



Insider Share Trading Policy

BACKGROUND

Blackwater Midstream Corp. (“Blackwater” or “the Company”) and its directors, officers and employees worldwide must act in a manner that does not misuse price-sensitive, financial or ***material information*** that has not been publicly disposed or disclosed. Material information which has not yet been disclosed to the public is considered ***inside information*** and is considered confidential.

Blackwater’s Insider Share Trading Policy is based on the underlying principle of “fairness in dealing with other people”, which requires that Blackwater insiders do not take personal advantage of undisclosed information to the detriment of others, who do not have the information. Failure to keep material information confidential breaches the Company’s core values of honesty and integrity. Additionally, maintaining the trust and confidence of our shareholders and the public markets is important to Blackwater.

Compliance with this policy is a condition of office and/or employment with the Company and violations of this policy may be grounds for discipline, up to and including immediate dismissal.

In many countries, including the United States, insider trading violates laws that impose strict penalties upon both the company and the individual, including financial sanctions and possibly prison.

POLICY

This policy is posted on the Company’s website; included in the Company’s Employee Handbook, which is provided to all new employees when hired; and is communicated to all new directors upon the commencement of their term. Any questions with respect to this policy and its interpretation should be referred to the Chief Financial Officer of the Company.

This policy applies to all directors, officers and employees of Blackwater and each of its domestic and foreign subsidiaries, partnerships, ventures or other business associations that are effectively controlled by Blackwater directly or indirectly.

No Blackwater director, officer or employee may use inside information in deciding whether or not to buy, sell or ***trade*** in Blackwater stock and other Company securities unless the director, officer or employee is sure that he or she does not possess material inside information. No Blackwater director, officer or employee may disclose or give such information to others who might use it for trading or might pass it along to others who might use it for trading.

Similarly, directors, officers or employees may not use inside information in deciding whether or not to buy, sell or trade in ***securities*** of any other company unless they are sure that they do not possess any material inside information about that company which they obtained in the course of their employment or business dealings with Blackwater, such as information about a major contract or merger being negotiated.

Also, directors, officers and employees may not trade in commodity futures or options unless they are sure that they do not obtain nonpublic information about the commodity during their involvement with Blackwater and any of its customers and/or contacts.

Additionally, directors, officers or employees working with industry analysts, investor relations firms or business journalists working on business activities of Blackwater, must not give them any inside information about Blackwater, or confirm for them any suspicions or hunches which they may have, even if these hunches are based on their own research and analysis.

The existence of a personal financial emergency does not excuse compliance with this Policy.

DEFINITIONS

Securities include common stock and derivative securities such as put and call options and convertible debentures or preferred stock, as well as debt securities such as bonds and notes.

Trading includes buying or selling, as well as writing options or transferring shares to or from the Blackwater 2008 Employee Incentive Plan or other authorized and approved incentive plans. It does not include ongoing purchases of Blackwater stock under the Company's 401-k Plan, purchasing stock under an employee option or making a gift that does not satisfy a legal obligation.

Material information is any information concerning the Company's business and affairs that a reasonable investor would consider important in a decision to buy, sell or hold the Company's securities. Any information that could reasonably be expected to affect the price of the securities is likely to be considered material. Examples of material information include: unexpected financial results, an impending contract agreement, proposed major mergers and/or acquisitions, sale of major assets, changes in dividends, an extraordinary item for accounting purpose, and important business development such as major raw material shortage or discovery, or major litigation. The information may be

considered positive or negative. The public, the media, and the courts may use hindsight in judging what is considered material.

Inside information means information that has not yet become public or has not yet been made publicly available. Release of information to the media does not immediately free insiders to trade. Insiders should refrain from trading until the market has had an opportunity to absorb and evaluate the information disclosed. If the information has been widely disseminated, it is usually sufficient to wait at least 48 hours after publication before initiating a trade of the Company's securities.

ADDITIONAL GUIDANCE

Short sales are prohibited.

Short sales of Blackwater securities (a sale of securities which are not then owned), including a "sale against the box" (a sale with delayed delivery) are prohibited.

Standing Orders.

Standing orders (except standing orders under approved Rule 10b5-1 plans, see below) should be used only for a very brief period of time. The problem with purchases or sales resulting from standing instructions to a broker is that there is no control over the timing of the transaction. The broker could execute a transaction when you are in possession of material inside information.

Penalties for non-compliance

The following penalties apply under United States Securities and Exchange Commission (SEC) Rule 10b-5, which prohibits trading on material inside information:

- (1) imprisonment for up to 20 years,
- (2) criminal fines of up to \$5 million,
- (3) civil penalties of up to 3 times the profits gained or losses avoided,
- (4) prejudgment interest, and
- (5) private party damages.

In addition to damage to reputation, violation of company policy could result in immediate termination.

10b5-1 Plans

Rule 10b5-1 provides a defense from insider trading liability under SEC Rule 10b-5. To be eligible for this defense, an insider may enter into a "10b5-1" plan for trading in company stock. If the plan meets the requirements of Rule 10b5-1, company stock may be purchased or sold without regard to certain insider trading restrictions.

To comply with the Company's Insider trading policy, a 10b5-1 plan must be approved by the Chief Financial Officer or designated attorney and meet the requirements of Rule 10b5-1. In general, a 10b5-1 plan must be entered into at a time when there is no undisclosed material information. Once the plan is adopted, the insider must not exercise any influence over the amount of securities to be traded, the price at which they are to be

traded or the date of the trade, the plan must either specify the amount, pricing and timing of transactions in advance or delegate discretion on these matters to an independent third party.

Blackout Period Policy

This policy prohibits trading in Blackwater securities by officers, directors and certain employees, beginning 10 days before the end of a quarter and ending 48 hours after earnings are released:

- 1st Quarter = (Apr 1 – Jun 30), from June 20th until 48 hours after release of quarterly financials,
- 2nd Quarter = (Jul 1 – Sep 30), from Sep 20th until 48 hours after release of quarterly financials,
- 3rd Quarter = (Oct 1 – Dec 31), from Dec 21st until 48 hours after release of quarterly financials,
- 4th Quarter = (Jan 1 – Mar 31), from Mar 21st until 48 hours after release of annual financials.

In the event of pending undisclosed material information, the Company's Board of Directors or its Chief Financial Officer may notify specific employees and/or directors of additional blackout periods during which they are prohibited from trading the Company's shares and securities.

If at any time, an employee or director is approved for a grant or more than 25,000 stock options, the employee or director is prohibited from trading the Company's shares during the 14 day period between approval and grant date of the stock options.

Who is covered by this Blackout Period Policy?

- Directors, Officers and Management of Blackwater Midstream Corp.
- All individuals reporting directly to the Chief Financial Officer.
- Certain employees in the Chief Financial Officer's group who are involved in the preparation of financial statements (to be determined by the Chief Financial Officer).
- Investor Relations professionals.
- Anyone in possession of material non-public information.
- Family members living in the same household as anyone covered by this Policy.

What transactions are prohibited during a blackout period?

- Open market and off-market purchase or sale of Blackwater securities.
- Purchase or sale of Blackwater securities through a broker.
- Exercise of stock options where all or a portion of the acquired stock is sold during the blackout period.
- Switching existing balances into or out of the Blackwater 2008 Employee Incentive Plan.
- New cash investments in any dividend reinvestment plan, if and when such plan is adopted and implemented.

What transactions are allowed during a blackout period?

- Exercise of stock options where no Blackwater stock is sold in the market to fund the option exercise.
- Regular and matching contributions to the Blackwater 401-k Plan.
- Regular reinvestment in the dividend reinvestment plan.
- Gifts of Blackwater stock, unless you have reason to believe the recipient intends to sell the shares during the current blackout period.
- Transfers of Blackwater stock to or from a trust.
- Transactions that comply with SEC rule 10b5-1 pre-arranged written plans. For further information about pre-arranged plans, please contact the Chief Financial Officer.

Employees not otherwise subject to the blackout periods are encouraged to refrain from trading Blackwater securities during blackout periods to avoid the appearance of improper trading.

Pre-Clearance of Stock Transactions

Blackwater Directors, Officers, and Managers are obligated to pre-clear transactions in Blackwater securities. These transactions include all transactions noted above as being prohibited during a blackout period, as well as gifts and any stock option exercise.

Who authorizes the clearance?

- Chief Financial Officer
- Other attorneys as designated herein: Milling Benson Woodward, New Orleans, LA

In addition, other employees are encouraged to discuss any transaction involving Blackwater securities to make sure there is no pending material event that could create an appearance of improper trading.

Section 16 Reports

Some officers and all Blackwater directors are obligated to file Section 16 reports (Form 3, 4 & 5) when they engage in transactions in Blackwater securities. Although the Chief Financial Officer's office will assist reporting persons in preparing and filing the required reports, the reporting persons retain individual responsibility for the reports.

Who is obligated to file Section 16 reports?

- Blackwater directors
- Blackwater officers and management designated as "executive officers" for SEC reporting purposes by the Board of Directors.
- Beneficial owners

Company Policy requires all officers and directors who are required to file Section 16 reports to pre-clear trades in Blackwater securities with the Chief Financial Officer or designated counsel. Pre-clearance advice generally is good for two days, unless you come into contact with material inside information during that time.

Form 144 Reports

Blackwater directors and certain Blackwater officers designated by the Board of Directors are required to file Form 144 before making an open market sale of Blackwater securities. Form 144 notifies the Securities and Exchange Commission of your intent to sell Blackwater securities. This form is generally prepared and filed by your broker and is in addition to the Section 1 reports filed on your behalf by the Chief Financial Officer's Office.