



Health & Safety Policy

Zargon Oil & Gas is committed to providing a safe healthy work place for its employees and contractors. Management believes that an effective safety program is based on the following philosophy:

- Zargon is a good corporate citizen and believes that it is important to protect the health and safety of its employees, contractors and the public.
- Safety is an integral component of a good business plan. Working safely boosts employee moral, reduces costs and increases profitability.
- Development, implementation and maintenance of an effective safety program require the commitment of the entire Zargon team. This includes management, employees and contractors.
- Any worker has the right and responsibility to refuse to do work in an unsafe manner.
- Appropriate training is essential to be able to work safely.

Zargon will conduct and expects its employees and contractors to conduct company operations according to applicable laws and regulations as well as Zargon's safety policies and procedures.

Everyone employed by Zargon is responsible for the implementation and maintenance of the Health, Safety and Environment (HSE) Management Manual. Executive management will provide the resources and authority to implement and maintain the program and will periodically assess its effectiveness. Managers and supervisors will ensure equipment maintenance programs are being followed, ensure that appropriate employee and contractor training is in place, identify safety needs, communicate hazards, investigate incidents and accidents, and supply and enforce the use of appropriate personal protective equipment and clothing. Employees and contractors are expected to obey all safety rules, follow recommended procedures, use personal protective equipment and clothing, communicate hazards, ensure equipment is maintained, and assist with ongoing improvements to Zargon's HSE Management Manual.

Employees and contractors who knowingly violate safety rules may face disciplinary action, dismissal and/or legal action. Individuals, including visitors, who are negligent in fulfilling their safety responsibilities will be held accountable and may be liable under the law.

Fulfilling our safety responsibilities helps create a safe workplace which benefits everyone employed by the company as well as all of society.

"Signed" R.J. Doetzel

Randy Doetzel
Vice-President, Operations

"Signed" C.H. Hansen

Craig Hansen
President & CEO

January 12, 2012



Environment Policy

Zargon Oil & Gas is committed to protecting the environment while conducting its operations.

Management believes:

- Operating in an environmentally responsible manner is key to ensuring the continued growth of the company and the industry.
- Sound environmental management is an integral component of a good business plan. Environmental stewardship reduces costs and corporate liability. It enhances shareholder value, boosts employee moral and enhances the company's image in the eyes of regulators and the public.
- Managing Zargon's environmental responsibilities is a team effort requiring the commitment of management, employees, and contractors.
- Preventing environmental damage is cheaper than repairing damage.

An effective environmental program is required to help operations staff to understand and comply with environmental laws and regulations and to minimize the costs and liabilities associated with environmental damage. It also will satisfy the concerns of investors, analysts, bankers, partners, and the public that environmental issues are being managed properly and will provide a due-diligence defense in the event of an environmental incident.

Zargon expects its employees and contractors to conduct company operations according to applicable environmental laws and regulations, accepted industry practices, and Zargon's guidelines and procedures as outlined in its Health, Safety and Environment Management Manual. Zargon will manage environmental risk through employee training, proper facility design & maintenance as well as periodic facility audits to ensure compliance.

Employees and contractors who knowingly violate environmental regulations and Zargon's environmental policies and procedures may face disciplinary action, dismissal, and/or legal action.

Fulfilling our environmental responsibilities benefits everyone employed by the company as well as all of society.

"Signed" R.J. Doetzel

Randy Doetzel
Vice-President, Operations

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Craig Hansen
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