

P.A.M. TRANSPORTATION SERVICES, INC.

CODE OF ETHICS

I. OVERVIEW

This Code of Ethics sets forth the guiding principles by which we intend to operate our company and conduct our daily business with our shareholders, customers, vendors and with each other. These principles apply to all of the directors, officers and employees of P.A.M. Transportation Services, Inc. and all of its subsidiaries ("PTSI").

II. PRINCIPLES

Complying with Laws, Regulations, Policies and Procedures

All directors, officers and employees of PTSI are expected to understand, respect and comply with the laws, regulations, policies and procedures that apply to them in their position with PTSI. Employees are responsible for talking to their managers or compliance officer to determine which laws, regulations and PTSI policies apply to their position and what training is necessary to understand and comply with them.

Conflicts of Interest

All directors, officers and employees of PTSI should avoid any action or interest that conflicts or gives the appearance of a conflict with PTSI's interests. A "conflict of interest" exists whenever an individual's private interests interfere or conflict (or appear to interfere or conflict) with the interests of PTSI. A conflict situation can arise when an employee, officer or director takes action or has interests that may make it difficult to perform his or her work for PTSI objectively and effectively. Conflicts of interest may also arise when a director, officer, or employee or a member of his or her family receives improper personal benefits as a result of his or her position with PTSI, whether from a third party or from PTSI.

Conflicts of interest may not always be clear-cut, so if a question arises, an officer or employee should consult with their supervisor or manager. Any employee, officer or director who becomes aware of a conflict of interest or potential conflict of interest should bring it to the attention of a supervisor, manager or other appropriate personnel, and take reasonable steps to handle

the conflict of interest in an ethical manner that avoids the conflict from having an adverse affect on PTSI.

Corporate Opportunity

Directors, officers and employees are prohibited from (a) taking for themselves personally opportunities that properly belong to PTSI or are discovered through the use of corporate property, information, or position; (b) using corporate property, information or position for personal gain; and (c) competing with PTSI. Directors, officers and employees owe a duty to PTSI to advance its legitimate interests when the opportunity to do so arises.

Confidentiality

Directors, officers and employees must maintain the confidentiality of confidential information entrusted to them by PTSI, except when disclosure is specifically required by laws, regulations, or legal proceedings. Confidential information includes all non-public information that might be of use to competitors of PTSI or its customers, or their employees if disclosed. Directors, officers and employees, in the course of their work for PTSI may also receive confidential information from PTSI's customers or suppliers. This information should also be treated as confidential information, and not disclosed outside of PTSI.

Fair Dealing

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior and diligent performance, never through unethical or illegal business practices. Stealing proprietary information, possessing or utilizing trade secret information that was obtained without the owner's consent or inducing such disclosures by past or present employees of other companies is prohibited.

Each director, officer and employee is expected to deal fairly with PTSI's customers, suppliers, competitors, officers and employees. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing.

Protection and Proper Use of Assets

All PTSI assets should be used for legitimate business purposes. Directors, officers and employees who use PTSI's assets are expected to use them in a reasonable manner, and to avoid wasting PTSI's assets.

Public Company Reporting

As a public company, it is important that PTSI's filing with the Securities and Exchange Commission and other public communications be accurate and timely. Depending on their position with PTSI, an employee, officer or director may be called upon to provide necessary information to assist PTSI in making its public reports and other public communications complete, fair and understandable. PTSI expects employees, officers and directors to take this responsibility seriously and to provide prompt accurate answers to PTSI inquiries related to its public disclosure requirements.

Financial Statements and Other Records

PTSI's books, records, accounts and financial statements should be maintained in reasonable detail, appropriately reflect PTSI's transactions and conform to applicable legal requirements. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation. Records should be retained or destroyed according to PTSI's record retention policies.

III. REPORTING ILLEGAL OR UNETHICAL BEHAVIOR & ACCOUNTING COMPLAINTS

Reporting

Employees, officers and directors who suspect or know of violations of this Code or illegal or unethical business or workplace conduct by employees, officers or directors have an obligation to promptly contact either their supervisor or superiors or PTSI's Internal Audit Department. If the individuals to whom such information is conveyed are not responsive, or if there is a reason to believe that reporting to such individuals is inappropriate in particular cases, then the employee, officer or director should report the information to an officer of PTSI. If the employee, officer or director is still not satisfied with the response, he or she should contact the Audit Committee of the Board of Directors. If concerns or complaints relate to accounting, internal accounting controls or auditing matters, they may be reported on a confidential and anonymous basis using the procedures established by the Audit Committee for that purpose.

Non-Retaliation

PTSI prohibits retaliation of any kind against individuals who have made good faith reports or complaints of violation of this Code or other known or suspected illegal or unethical conduct.

IV. Amendment, Modification and Waiver

This Code may be amended or modified by the Board of Directors of PTSI. Waivers of the Code for directors or executive officers may only be granted by the Board of Directors. Waivers of this Code that relate to PTSI's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, or to directors or other executive officers, of the Company will be publicly disclosed, with the reasons for the waiver, to the extent required by the Securities Exchange Act of 1934 and the rules under that Act and the applicable rules of The Nasdaq Stock Market.