



CODE OF BUSINESS CONDUCT AND ETHICS

I. Introduction

This Code of Business Conduct and Ethics (the “Code”) for directors, officers and employees has been adopted by the Board of Directors (the “Board”) of Berry Petroleum Company (the “Company”). The Company promotes the highest standards for honest and ethical conduct and fair dealing concerning business matters. The Company seeks to be a good and responsible corporate citizen.

II. Purpose

This Code is adopted to focus the Board, management and employees on areas of ethical risk, provide guidance to directors, officers and employees to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct and help foster a culture of honesty and accountability.

III. Applicability

This Code applies to all directors, officers and employees of the Company. All directors, officers and employees shall review this Code and acknowledge that they understand and will adhere to the policies set forth in this Code.

IV. Other Applicable Company Policies

This Code is not the exclusive source of policies applicable to various Company personnel. Company personnel should be aware of the following other sources of Company policies:

- The Insider Trading Policy applicable to all directors, officers and employees.
- The Employee Handbook applicable to all officers and employees.
- The Code of Ethics for Senior Financial Officers applicable to the Company’s Chief Executive Officer, Chief Financial Officer, Vice President of Finance and Controller.
- The Corporate Governance Guidelines and Charters of various committees of the Board.

The list of other sources of applicable Company policies is not exclusive or exhaustive and all of the foregoing sources are not applicable to all personnel covered by this Code. Directors, officers and employees are expected to adhere to other Company policies specifically applicable and made known to them.

V. Waiver

The Company does not encourage casual or questionable waivers of the policies provided in this Code.



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However, in an appropriate instance, a waiver of a relevant policy may be made with due

consideration of the relevant facts and circumstances. When warranted, any waiver should be accompanied by appropriate controls designed to protect the Company. All waivers must be in writing.

Any waiver of this Code for executive officers or directors of the Company may be made only by the Board or a committee of the Board and must be promptly disclosed to the shareholders of the Company. Disclosure of any waiver to the shareholders shall comply with the applicable rules and requirements of the Securities and Exchange Commission (the "SEC") and/or of the New York Stock Exchange (the "NYSE").

Any waiver for other employees of the Company may be made only by the Chief Executive Officer or the Chief Financial Officer and a copy of any such waiver will be provided to the Audit Committee.

VI. Compliance Standards and Procedures

All Company personnel are encouraged to bring any violations or issues pertaining to this Code to the attention of their immediate supervisor. Officers are encouraged to bring any violations or issues pertaining to this Code to the attention of the Chairman of the Board or the appropriate Board Committee Chair, where warranted. Directors are encouraged to bring any violations or issues pertaining to this Code to the attention of the Chairman of the Board.

No retribution shall be imposed on any employee, officer or director making a report of violations of the Code unless such employee, officer or director is one of the persons violating this Code.

If any officer or employee does not feel comfortable reporting any violation or issue pertaining to this Code to the person's immediate supervisor, then the report should be made to the Vice President of Human Resources, either in person or in writing. In the event any Officer or employee does not feel comfortable reporting any violation of this Code to the Vice President of Human Resources, then such officer or employee may make such report through Company counsel.

All Company personnel should be aware that confidential and anonymous reporting is available regarding questionable accounting or auditing matters in accordance with the Procedure for Confidential, Anonymous Submission of Concerns Regarding Questionable Accounting or Auditing Matters posted on the Company's website. That procedure is not intended for personal complaints or grievances or violations of this Code that do not concern questionable accounting or auditing matters.

Reports of violations of this Code will be investigated by the Board or management as appropriate. The Board and management are committed to prompt and consistent action against violations of this Code. Violations may lead to prompt disciplinary or corrective action up to and including dismissal of employment, civil action and referral to governmental administrative or law enforcement authorities.

VII. Policies

A. Conflicts of Interest

The Company prohibits conflicts between the interests of the Company and the interests of its



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directors, officers and employees. A complete definition of a “conflict of interest” is difficult. Since conflicts of interest arise in a variety of ways, all employees, officers and directors are encouraged to raise circumstances that appear to constitute a conflict of interest with their immediate supervisor or otherwise as provided in this Code. Not all circumstances will be viewed by the Board or management as a prohibited conflict of interest. Transactions that are potential conflicts of interest may be cured by approval at the appropriate level of management or by the Board if (i) the approval is given by authorized persons who are free of the potential conflict of interest, (ii) measures are taken to assure that the Company is treated fairly and (iii) a full disclosure has been made of all relationships, economic terms and other facts and circumstances involved in the subject transaction. Copies of the documents supporting any such approval will be supplied to the Audit Committee.

All employees, officers and directors must be vigilant to identify conflicts of interest. The Corporate Governance Rules for Listed Companies of the New York Stock Exchange state that:

“A ‘conflict of interest’ occurs when an individual’s private interest interferes in any way – or even appears to interfere – with the interests of the corporation as a whole. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her company work objectively and effectively. Conflicts of interest also arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the company. Loans to, or guarantees of obligations of, any such person are of special concern.”

The policy in this Code concerning conflicts of interest is supplemented for employees by the provisions of the Employee Handbook. All employees must be familiar with the policy as stated in the Employee Handbook.

If an employee, officer, director or any person having a close personal relationship with an employee, officer or director participates in the following situations, then the Company will potentially consider the situation a serious conflict of interest requiring full disclosure and disinterested approval:

- obtaining any material financial or beneficial interest in any supplier, customer or competitor of the Company;
- undertaking an employment or material consulting relationship with any customer, supplier or competitor of the Company;
- accepting gifts of more than nominal value, excessive entertainment or hospitality, any money, guaranty or loan or any other special treatment from any supplier, customer or competitor of the Company;
- engaging in any material business transaction with the Company for profit or gain;
- participating in or benefiting from the sale, loan or gift of Company property; or
- supervising, reviewing or having any influence on the job evaluation, pay or benefit of any person having a close personal relationship.



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A “person having a close personal relationship” with an employee, officer or director shall mean the spouse, children, grandchildren, parents, brothers and sisters, mothers and fathers in law, sons and daughters in law, and brothers and sisters in law of, and any person living in the same house as, an employee, officer or director.

The Company does not consider ownership of stock or securities of a publicly traded company to be a “conflict of interest” provided that the ownership does not constitute a controlling interest.

From time to time, and depending on seniority, the Company may require that employees, officers and directors complete questionnaires seeking to identify conflicts of interest or potential conflicts of interest.

B. Corporate Opportunities

Employees, officers and directors of the Company are prohibited from (i) taking for themselves personally business opportunities that are discovered through the use of Company property, information or position; (ii) using Company property, information or position for personal gain; and (iii) competing with the Company. Employees, officers and directors of the Company owe a duty to the Company to advance the Company’s business interests when the opportunity to do so arises.

The Company may turn down business opportunities disclosed to it. If a business opportunity is rejected by disinterested officers in management or the Board, then other employees, officers and directors are not prohibited from taking advantage of the opportunity.

Since issues concerning business opportunities arise in a variety of ways, all employees, officers and directors are encouraged to raise circumstances that appear to be affected by the Company policy concerning business opportunities with their immediate supervisor or otherwise as provided in this Code.

C. Confidential Information

Employees, officers and directors of the Company are required to maintain the confidentiality of all information entrusted to them, except when disclosure is authorized or legally mandated. Confidential or proprietary information of the Company and of other companies includes any non-public information that would be harmful to the relevant company or useful or helpful to competitors if disclosed.

From time to time, the Company is entrusted with proprietary information of customers, suppliers and joint venture partners. The Company must safeguard the proprietary information of those customers, suppliers and joint venture partners to merit continued trust and confidence. Accordingly, proprietary information of customers, suppliers and joint venture partners is covered by the Company’s policy prohibiting disclosure of confidential information.

This policy regarding confidential information is supplemented for employees in the Employee Handbook. Employees are also required to sign a Confidential Information and No Unfair



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Competition Agreement. Employees must adhere to the requirements of the Employee Handbook and the Confidential Information and No Unfair Competition Agreement.

D. Fair Dealing

Each employee, officer and director of the Company must endeavor to deal fairly with the Company's customers, service providers, suppliers, competitors and employees. No employee, officer and director of the Company may take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any unfair dealing practice.

Nothing in this Code alters the legal rights and obligations of the Company or the Company's employees. Unless otherwise specifically provided in an authorized writing, all employment with the Company is "at will" as more specifically described in the Employee Handbook.

E. Protection and Proper Use of Company Assets

All employees, officers and directors of the Company must protect the Company's assets and ensure their efficient use. All Company assets must be used only for legitimate business purposes of the Company. Theft, carelessness and waste have a direct impact on the profitability of the Company.

F. Compliance With Laws, Rules and Regulations (Including Insider Trading Laws.)

Employees, officers and directors are required to comply with laws, rules and regulations applicable to the Company and its business. The Company is particularly concerned with striving to comply with federal, state and local environmental laws and regulations in conducting business operations.

The Company maintains a specific Insider Trading Policy. Adherence to the Company's Insider Trading Policy by employees, officers and directors is mandatory. All employees, officers and directors must be familiar with the Company's Insider Trading Policy and acknowledge their commitment to comply with that policy.

VIII. Encouragement to Report Illegal or Unethical Behavior

All employees are encouraged to talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation.

Employees should report violations of laws, regulations or this Code to appropriate personnel. The method of reporting is outlined in Section VI above. As an encouragement to report such violations, the Company maintains a strong policy of not allowing retaliation for reports made in good faith.

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