

**TRANSGLOBE ENERGY CORPORATION**  
**(“TransGlobe” or the “Company”)**

**TRADING POLICY**

**Introduction**

The purpose of this policy is to ensure that the Company and its directors, officers, employees and consultants satisfy the legal and ethical obligations related to proper and effective disclosure of corporate information and the trading of securities with that information. The Company’s reputation for integrity, its shareholders, the market generally and securities regulators all require TransGlobe and its directors, officers, employees and consultants, as well as anyone in a “special relationship” with the Company and “tippees” thereof, to ensure they do not unjustly benefit from having such information.

It is the Company’s goal to raise awareness among the Board of Directors, management and employees of the need for a commitment to the timely, factual, accurate and broad dissemination of information, in accordance with all applicable legal and regulatory requirements to enable orderly behaviour in the market, which is covered by the Company’s Disclosure Policy, and of the need for a commitment to trade in the Company’s securities only when it is proper to do so.

Trading any securities while there is material, undisclosed information relating to TransGlobe may, under Canadian and U.S. securities laws, result in liability for the Company and for the individuals involved.

**1.0 Scope**

This policy applies to all directors, officers, employees and consultants of TransGlobe and its subsidiaries. In addition, anyone in a “special relationship” with the Company (including spouses, relatives, holding companies and “tippees” thereof) while the Company has no authority to require them to comply with this policy, are subject to all applicable laws and are advised to comply with this policy.

**2.0 Definitions**

- 2.1 **Blackout Period** is the time frame when Insiders cannot trade in TransGlobe Securities (including the grant or exercise of stock options, restricted share units, deferred share units, performance share units and warrants as well as buying and selling the Company’s shares or other securities) because of their actual or deemed knowledge of Material Undisclosed Information.
- 2.2 The **Corporate Spokespersons** are responsible for Public Disclosure and other external communication with the public (being anyone not an Insider, including, but not limited to, the press, securities analysts, investors, joint venture partners, personnel of other oil companies and the general public) on behalf of the Company. Corporate Spokespersons will be limited to the CEO, CFO, COO, Vice President, Business Development who together comprise the Company's Disclosure Committee and the and In-Country Manager and Manager of Financial Reporting and Investor Relations. Insiders who are not

Corporate Spokespersons must not initiate or respond to any public communication, unless specifically asked to do so by a Corporate Spokesperson. See the Company's Disclosure Policy.

- 2.3 **Insiders** for the purposes of this Trading Policy are any director, officer, employee of the Company or of any of its subsidiaries, as well as the Company itself, and anyone else with knowledge of Material Undisclosed Information.
- 2.4 A **Material Change**, as defined under securities legislation in many Canadian provinces and territories, is a change in the business, operations or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Company. It also includes a decision to implement such a change made by the Board of Directors of the Company, or by senior management of the Company who believe that confirmation of the decision by the Board of Directors is probable.
- 2.5 **Material Information**, for the purposes of this policy, is any information a reasonable investor would consider important in making an investment decision regarding TransGlobe Securities, and includes a Material Change. Some examples include drilling results, pending property acquisitions or dispositions, earnings information, prospective mergers or acquisitions, changes in control or management, and a change in auditors.
- 2.6 **Material Undisclosed Information** is Material Information in relation to TransGlobe for which no Public Disclosure has been made. At any time when Material Information is being withheld from the public, the Company and Insiders are under a duty to take precautions to keep the information completely confidential, and Insiders are under a duty not to trade in TransGlobe Securities.
- 2.7 **Public Disclosure** is a news release authorized by a member of the Company's Disclosure Committee and disseminated by Marketwire (or equivalent) in accordance with the Company's Disclosure Policy. More generally, "public disclosure" is an obligation requiring public companies (*e.g.*, ones listed on a stock exchange) to disclose Material Information about their operations and financial performance, both in documents submitted to securities regulators and through timely news releases via a wire service.
- 2.8 **TransGlobe Securities** refers to the common shares and convertible debentures of the Company and all securities that are convertible into or exchangeable for such securities including options, restricted share units, deferred share units, and performance share units.
- 2.9 A **Trading Plan** is a written program entered into by an Insider in accordance with the *Securities Act* (Alberta) s. 147 and SEC Rule 10b-5.1, as well as all other applicable laws.

### 3.0 Policy Regarding Trading By Insiders

#### *Disclosure of Information*

- 3.1 See the Company's Disclosure Policy, available from any member of the Company's Disclosure Policy Committee.

### *Insider Trading on Undisclosed Information*

- 3.2 All Insiders with knowledge of Material Undisclosed Information must notify the CEO (or another member of the Disclosure Committee) and request that a Blackout Period be imposed. The CEO (or another officer, if the CEO is unavailable) will consider whether it is indeed Material Undisclosed Information and if so, will institute a Blackout Period. A Blackout Period will thereafter be deemed to exist until at least 24 hours after the release of Public Disclosure or the undisclosed information becomes immaterial.
- 3.3 Unless the Insider was previously authorized in writing by a member of the Disclosure Committee to trade such securities pursuant to a Trading Plan in form and substance satisfactory to the Company, Insiders must not trade (this includes the granting of options, restricted share units, performance share units or deferred share units to acquire TransGlobe common shares, the purchase or sale of securities, the exercise of outstanding warrants or stock options and subsequent sale of securities), either directly or indirectly, in TransGlobe common shares or convertible debentures or in any securities of companies that have a direct relationship with TransGlobe (1) during a Blackout Period, (2) while in the possession of Material Undisclosed Information, or (3) without first confirming with a member of the Disclosure Committee Policy Committee that no Blackout Period exists at the relevant time.
- 3.4 No Insider will disclose Material Undisclosed Information to any person, including friends and family members, other than in accordance with the Disclosure Policy.

### *Insider Trade Reporting*

- 3.5 All Insiders of the Company required by law to do so (generally, all directors, officers and certain senior employees) will prepare and file, or cause to be prepared and filed, insider trading reports as required by all applicable laws, reporting each and every purchase or sale of TransGlobe common shares or convertible debentures, grant or exercise of stock options, restricted share units, deferred share units, performance share units or warrants and all other trades in the manner and within the time required under applicable securities legislation, and will forthwith provide a copy to the Assistant Corporate Secretary for filing. Assistance is available from the Assistant Corporate Secretary, but it is the responsibility of each Insider, not the Assistant Corporate Secretary, to prepare and file, or cause to be prepared and filed, insider trading reports as required by all applicable laws, and the Company accepts no responsibility if the Assistant Corporate Secretary makes a mistake on such report. It is the responsibility of the Insider to ensure that all reports are accurate, complete and timely.

### *Prohibition on Certain Short Sales, Puts, Calls and Options*

- 3.6 Directors, officers and all employees of the Company, shall not knowingly sell, directly or indirectly, a security of the Company if such person selling such security does not own or has not fully paid for the security to be sold. Directors, officers and employees of the Company shall not, directly or indirectly, buy or sell a call or put in respect of a security of the Company, including, for greater certainty, a director, officer or employee of the Company shall not purchase financial instruments, such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such director, officer or employee. Notwithstanding these

prohibitions, directors, officers and employees of the Company may sell a security which such person does not own if such person owns another security convertible into such security or an option or right to acquire such security sold and, within 10 days after the sale, such person: (i) exercises the conversion privilege, option or right and delivers the securities so associated to the purchaser; or (ii) transfers the convertible security, option or right, if transferable to the purchaser.

#### 4.0 Violations

- 4.1 If an Insider discloses any Material Undisclosed Information to any person, and the person receiving that disclosure directly or indirectly trades on that information (this includes the granting of options to acquire TransGlobe common shares, the purchase or sale of other securities, the exercise of outstanding warrants or stock options, the subsequent sale of TransGlobe common shares, the conversion of TransGlobe convertible debentures), the Insider providing the information and those persons who receive the information may be equally criminally and civilly liable for trading on the Material Undisclosed Information, even if the Insider was unaware of the subsequent trading and the recipients of the information are not employed or associated in any way with the Company. **In particular, this includes but is not limited to spouses and holding companies etc.** As well, any person with power to influence or control the direction or management, policies or activities of another person, which may include directors and individuals in a supervisory position over that other person, who were aware that a violation was likely to occur and failed to take appropriate steps to prevent such an act from occurring, may be liable. The *Insider Trading and Securities Fraud Enforcement Act of 1988* (United States) and Canadian securities legislation impose severe penalties, fines, costs, imprisonment and disgorgement of profits.
- 4.2 If you fail to observe this policy, you and the Company may be legally liable under Canadian and U.S. securities laws, as described above, which may also result in administrative penalties by the applicable securities commission, e.g. your being prohibited from trading any securities at all for years. Any violation may also require the Company to take appropriate actions, up to and including possible suspension or termination of your employment.
- 4.3 All employees, contractors and directors must sign and return the attached Trading and Disclosure Policies Acknowledgement to the Assistant Corporate Secretary, attesting that they have read and understand this policy and the Disclosure Policy and that they agree to comply with the terms set out therein.

TRANSGLOBE ENERGY CORPORATION

TRADING AND DISCLOSURE POLICIES ACKNOWLEDGEMENT

The Company's Trading Policy and the Company's Disclosure Policy are important not only to prevent violations of Canadian and U.S. securities laws, but also to avoid any situation which could damage TransGlobe's reputation for integrity and ethical conduct – assets of immeasurable value to the Company.

If you have any questions concerning these policies, please contact the CEO, COO, CFO or the Vice President, Business Development.

Please acknowledge your receipt of this Trading Policy and the Disclosure Policy by signing the enclosed copy and returning it to the the Company's CFO.

**I hereby acknowledge that I have read and understand TransGlobe Energy Corporation's Disclosure Policy and Trading Policy and agree to comply with the terms outlined within the Policies.**

Acknowledged and agreed by:

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Signature

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Name – Please Print

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Date