continental Personnel.....	13
	Appendix-B: Form of Certificate of Compliance for Relationship Parties.....	14

1. Effectiveness and Change

This Policy on Anti-Bribery and Anti-Corruption (the "**ABC Policy**" or herein, this "**Policy**") is made by order of the Board of Directors (the "**Board**") of Continental Energy Corporation ("**Continental**") with effect upon and from its "**Adoption Date**" on **15 February 2020**.

This ABC Policy is an integral part of Continental's separately published "**Code of Business Conduct and Ethics**" and is incorporated by reference therein.

Words and phrases denoted in "parentheses", **bold-face** type, and *italics* refer to defined terms having the meaning in this Policy as ascribed to them in Section-4.

This Policy is subject to change by the Board, at any time, to address any new issues or concerns which may arise as a result of our ongoing business operations and activities; changes in statutory or regulatory compliance requirements; and any recommendations for changes brought to the Board by the *Policy Compliance Officer*, as provided for in Section-18, or by the *Board Oversight Committee* in charge of oversight on this Policy, as provided for in Section-19.

2. Purpose of This Policy

This Policy sets out the responsibilities of Continental Energy Corporation and its affiliates, in preventing Bribery and Corruption of Government Officials.

This Policy also applies to individuals and corporate counterparties who work for and conduct business on behalf of Continental, all of whom have a separate personal responsibility and may separately be held accountable and personally liable for any Bribery or Corruption issues that may arise.

This Policy is intended to guide management, individual personnel, and corporate counterparties to recognize situations which might give rise to possible Bribery and Corruption concerns and the procedures for preventing, reporting, and dealing with such issues.

3. Policy Statement

Continental is committed to conducting its business in an ethical, honest, and forthright manner in all its business dealings and relationships, in all countries where Continental or a Continental Subsidiary operates. The nature of the Company's business necessitates dealing with Government Officials and Politically Exposed Persons from time to time and these interactions may raise concerns related to real or perceived issues of Bribery and Corruption. Therefore:

- a) Continental has zero-tolerance for Bribery and Corruption activities that involve not only any Government Officials, but also any PEPs, any private parties, any Continental Personnel, and any personnel of Relationship Parties.
- b) Individual persons and corporate counterparties that work for Continental or a Continental Subsidiary shall be required, as a condition of their employment or engagement, to comply with the FCPA, the CFPOA, and applicable ABC Laws of any country in which the company conducts business or engages in commercial transactions.

4. Definitions

As used in this Policy, unless the context otherwise requires, the following capitalized words and terms shall have the definition and meaning as follows. The definitions of words in the singular shall apply to such words when used in the plural where the context so permits and vice versa.

- "**ABC Laws**" means, in addition to those laws promulgated under the FCPA or the CFPOA, any other anti-Bribery or anti-Corruption laws of any Host Country which may apply to a Continental Subsidiary or to any contemplated contract, commercial transaction, or business activity of Continental or a Continental Subsidiary in a Host Country.

- **"Bribery"** is the act of offering, promising, giving, accepting or soliciting of an advantage to a Government Official as an inducement for action which is illegal, unethical, or a breach of trust. A **"Bribe"** is an inducement or reward offered, promised or provided to a Government Official in order to gain any commercial, contractual, regulatory or personal advantage and may take the form of gifts, loans, fees, rewards or other advantages.
- **"CFPOA"** means the *Canadian Corruption of Foreign Public Officials Act*, as currently amended and in force and effect.
- **"Close Family Members"** means, for the purposes of this Policy, those natural persons who are a spouse, partner, child, parent, grand parent, sibling, or a spouse of a child or sibling of a Government Official or a PEP. Always provided however, that the definitions of a "family member" may vary substantially between different applicable ABC Laws, and any one ABC Law may also include additional or alternative definitions or family relationships which it defines as "family members" of a Government Official or a PEP.
- **"Close Personal Associates"** means, for the purposes of this Policy, those natural persons other than Close Family Members who are known to have a close personal, social, or business relationship with a Government Official or a PEP. Close Personal Associates may include co-owners, co-shareholders, and contractual counterparties. Always provided however, that the definitions of a "close associates" may vary substantially between different applicable ABC Laws, and any one ABC Law may also include additional or alternative definitions or close or personal relationships which it defines as known, personal, or close "associates" of a Government Official or a PEP.
- **"Consultant"** means an individual hired directly in its own name under a consulting contract to personally provide consulting services directly to Continental or to a Continental Subsidiary, who does NOT have the contractual right to appoint or delegate performance of work and provision of services to an employee, sub-consultant, sub-contractor, or any other third party. For clarity, as the term is used in this Policy, a Consultant is NOT a Contractor as that term is separately defined herein.
- **"Continental Associate"** means an incorporated and affiliated company or a non-incorporated joint venture in which Continental owns and controls LESS than 50% of the shareholder or joint venture participating interest voting rights; is NOT the designated "Operator" of the joint venture; and does NOT otherwise exert executive management control over such corporate or joint venture entity.
- **"Continental Personnel"** means and refers to all natural persons who are directors, officers, employees (whether temporary, fixed-term, seconded, or permanent), Consultants, trainees, interns, or any similar natural persons working under direct contract with, or directly engaged by Continental or by a Continental Subsidiary, no matter where they are located in the world.
- **"Continental Subsidiary"** means an incorporated subsidiary company or non-incorporated joint venture in which Continental owns and controls 50% or MORE of the shareholder or participating interest voting rights; or is the designated "Operator" of a joint venture; or otherwise exerts effective executive management control over such corporate or joint venture entity.
- **"Continental"** means Continental Energy Corporation and includes any registered branch office but does not include a Continental Subsidiary or a Continental Associate.
- **"Contractor"** means a corporation hired under a contract to provide services directly to Continental or to a Continental Subsidiary, that may, or may not, in the performance of such services have the contractual right to appoint or delegate performance of work and provision of services to an employee, sub-consultant, sub-contractor, or any other third party. For clarity, as the term is used in this Policy, a Contractor is NOT a Consultant as that term is separately defined herein.
- **"Corruption"** is the abuse of entrusted power by a Government Official for personal or private gain.
- **"FATF Recommendations"** means and refers to the FATF published *"International Standards On Combating Money Laundering And The Financing Of Terrorism & Proliferation"* as currently amended.

- **"FATF" or "Financial Action Task Force"** means and refers to the independent inter-governmental body that develops and promotes policies to protect the global financial system against money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction.
- **"FCPA"** means the US *Foreign Corrupt Practices Act*, as currently amended and in force and effect.
- **"Gift"** means anything of value freely given for any reason. Acceptable Gifts may, for example, include logo emblazoned promotional materials or a wedding or similar special occasion, Gift of reasonable and moderately priced and business appropriate value.
- **"GOC" or "Government Owned Company"** is another name for a State Owned Enterprise.
- **"Government Official"** shall have the meaning ascribed to a "foreign official" in the FCPA, ascribed to a "foreign public official" in the CFPOA, and to any additional defined meaning under any applicable local ABC Law.
- **"Hospitality"** means providing or paying for meals, drinks, and entertainment for business associates. Acceptable Hospitality may, for example, include reasonable and moderately priced and business appropriate meals, drinks, taxi fares, and tickets to plays, concerts, shows, sporting matches, and similar special events.
- **"Host Country"** means the country in which a specific commercial, financial, or trade transaction entered into by Continental or by a Continental Subsidiary takes place. In cross border transactions, each country which provides or receives consideration is a Host Country. The country of incorporation of Continental and that of any Continental Subsidiary is also deemed to be a Host Country.
- **"OECD Convention"** means the current version of the *Convention On Combating Bribery Of Foreign Public Officials In International Business Transactions* adopted by the international *Organization for Economic Co-operation and Development*.
- **"Oversight Committee"** shall have the meaning ascribed thereto in Section-19.
- **"PEP" or "Politically Exposed Person"** means a person who has been entrusted with a prominent public function and therefore generally presents a higher risk for potential involvement in bribery and corruption by virtue of their position they hold and the power and influence they may exert. In accordance with the FATF Recommendations definition, a PEP is an individual who is, or has been, entrusted with prominent public functions by any country, for example heads of state or of heads of government organs at any level, senior politicians, senior government officials, judicial or military officials, senior executives of state owned corporations, important political party officials, regardless of whether elected or appointed. PEPs also include persons who are or have been entrusted with a prominent function by an international organization or non-governmental organization and may refer to members of senior management, i.e. directors, deputy directors and members of the board or equivalent functions. The FATF definition of PEPs is not intended to cover middle ranking or more junior individuals in the foregoing categories.
- **"Policy Compliance Officer"** shall have the meaning ascribed thereto in Section-18.
- **"Relationship Party"** means and refers to an individual or corporate third party with which Continental or a Continental Subsidiary has a contractual agreement, including Contractors, suppliers, service providers, distributors, agents, advisors, and other contractual counterparties of Continental or of a Continental Subsidiary who are NOT otherwise defined as Continental Personnel.
- **"SOE" or "State Owned Enterprise"** means a legal entity created by, and wholly or partially owned by, a local, regional, state, provincial, or national government body in order to partake in commercial activities on behalf of the government. Typically, SOEs are formed for the purpose of participating commercial activities in a focused single and particular business, commercial sector or type of industry.

5. Applicability of ABC Laws

Continental, together with its majority owned and controlled *Continental Subsidiaries* and its minority owned and uncontrolled *Continental Associates* carry on business across multiple international jurisdictions and may depending upon the counterparties and location of any given business transaction the transaction may be subject to one or more Sanctions imposed by any one or more Sanctioning Governments. Therefore, ABC Laws apply, or may apply as follows:

- a) **Canada** - Continental is incorporated in British Columbia, Canada, and therefore the Company and its management, together with majority owned and controlled Continental Subsidiaries and their respective management, are therefore obliged to at all times abide by the provisions of all CFPOA and any additional ABC Laws promulgated by the government of Canada. Continental Personnel who are Canadian citizens are also obliged to comply.
- b) **USA** - As a foreign reporting issuer in the USA as a result of its common shares publicly trading on the OTCQB trading system of OTC Markets Group Inc., the Company is subject to the laws and regulations of the US Securities Exchange Commission and therefore, the Company and its management, together with majority owned and controlled Continental Subsidiaries and their respective management are all therefore obliged to at all times abide by the provisions of the FCPA and any additional ABC Laws promulgated by the USA. Continental Personnel who are USA citizens are also obliged to comply.
- c) **Transactions** - The nature of ABC Laws may make them applicable to any kind of commercial, financial, or trade transaction that may be concluded by Continental or by a Continental Subsidiary with one or more transaction counterparties. Multiple ABC Laws may be applicable to a transaction depending on the Host Country in which a transaction takes place, the respective Host Countries or others having jurisdiction over the parties to the transaction and over the natural person signers of the transaction, and over those who may *Directly or Indirectly* receive an economic benefit from the transaction.

6. Persons Subject to this Policy - Continental Personnel

This Policy applies to Continental Personnel as defined in Section-4, all of whom are deemed herein to be "**persons subject to this Policy**". Further:

- a) Continental or the applicable Continental Subsidiary shall supply a PDF copy of this Policy by email to each new person hired as Continental Personnel at the time of hire.
- b) As a condition of engagement by Continental or a Continental Subsidiary, all Continental Personnel must read, understand, and agree to comply with the Policy, and with any training or other anti-Corruption information or procedures from time to time provided by Continental.
- c) All Continental Personnel are responsible for the prevention, detection, and reporting of Bribery and Corruption and are required to avoid any personal activities that could breach or appear to breach the FCPA, the CFPOA, or applicable ABC Laws or this Policy.
- d) If there is reason to believe or suspect that an instance of Bribery or Corruption has occurred or has been attempted, or is likely to occur in the future, Continental Personnel must promptly notify Continental using the process set out in Section-15 of the Policy.
- e) Continental will ensure that no one suffers any retaliation (e.g., discrimination or unjust treatment, dismissal or other disciplinary action) as a result of refusing to offer or receive a bribe or participate in other corrupt activities, or because they reported a concern (in good faith) relating to potential acts of Bribery or Corruption.

- f) Each new employee or Consultant hired or engaged by Continental or a Continental Subsidiary, shall concurrently upon signing its employment or engagement contract with Continental or a Continental Subsidiary, complete, sign and so certify his or her compliance, and ongoing undertaking to comply, with this Policy, the FCPA, the CFPOA, and/or applicable ABC Laws using the form of compliance certificate attached to this Policy as Appendix-A.

7. Persons Subject to this Policy - Relationship Parties

This Policy applies to Relationships Parties as defined in Section-4, all of whom are deemed herein to be "**persons subject to this Policy**". Continental, Continental Subsidiaries, and/or individual Continental Personnel may have legal exposure in respect of improper payments made by Relationship Parties regardless of whether the Relationship Party itself is subject to the FCPA, the CFPOA, and/or applicable ABC Laws. Further:

- a) Continental or the applicable Continental Subsidiary shall supply a PDF copy of this Policy by email to each new Relationship Party at the time of engagement.
- b) Continental or the applicable Continental Subsidiary shall require the procedures set forth in this Section-6 to be followed to ensure that Relationship Parties do not cause Continental or any Continental Subsidiary to violate the FCPA, the CFPOA, and/or applicable ABC Laws.
- c) Prior to engagement of a new Relationship Party, Continental or the applicable Continental Subsidiary shall conduct due diligence and check the background of the principals and management of the proposed Relationship Party in accordance with procedures and a level of scrutiny that is appropriate having regard to the nature of the contemplated contract, transaction, and/or relationship contemplated.
- d) In cases where such due diligence gives rise to any concerns regarding possible Corruption risks, the Policy Compliance Officer must be consulted to determine any further steps that may be appropriate, and the Policy Compliance Officer may further refer any issues to the Oversight Committees for final determination.
- e) Any agreements made by Continental or by a Continental Subsidiary with a Relationship Party, for services pertaining to or to be delivered outside the USA or Canada, must be made in writing, and such agreement must contain and incorporate specific contractual provisions including warranties, representations, and restrictive covenants of the Relationship Party that it shall comply with the provisions of this Policy, the FCPA, the CFPOA, and/or applicable ABC Laws. Further:
- f) No Relationship Party may engage a sub-agent, sub-consultant, sub-contractor, or other representative in connection with such Relationship Party's work on behalf of Continental or a Continental Subsidiary without first:
- i) following the same due diligence and background check procedures set out in Section-6.c of this Policy; and
 - ii) obtaining prior written approval of Continental or the applicable Continental Subsidiary for the Relationship Party's engagement of the sub-agent, sub-consultant, sub-contractor, or other representative; and
 - iii) ensure that contractual terms are included and incorporated in the agreement or arrangement between such sub-agent, sub-consultant, sub-contractor, or other representative and the Relationship Party, that are identical to those specific contractual provisions required pursuant to Section-6.e, including warranties, representations, and restrictive covenants of the sub-agent, sub-consultant, sub-contractor, or other representative that it shall also comply with the provisions of this Policy, the FCPA, the CFPOA, and/or applicable ABC Laws.
- g) Additionally, each Relationship Party engaged by Continental or a Continental Subsidiary, including any sub-agent, sub-consultant, sub-contractor, or other representative engaged by the Relationship Party for the benefit of its services provided, must agree in writing to:
- i) participate in any anti-Corruption training that Continental or the applicable Continental Subsidiary may require;
 - ii) maintain complete records related to their activities on behalf of Continental or the applicable Continental Subsidiary;

- iii) allow an auditor appointed by Continental or the applicable Continental Subsidiary to review such records upon request; and
- iv) allow Continental or the applicable Continental Subsidiary to immediately and without further cost or penalty terminate any agreement or arrangement with such Relationship Party for non-compliance by the Relationship Party or any one of its sub-agents, sub-consultants, sub-contractors, or other representatives with this Policy, the FCPA, the CFPOA, and/or applicable ABC Laws.
- h) Each Relationship Party engaged by Continental or a Continental Subsidiary, including any sub-agent, sub-consultant, sub-contractor, or other representative engaged by the Relationship Party for the benefit of its services provided: shall concurrently upon signing its contract with Continental or a Continental Subsidiary, complete, sign and so certify its compliance with this Policy, the FCPA, the CFPOA, and/or applicable ABC Laws using the form of compliance certificate attached to this Policy as Appendix-B.
- i) Thereafter each Relationship Party engaged by Continental or a Continental Subsidiary, including any sub-agent, sub-consultant, sub-contractor, or other representative engaged by the Relationship Party for the benefit of its services provided: shall complete, date, sign and so certify its compliance with this Policy, the FCPA, the CFPOA, and/or applicable ABC Laws using the form of compliance certificate attached to this Policy as Appendix-B, not less than annually on the date of its contract with Continental or a Continental Subsidiary or at any such time as requested to do so by Continental or by the engaging Continental Subsidiary.

8. Prohibited Acts Under this Policy

Continental strictly prohibits Continental Personnel and Relationship Parties from (directly or indirectly) offering, giving, promising, or agreeing to give or offer "**Anything of Value**", to any person, including a Government Official, in order to "**Obtain or Retain Business**", or "**Obtain any Improper Advantage or Benefit**" of any kind so as to induce or influence an action or decision.

Continental also strictly prohibits Continental Personnel from soliciting, accepting, or agreeing to accept *Anything of Value* where such act would constitute Bribery or Corruption, or might give the appearance of Bribery or Corruption or otherwise might be improper or likely to influence the performance of the duties and responsibilities of such Continental Personnel as a part of their job and employment or engagement by Continental or a Continental Subsidiary.

For the purposes of clarity, as used in this Policy:

- a) "**Anything of Value**" means ANYTHING that has value to the intended recipient or to Close Family Members or to Close Personal Associates or to other persons designated by the intended recipient. It can include things such as:
 - i) Cash or cash equivalents (e.g., gift cards);
 - ii) Non-cash items (e.g., gifts, lodging, entertainment, dinners, sports tickets, club memberships, flights, side trips, jewelry, liquor, cigarettes, provision of free services, etc.);
 - iii) Forgiveness of debt or offers of equity or participating interests;
 - iv) Favors or preferential treatment including offers of employment or internships or contracts;
 - v) Political or charitable contributions; and
 - vi) Any other financial or non-financial advantage.
- b) "**Obtain an Improper Advantage or Benefit**" means obtaining an advantage for Continental or a Continental Subsidiary that may not be offered to its competitors or some advantage that is only available to Continental or a Continental Subsidiary if it makes an illegal or improper payment. It can also include situations where there is no advantage for Continental or a Continental Subsidiary, but the individual is being induced or rewarded for acting improperly in the performance of his or her functions. Generally, it includes benefits such as:
 - i) A favorable decision relating to a bid, potential contract or government decision;
 - ii) Access to confidential or proprietary information that would not otherwise be available;

- iii) Provision of preferential terms in an agreement or transaction;
 - iv) A decision by a government official not to impose a penalty or tax, or to reduce such a penalty or tax;
 - v) Non-enforcement of an applicable law or regulation; and
 - vi) Benefits for the involved individual or their Close Family Members or their Close Personal Associates.
- c) **“Obtain or Retain Business”** covers nearly all interactions that Continental or a Continental Subsidiary may have with persons and entities outside of Continental itself or the Continental Subsidiary itself. Virtually any action taken by Continental or a Continental Subsidiary with the goal of retaining or advancing its business may be covered.
- d) **“Government Official”** in addition to the definition provided in Section-4, the term Government Official is defined very broadly under the FCPA, the CFPOA, and additional definitions may apply from applicable Host Country specific ABC Laws or from the FATF Recommendations. Typically, and for the purposes of this Policy, the term Government Official includes the following types of persons:
- i) Government employees as well as persons who are appointed or elected to government office, at any level;
 - ii) Employees of wholly or partially state-owned enterprises (e.g., state-owned oil and gas companies, public utilities, public health care and educational institutions, etc.);
 - iii) Any person acting in an official capacity for a government, government agency, or state-owned enterprise (e.g., someone who has been given authority by a governmental entity to carry out official responsibilities, including (without limitation) license and permit providers, environmental or other inspectors, customs officials and members of the military or police forces);
 - iv) Any candidate for political office, or any official or employee of a political party, or a political party itself;
 - v) Any person holding a legislative, administrative or judicial position of any kind (whether appointed or elected) of any country or territory;
 - vi) Any leader or other appointed or elected representative of any local, indigenous or other related communities;
 - vii) Any officer or employee of a public international organization (such as the United Nations, the World Bank, or the International Monetary Fund), and
 - viii) May also include Close Family Members, Close Associates, and possibly include additional family relationship members or additional other demonstrable personal, social or business associates of the Government Official.
- e) Continental, Continental Subsidiaries, and Continental Personnel must not engage in any form of Bribery or Corruption, whether it be directly or indirectly through a Relationship Party. For example, it is not appropriate to make a payment to a Relationship Party where there is reason to believe that it is likely to be used by the Relationship Party to pay a bribe, even if Continental Personnel are not aware of the details. There is generally no *"de minimis"* exception for improper payments under the FCPA, the CFPOA, and/or applicable ABC Laws.
- f) Continental Personnel must follow the process set out in Section-15 of the Policy if they are uncertain about whether something is, or is not, permitted under this Policy. It is important to inquire rather than being “willfully blind” to the circumstances, as willful blindness is not a reliable defense under the FCPA, the CFPOA, and/or applicable ABC Laws.

9. Gifts and Hospitality

- a) Continental, Continental Subsidiaries, and Continental Personnel may engage in legitimate and reasonable business development activities, including providing Gifts and/or extending Hospitality (as such capitalized terms are defined in Section-4) to business associates.
- b) However, even small payments or expenditures made for providing Gifts or extending Hospitality may appear to be inappropriate, and may even be expressly prohibited under the FCPA, the CFPOA, and/or applicable ABC Laws, especially if they are offered or made with an improper purpose to Government Officials.

- c) Continental Personnel must therefore ensure that the expenditures for all Gifts provided and Hospitality extended to Government Officials are made strictly in accordance with the guidance set out in this Policy and are approved in advance by management and are thoroughly documented to demonstrate that such expenditures for Gifts and Hospitality were made for legitimate and lawful business reasons appropriate to the circumstances, and NOT with any improper purpose or improper intent.
- d) Continental recognizes that the practice of giving and receiving business Gifts or extending Hospitality to business associates varies between countries, regions, cultures, and religions, so definitions of what is acceptable and not acceptable may differ somewhat based on specific context and circumstances. Nonetheless, the actions of all Continental Personnel and Relationship Parties, domestically or internationally, must always be consistent with the FCPA, the CFPOA, and/or applicable ABC Laws as well as the provisions of this Policy.
- e) Continental Personnel must log all interactions with Government Officials that involve provision of Gifts or extensions of Hospitality and promptly report all particulars and the circumstances thereof to the Policy Compliance Officer or the Continental Subsidiary manager charged with supervising this Policy for their further review.

10. Kickbacks and Facilitation Payments

- a) Continental does not allow kickbacks (i.e., payment of something of value to a recipient as a reward for providing favorable treatment to another party) to be paid or accepted by Continental, Continental Subsidiaries, Continental Personnel or Relationship Parties, regardless of whether they are made in exchange for a business favor or advantage (e.g. where a percentage from a contract or transaction is improperly returned to the person awarding the contract or involved in the negotiation of a transaction).
- b) Continental, Continental Subsidiaries, Continental Personnel, and Relationship Parties must not make any form of facilitation payments. "Facilitation" or "grease" payments are a form of Bribery that involves expediting or facilitating the performance by a Government Official of a routine governmental action (for example, the issuance of official documents such as permits, licenses, visas, or work papers, or import/export processes, such as inspection fees or customs clearance fees). These types of payments tend to involve lower-level officials, and are often requested in relation to securing or speeding up the performance of an official duty or action. Facilitation payments are generally illegal under the FCPA, the CFPOA, and/or applicable ABC Laws.
- c) Any request from a Government Official to make a Facilitation payment should be refused and all such requests must be reported by the receiving Continental Personnel or Relationship Party to Continental or to the local Continental Subsidiary using the process set out in Section-15 of the Policy.
- d) Continental Personnel and Relationship Parties are expected to watch for and report any facts and circumstances that may give rise to a suspicion that bribes or other corrupt activity involving specific situations or Government Officials may have been attempted, occurred, or be likely to occur in the future.

11. Political and Charitable Contributions

- a) Continental and all Continental Subsidiaries are expressly prohibited from making donations and contributions to support political parties, candidates, or causes.
- b) All Continental, Continental Subsidiaries, Continental Personnel, and Relationship Parties must exercise due diligence and a standard of care to ensure that charitable donations are not used to facilitate or conceal acts of Bribery or Corruption.
- c) Charitable donations (whether in the form of financial contributions or through products, services, knowledge, time, etc.) to recognized charities, humanitarian efforts, academic institutions or other non-governmental organizations, are permitted only if the recipients are not customers, suppliers or counterparties with which Continental or a Continental Subsidiary has a business relationship.

12. Financial Records

- a) Continental requires that all financial transactions, including those relating to any payments to or hospitality provided to Governmental Officials, be accurately recorded in Continental's books and records as well as those of Continental Subsidiaries. This requirement applies to all types of liabilities and expenses as well as assets and revenues. Such books and records shall be structured so that all transactions involving Government Officials are recorded in a separate general ledger for transparency and monitoring.
- b) All Continental Personnel and Relationship Parties must ensure that all supporting documentation (e.g., receipts, disbursements, invoices, etc.) relating to transactions with Governmental Officials and with other counterparts are accurate, and that they clearly describe the reason, purpose and exchanges of value for each transaction.
- c) All Continental Personnel and Relationship Parties are expected to promptly respond to requests for additional information relating to transactions or supporting documentation from Continental's Policy Compliance Officer.

13. Preventative Due Diligence - Standard of Care

- a) The management of Continental and of each Continental Subsidiary are charged with the task of conducting preliminary screening and continuing due diligence investigations and monitoring of all Continental Personnel, Consultants, Contractors, Relationship Parties, and transaction counterparties to ensure compliance with this Policy.
- b) Due diligence shall include a reasonably appropriate background investigation and verification of information presented by the subject of the background check given the level of actual accessible information from reliable third party sources.
- c) This due diligence evaluation shall include identification and description of any persons associated with the subject of the background check who may be, or appear to be, a Government Official or a Politically Exposed Person. In each evaluation which reveals a possible connection to a Government Official or a Politically Exposed Person, the due diligence investigator shall provide a written report that includes the details of such finding to the Policy Compliance Officer for his/her further action.
- d) The due diligence investigation shall also include exercising a standard of care commensurate with the perceived local, global, and situational, locality, and transaction risks involved in a relationship with the subject of the investigation

14. Disciplinary Actions Under this Policy

All Continental Personnel who breach the Policy will face disciplinary action. Such action could include dismissal for gross misconduct and/or contractual termination of employment, in addition to other consequences under applicable laws.

15. Penalties Under Applicable ABC Law

The consequences of violating the FCPA, the CFPOA, or any applicable ABC Laws are potentially extremely serious, both for Continental and for those particular individuals involved in inappropriate conduct. Individuals can be held personally liable for violations and the potential consequences could include imprisonment and/or the imposition of significant fines, termination of their employment, and denial of entry into foreign countries. For Continental violations can result in heavy fines, exclusion from tendering on public contracts, inability to continue as a contractor/counterparty of the state, inability to operate and serious damage to reputation.

16. Certificates and Compliance Control for this Policy

Continental and each Continental Subsidiary will establish and maintain internal control systems and procedures designed to identify, evaluate and manage Bribery and Corruption risks with an aim to prevent Bribery and Corruption, including maintaining detailed and accurate financial records of all transactions (including payments made and received), procurement policies and procedures and third party due diligence procedures. Further:

- a) **Certificate and Undertaking of Compliance for Continental Personnel** - In the manner provided for in Section-5, each new employee or Consultant hired or engaged by Continental or a Continental Subsidiary shall be required to separately sign a *Certificate And Undertaking Of Compliance* with this Policy, substantially in the form provided for in the attached Appendix-A.
- b) **Certificate of Compliance for Relationship Party** - In the manner provided for in Section-6, each new Relationship Employee entering into a contract with Continental or with a Continental Subsidiary shall be required to separately sign a *Certificate Of Compliance* with this Policy, substantially in the form provided for in the attached Appendix-B.
- c) The control systems and procedures for this Policy will be reviewed from time to time by the Policy Compliance Officer and the Oversight Committees to ensure suitability, currency, adequacy and effectiveness.

17. Reporting Procedure

- a) Continental Personnel should contact and make reports to their supervisor, the general manager of the Continental Subsidiary employing them, or failing them, the Policy Compliance Officer with any reports of suspected or actual violations of this Policy, incident reports, questions, concerns or inquiries about how the Policy may be relevant to any particular contemplated or concluded transaction or other business activity.
- b) Relationship Parties or Relationship Party employees should contact and make reports to their respective contract administrator at Continental or the Continental Subsidiary that hired them, or failing them, the Policy Compliance Officer with any reports of suspected or actual violations of this Policy, incident reports, questions, concerns or inquiries about how the Policy may be relevant to any particular Relationship Party contemplated or concluded transaction or other business activity.
- c) Continental will not tolerate any retaliation against Continental Personnel who in good faith report a suspected violation of this Policy.

18. Policy Compliance Officers

- a) From time to time Continental or any Continental Subsidiary may appoint a **"Policy Compliance Officer"** who shall be charged with the task of administering this Policy.
- b) Any one Continental Subsidiary may from time to time appoint one or more of its senior executive staff to perform the role of *Policy Compliance Officer* for the subsidiary.
- c) Continental may from time to time appoint one or more of its senior executives to perform the role of *Policy Compliance Officer* for Continental at the parent company level. Failing such appointment, the Independent Director who chairs Continental's Audit Committee shall serve as the *Policy Compliance Officer* until a replacement is named.
- d) The Policy Compliance Officer is also authorized to respond to any questions from any persons subject to this Policy regarding compliance with the terms of this Policy, the FCPA, the CFPOA, and applicable ABC Laws.
- e) Any Policy Compliance Officer may also from time to time recommend to the board that this Policy be amended in view of changes of circumstances regarding applicable laws and the company's business activities.

19. Oversight Committees

Two of the Board's standing committees have been charged, in accordance with their respective charters, with oversight of this Policy; administration of issues arising as a result of this Policy; and periodic review and amendment of this Policy. These two oversight committees are the *Audit Committee* and the *Governance and Nominating Committee*.

20. Companion Policies

This Policy is a companion policy to Continental's Code of Business Conduct and Ethics (the "**Code**") as last revised, made publicly available, and filed with applicable securities regulatory agencies.

This Policy is also a companion policy to Continental's Policy on Compliance with Sanctions and Trade Restrictions (the "**Sanctions Policy**") as last revised and approved by the Board. This Policy should be read and followed in coordination with the Sanctions Policy because there are elements of complementary overlap with the Sanctions Policy.

21. Regulatory and Public Notice Filings

Continental has published this revision of the Policy on Anti-Bribery and Anti-Corruption and filed it with Canadian and USA securities regulators as follows.

- a) A complete copy of this Policy has been filed on the Canadian Securities Administrators ("CSA") *National Instrument ("NI") 13-101 System for Electronic Document Analysis and Retrieval ("SEDAR")* in accordance with requirements of Part-2.3 of the CSA's *NI 58-101 Disclosure of Corporate Governance Practices*.
- b) Further, this Policy has been incorporated by reference to the SEDAR filing and/or filed separately on the US Securities Commission's EDGAR (Electronic Data Gathering, Analysis, and Retrieval) system under cover of a *Form-6K Report of Foreign Issuer*.

A complete copy of this Policy is available for public review and/or download in convenient PDF form from either the "Governance Documents" tab on Continental's website: www.continentalenergy.com.

Alternatively a complete PDF copy of this Policy is available for view and/or download directly from Continental's SEDAR profile page at: <https://www.sedar.com/DisplayProfile.do?lang=EN&issuerType=03&issuerNo=00005599>
The PDF download link can be found after a search of Continental's SEDAR filings dated 10 January 2020.

22. Attached Appendices

Appendix-A Attachment: Certificate of Compliance by Relationship Party

Appendix-B Attachment: Certificate of Compliance by Continental Personnel

--- oOo ---

Appendix-A
To the Continental Energy Corporation
Policy On Anti-Bribery and Anti-Corruption

[for use by Consultants and employees only, form of]

CERTIFICATE AND UNDERTAKING OF COMPLIANCE

My Reference Contract is With: _____
My Reference Contract is Dated: _____
My Reference Job Title is: _____
The Services I Provide are: _____

I, _____, the undersigned [*Consultant/employee*], hereby personally warrant, represent, covenant, and certify as follows:

1. I have received a copy of Continental's Anti-Bribery and Anti-Corruption Policy (the "**ABC Policy**") provided to me by Continental Energy Corporation or its Affiliate at the time of my referenced [*engagement/employment*].
2. I have read and studied the ABC Policy and understand the information, rules, and procedures contained in the Policy and how they apply to me personally.
3. I understand, that as provided for in the ABC Policy, I am personally defined as a [*Consultant/employee*] and am thereby included as a member of Continental Personnel, and am therefore subject to the ABC Policy.
4. I fully understand the personal obligations that I have as a member of Continental Personnel under the ABC Policy while carrying out my duties and performing the Services required of me by my contract.
5. I am currently, at the date of this certificate, in compliance with the ABC Policy and with all applicable ABC Laws including, without limitation, the FCPA and the CFPOA, as such terms are defined in the ABC Policy.
6. I also understand and accept my personal continuing obligation to comply with the ABC Policy and all applicable ABC Laws including, without limitation, the FCPA and the CFPOA.
7. I have no knowledge of any improper conduct that I have not reported in accordance with the ABC Policy.
8. Should I have any questions regarding the ABC Policy or any potential FCPA, CFPOA, or applicable ABC Laws issues, or if I discover or suspect any deviations or violations, I will promptly follow the procedures for contacting Continental or the Continental Subsidiary who hired me to report my suspicions or violations as set out in Section-15 of the Policy.

Certified on ___ day of ___ 20__ at _____, by the [*Consultant/employee*].

Name: _____

Title: _____

--- end Appendix-A ---

Appendix-B
To the Continental Energy Corporation
Policy On Anti-Bribery and Anti-Corruption

[on Letterhead of Relationship Party]
[for use by Relationship Parties only, form of]

CERTIFICATION OF COMPLIANCE

Our Reference Contract is With: _____
Our Reference Contract is Dated: _____
The Services We Provide are: _____

We hereby certify, with effect upon the date herein last below indicated, as follows:

1. We have received a copy of Continental's Anti-Bribery and Anti-Corruption Policy (the "**ABC Policy**") provided to us by Continental Energy Corporation or its Affiliate at the time of our engagement.
2. We have read and studied the ABC Policy and understand the information, rules, and procedures contained in the ABC Policy.
3. We understand the obligations that we have as a Relationship Party under the ABC Policy by virtue of our reference contract for the provision of the Services.
4. We are currently, as at the date of this certificate, in compliance with the ABC Policy and with all applicable ABC Laws including, without limitation, the FCPA and the CFPOA, as such terms are defined in the ABC Policy.
5. We also understand our continuing obligation to comply with the ABC Policy and all applicable ABC Laws including, without limitation, the FCPA and the CFPOA.
6. We have no knowledge of any improper conduct that we have not reported in accordance with the ABC Policy.
7. Should we have any questions regarding the ABC Policy or any potential FCPA, CFPOA, or applicable ABC Laws issues, or if we discover or suspect any deviations or violations, we will promptly follow the procedures for contacting Continental or the Continental Subsidiary who hired us to report our suspicions or possible violations as set out in Section-15 of the ABC Policy.

Certified on behalf of the Relationship Party, _____,

By its undersigned authorized senior executive officer:

On ____ day of ____ 20__ at _____.

Name:

Title:

---end Appendix-B---