



WHISTLE BLOWER POLICY

Approved by: Board of Directors
Date: effective as of January 1, 2011
Revised: July 29, 2015

INTRODUCTION

At Obsidian Energy our policies, procedures, and financial controls are the foundation for excellence. Our Representatives report suspected non-compliance and we, in turn, support those that raise concerns. We understand that asking questions and reporting concerns provides us the opportunity to intervene and to continuously improve.

This Policy supports our culture through procedures for the receipt, review and retention of Complaints from Representatives or others.

DEFINITIONS

“Anonymous” means unknown authorship, and without designation that might lead to information about authorship. Anonymity is not compromised by assignment of a code or other designation with which a person can communicate without revealing their identity. Persons providing Complaints shall remain Anonymous to the full extent allowed under applicable law.

“Complaint” means any concern or question as to whether Obsidian Energy or a Representative has failed to do what is right and acted with integrity and includes:

- Failing to comply with any applicable law, Company control, policy or procedure including the [Code of Business Conduct and Ethics](#) and the [Disclosure Policy](#);
- Any questionable or fraudulent accounting or auditing matters.
- Any error in the financial records of the Company;
- Any error in the preparation, evaluation, review or audit of any financial statement or consolidated financial condition of the Company; or
- Any misrepresentation or a false statement by or to a Representative of the Company.

Examples of concerns or questions which could give rise to a Complaint:

- Changing work from one project to other projects to stay on budget;

- “Side deals” or “under the table” dealings with contractors for the benefit of someone other than Obsidian Energy;
- Receiving personal kickbacks or significant gifts from contractors or vendors;
- Bias in the tendering process;
- Inappropriate recording or reporting of revenues, or lack thereof;
- Inappropriate classification of assets and/or liabilities;
- Misuse or embezzlement of Company assets; and
- Inappropriate occurrences at a Company event.

“**Confidential**” means authorized for access by only those persons who have a need to know. A need to know normally arises from an obligation to investigate or to take remedial or disciplinary action.

“**Obsidian Energy**” or “**Company**” means Obsidian Energy Petroleum Ltd. and its subsidiaries.

“**Representatives**” means directors, officers, employees, consultants, contractors (where applicable) of Obsidian Energy.

“**Whistle Blower Hotline**” is a telephone number, web page or e-mail address managed by an independent service provider and available for receiving Anonymous Complaints from any source. The Whistle Blower Hotline access number, web or e-mail address shall be posted on the Company’s internal websites.

Reporting, Receipt and Treatment of Complaints

- All Complaints will be reported. The Representative may choose the reporting path with which they are most comfortable. Options for reporting include the Representative’s supervisor, another Obsidian Energy leader, or the Whistle Blower Hotline. The key is that the Complaint is reported and that Obsidian Energy is provided the opportunity to manage risk and to continuously improve.
- All Complaints, whether or not received Anonymously, shall be treated as Confidential.
- Although a person making an Anonymous Complaint may be advised that maintaining anonymity could hinder an investigation, the anonymity of the complainant shall be maintained, if permitted by law, until they indicate that they no longer wish to remain Anonymous.
- Recipients of Complaints are obligated to report the Complaint and any corrective measures to the department accountable for the administration of the applicable policy or procedure.
- The accountable departments will provide leaders with assistance to manage suspected breaches and to track and trend issues with a view to the continuous improvement of the policies and procedures of Obsidian Energy. Attached as Appendix “A” is a list of Company policies and procedures including the function

that is the primary recipient for suspected breaches. The Company Compliance Officer has the authority to and will periodically update Schedule "A" as appropriate.

- Regardless of its nature, all Complaints:
 - Concerning conduct on the part of senior management;
 - Which could be a breach of the Code of Business Conduct and Ethics or a breach of applicable law (other than those administered by the applicable energy regulator or that concern operational integrity, health, safety, or the environment);
 - Concerning accounting/financial reporting/invoicing irregularities or fraud; and/or
 - Concerning suspected retaliation for complying with this Policy.

will be immediately reported to the Company Compliance Officer.

- All Complaints that concern accounting, internal accounting controls or auditing matters will be immediately forwarded to the Chair of the Audit Committee by the recipient.
- Treatment of Complaints shall include taking reasonable and necessary steps to prevent further similar violations.
- Representatives who report a Complaint in good faith will be protected against retaliation. Any retaliation against any person making a Complaint in good faith is strictly prohibited, a breach of this Policy and shall be reported immediately to the Compliance Officer. A summary of these events and the results of the investigation shall be reported to the Audit Committee.
- Any deliberately false or malicious allegations by a Representative may result in disciplinary action up to and including termination of employment, contract or consulting services.

Treatment of Complaints Reported Through the Whistleblower Hotline

All Complaints, concerns or demands for remedial action received by the Whistle Blower Hotline shall be initially summarized by the independent service provider who shall direct them to the Audit Committee Chair for handling, after making appropriate safeguards to assure anonymity.

The Audit Committee Chair shall determine the appropriate course of action for the investigation and remediation of the Complaint. All investigations of a Complaint received by the Whistle Blower Hotline will be conducted independent of the business unit or function which is the subject of the Complaint. Such investigation and remediation may include directing the General Counsel or the Compliance Officer to manage the investigation and to report on the remediation of Complaints to the Audit Committee. At the discretion of the Committee Chair, the Complaint may instead be referred to the Audit Committee and/or brought to the Board for resolution.

As deemed appropriate by the Audit Committee Chair, and at the Company's expense, the Audit Committee may engage independent advisors including legal counsel, investigators or forensic accountants other than the Company's external auditor for the purpose of investigating or remediating any Complaint.

Retention of Records of Complaints

Records pertaining to a Complaint are the property of the Company and shall be retained:

- In compliance with applicable laws and the Company's document retention policies;
- Subject to safeguards that ensure their Confidentiality and, when applicable, the anonymity of the complainant; and,
- In such a manner as to maximize their usefulness for overall compliance or governance programs.

BREACHES OF THIS POLICY

Violation of this Policy may result in disciplinary action. This may include termination of employment, contract or consulting services.

Violations can also be reported using EthicsPoint at: 1-877-309-9397 or at www.obsidian.ethicspoint.com.

For more information, please see Obsidian Energy's [Code of Business Conduct and Ethics](#), which is posted on the Intranet as well as at www.obsidianenergy.com.

Appendix "A"

Policy**Accountable Function****Signing Authorities Policies**

Authorization for Electronic Signature Usage	Finance
Delegation of Financial Authority	Finance
Signing Authorities Approval Amount	Finance

Document Execution Policies

Authorizations for Document Execution - Subsidiaries	Finance
Authorizations for Document Execution - PWPL	Finance
Financial Authority Matrix	Finance

Other Policies

Aboriginal Strategy	Stakeholder Relations
Business Expense Reimbursement Policy	Finance
Claims Against Obsidian Energy	Legal
Code of Business Conduct & Ethics	Legal
Code of Ethics for Directors, Officers & Senior Financial Management	Legal
Commitment and Approval Policy	Finance
Community Investment	Public Affairs
Company Vehicles Policy	Human Resources
Delegation of Financial Authority	Finance
Disclosure Policy	Finance
Disposal of Surplus Assets	Supply Chain & Vendor Management
Drug & Alcohol Policy	Health & Safety
Employee Training & Development	Human Resources
Employment	Human Resources
Environmental	Regulatory & Environment
Health & Safety	Health & Safety

OBSIDIAN ENERGY POLICIES**WHISTLE BLOWER POLICY****Policy****Accountable Function**

Hedging	Business Development/Marketing & Transportation
Hours of Work	Human Resources
Insurance	Special Operations & Risk Control
Investigations	Legal
IT Security and Information Management	Information Technology
Non-Operating Equipment and Material Control	Supply Chain & Vendor Management
Privacy	Human Resources
Procurement Policy	Supply Chain & Vendor Management
Records & Information Management	Information Technology
Respectful Workplace	Human Resources
Travel Policy	Special Operations & Risk Control
Vacation	Human Resources
Whistle Blower	Legal