

CODE OF ETHICS AND BUSINESS CONDUCT

1. Introduction

1.1 The Board of Directors of BlockFuel Energy Inc. (together with its subsidiaries and controlled entities, the “Company” or “BFE”) has adopted this Code of Ethics and Business Conduct (the “Code”) in order to:

- ensure a high standard of business conduct and outline the minimum standard of behaviour expected from those covered by this Code;
- promote honest and ethical conduct, including the ethical handling of actual, apparent or potential conflicts of interest;
- promote full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission (the “SEC”), Nasdaq and any other relevant regulatory body, and in other public communications made by the Company;
- promote compliance with applicable governmental laws, rules and regulations;
- promote the protection of Company assets, including corporate opportunities, confidential information, intellectual property, data, field assets, digital assets and infrastructure;
- promote fair dealing practices;
- deter wrongdoing; and
- ensure accountability for adherence to the Code.

1.2 All directors, officers, employees, consultants and contractors are required to be familiar with the Code, comply with its provisions and report suspected violations as described in Section 12, Reporting and Enforcement.

1.3 The Code applies at work, at Company worksites, in the field, at Company facilities, at work-related events and to out-of-hours activities connected to employment or work with the Company.

1.4 All directors, officers, employees, consultants and contractors must comply with the Code together with Company policies, standards, controls, processes and procedures that relate to their activities for the Company.

2. Honest and Ethical Conduct

2.1 The Company’s policy is to promote high standards of integrity by conducting its affairs honestly and ethically.

2.2 Each director, officer, employee, consultant and contractor must act with integrity, observe high ethical standards of business conduct and deal openly, honestly, fairly and responsibly with the Company’s customers, suppliers, partners, service providers, competitors, employees, contractors, regulators, landowners, communities, stockholders and others with whom they have contact in the course of performing their duties.

2.3 Each director, officer, employee, consultant and contractor is expected to treat everyone with whom they interact in their work with courtesy and respect.

2.4 Each director, officer, employee, consultant and contractor is expected to comply with all laws that govern the Company’s operations and all policies adopted by the Company from time to time.

2.5 The Company expects to compete fairly and ethically for business opportunities. Persons involved in negotiating agreements and contracts must act in accordance with applicable law, Company authority limits and approval processes. Appropriate approvals must be obtained before contracts are executed. The Company is committed to meeting its contractual obligations.

2.6 A safe and healthy work environment is the responsibility of every director, officer, employee, consultant and contractor. This includes responsible behaviour with respect to alcohol, drugs, fatigue, firearms, vehicles, field

operations and workplace conduct when conducting business or attending Company-sponsored activities. The use of illegal drugs is not permitted on Company premises, worksites or during Company business.

2.7 The Company supports equal employment opportunity and expects its directors, officers, employees, consultants and contractors to practise and support this principle. The Company's policy is to make employment and career decisions based on ability, performance, experience, qualifications and business requirements.

2.8 The Company regards personal, physical, sexual or other unlawful harassment, bullying or discriminatory conduct as unacceptable. The Company expects and requires compliance with occupational health and safety laws, environmental laws and relevant Company policies.

3. Modern Slavery and Human Rights Policy

3.1 The Company is committed to respecting and supporting the dignity, well-being and human rights of its employees, contractors and those with whom it engages through its supply chain. This policy affirms the Company's commitment to contribute to ending all forms of modern slavery and to reduce the risk of modern slavery practices within its operations and supply chains.

3.2 The Company seeks to use ethical suppliers and expects their support in identifying and addressing modern slavery risks throughout the supply chain.

3.3 Modern slavery describes situations where coercion, threats, deception, force or abuse of power are used to exploit individuals and undermine or deprive them of freedom. It may include slavery, servitude, forced or compulsory labour, human trafficking, debt bondage, deceptive recruiting practices and child labour.

3.4 The Company is committed to acting ethically and with integrity in all business dealings and to preventing modern slavery and human trafficking in its business and supply chains. The Company will make reasonable efforts to ensure that directors, officers, employees, consultants, contractors and suppliers are not engaging in such activities.

3.5 If the Company becomes aware of any modern slavery activity, it will seek to develop and implement an action plan to address the practice in a transparent, timely and efficient manner. If a supplier or business partner is uncooperative, the Company may take appropriate action, including terminating the business relationship if necessary.

3.6 All directors, officers, employees, consultants and contractors must avoid any activity that may lead to, or suggest, a breach of this policy. Suspected instances of modern slavery should be reported promptly.

3.7 Reports may be made to a supervisor, the Chief Executive Officer, the Chief Operating Officer, the Corporate Secretary, the General Counsel or another officer designated under the Company's Whistleblower Policy or reporting procedures.

4. Conflicts of Interest

4.1 A conflict of interest occurs when an individual's private interest, or the interest of a family member, associate or related entity, interferes, may interfere or appears to interfere with the interests of the Company as a whole. Conflicts of interest include actual, apparent and potential conflicts.

4.2 All directors, officers, employees, consultants and contractors have an obligation to seek to avoid financial, business or other relationships that may be opposed to the interests of the Company or may conflict with the performance of their duties.

4.3 Directors are required to act in a manner consistent with the best interests of the Company as a whole and to comply with fiduciary duties, related party transaction policies and applicable disclosure obligations.

4.4 Loans by the Company to, or guarantees by the Company of obligations of, employees or their family members are of special concern and may constitute improper personal benefits. Loans by the Company to, or guarantees by the Company of obligations of, directors or executive officers, or their family members, are prohibited except where expressly permitted by applicable law and approved in accordance with Company policy.

4.5 Whether a conflict of interest exists may be unclear. Conflicts should be avoided unless specifically authorised in accordance with this Code and Company policy.

4.6 Persons other than directors and executive officers who have questions about a potential conflict, or who become aware of an actual or potential conflict, should discuss the matter with and seek prior written authorisation or approval from their supervisor, the Chief Operating Officer, the General Counsel, the Corporate Secretary or another designated compliance officer. A supervisor may not authorise a conflict without first escalating the matter in accordance with Company procedures.

4.7 Directors and executive officers must seek determinations and prior authorisations or approvals of potential conflicts exclusively from the Board, the Audit Committee, the Corporate Secretary or another body or officer designated by the Board.

4.8 All directors, officers, employees, consultants and contractors must disclose activities they or an associate engage in that relate to the provision of goods or services similar to, competitive with, or otherwise potentially conflicting with the Company's business, including oil and gas assets, production operations, power generation, digital asset mining, data infrastructure, equipment supply, land or mineral interests, financing, consulting or advisory services.

4.9 Details of activities that may give rise to a conflict must be submitted for approval before formal employment or engagement, or before an existing employee, consultant or contractor establishes or continues such activities.

4.10 Where the Company does not authorise the activity and the person does not agree to refrain from the unapproved activity, the person may not be considered for employment or engagement, or their employment or engagement may be terminated, subject to the terms of their contract and applicable law.

5. Environmental and Social Risks Policy

5.1 The objective of this Environmental and Social Risks Policy (the "ESR Policy") is to ensure that the Company acts as a responsible corporate citizen and conducts its business consistent with the Board's commitment to ethical conduct, safety, environmental compliance, community engagement and long-term value creation.

5.2 The Company will endeavour to make investments and operational decisions that can deliver long-term and sustainable value creation. The Company takes its corporate responsibility obligations seriously and will take environmental and social risk issues into consideration in conducting its business.

5.3 The Company recognises that how it manages environmental and social risks can affect its ability to create long-term value for stockholders.

5.4 This ESR Policy will be reviewed annually, and more frequently if deemed appropriate. Any material changes will be submitted to the Board for review and approval.

5.5 The Company believes environmental and social risks are material business issues and should be considered as part of the investment, operating and capital allocation process. Examples may include, without limitation:

Environmental

- climate change and its potential impacts on locations where the Company operates or invests;
- greenhouse gas emissions, methane management, flaring, venting, power generation and energy use;
- pollution prevention, spill response, waste handling, produced water, saltwater disposal and site remediation;
- water availability, water use and competition for water resources;
- air emissions, noise, land disturbance, biodiversity, stormwater and surface impacts; and
- compliance with environmental permits, field rules and applicable federal, state, local and Tribal requirements.

Social

- the Company's standing in the community and relationship with landowners, surface owners, mineral owners and local communities;
- workforce safety, contractor management and field operational discipline;
- labour relations, workplace diversity, inclusion and equal opportunity;

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- supply chain standards and monitoring of labour practices;
- the rights and interests of Indigenous peoples, Tribal nations and other affected communities;
- cybersecurity, data protection and responsible use of technology; and
- transparent stakeholder and stockholder communications.

5.6 The Company is committed to integrating consideration of environmental and social risk issues into its investment strategy, operating decisions and allocation of capital.

5.7 The Company may adopt criteria, metrics or mechanisms for measuring the success of its approach to ESR Policy integration, including safety, emissions, environmental compliance, stakeholder engagement and governance metrics.

5.8 The Company may have exposure to environmental and social risks due to the nature of its business and will regularly review the materiality of those risks and its approach to managing them.

5.9 The Company will assess climate-related risk and disclosure obligations by reference to applicable SEC rules, Nasdaq requirements, market practice and, where appropriate, the recommendations of the Task Force on Climate-related Financial Disclosures or successor frameworks, with disclosures benchmarked against relevant peers where useful.

6. Compliance

6.1 Directors, officers, employees, consultants and contractors should comply, both in letter and spirit, with all applicable laws, rules and regulations in the cities, states and countries in which the Company operates.

6.2 Although not all persons covered by this Code are expected to know the details of all applicable laws, rules and regulations, it is important to know enough to determine when to seek advice. Questions about compliance should be addressed to the Legal Department, the General Counsel, the Corporate Secretary or another officer designated by the Company.

6.3 No director, officer, employee, consultant or contractor may purchase or sell any Company securities while in possession of material nonpublic information regarding the Company, nor may any such person purchase or sell another company's securities while in possession of material nonpublic information regarding that company. It is against Company policy and may be illegal to use material nonpublic information to obtain profit or directly or indirectly tip others who might make an investment decision based on that information.

7. Disclosure

7.1 The Company's periodic reports and other documents filed with the SEC, Nasdaq or any other relevant regulatory body, including financial statements and financial information, must comply with applicable securities laws, listing standards, accounting standards, rules and regulations.

7.2 Each director, officer, employee, consultant or contractor who contributes to the preparation or verification of the Company's financial statements or other financial information must ensure that the Company's books, records and accounts are accurately maintained and must cooperate fully with the Company's accounting and internal audit functions, independent auditors and counsel.

7.3 Each person involved in the Company's disclosure process must be familiar with and comply with the Company's disclosure controls and procedures and internal control over financial reporting, and must take necessary steps to ensure that filings with the SEC, Nasdaq and other public communications about the financial and business condition of the Company provide full, fair, accurate, timely and understandable disclosure.

8. Protection and Proper Use of Company Assets

8.1 All directors, officers, employees, consultants and contractors should protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability and are prohibited.

8.2 Company assets should be used only for legitimate business purposes. Suspected fraud, theft, misuse or loss should be reported for investigation immediately.

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8.3 Company email, internet, information technology, operational technology, monitoring systems, accounting systems and communications systems must be used responsibly and may not be used for personal gain, unlawful conduct, harassment, unauthorised disclosure, cybersecurity compromise or any purpose inappropriate for a person acting on behalf of the Company.

8.4 The obligation to protect Company assets includes proprietary information and physical and digital assets. Proprietary information includes trade secrets, patents, trademarks, copyrights, business plans, engineering and operational ideas, well data, geological and production data, designs, databases, records, financial data, digital wallet information, private keys, cybersecurity credentials and other nonpublic information.

8.5 No director, officer, employee, consultant or contractor may directly or indirectly profit from confidential information obtained during the course of duties performed on behalf of the Company.

8.6 All intellectual property generated by a director, officer, employee, consultant or contractor in relation to the Company is the property of the Company to the extent permitted by contract and applicable law.

9. Corporate Opportunities, Gifts and Public Statements

9.1 All directors, officers, employees, consultants and contractors owe a duty to advance the Company's interests when the opportunity arises. They are prohibited from taking for themselves, or for the benefit of friends, family members or related entities, opportunities discovered through the use of Company assets, property, information or position, unless the Company has first been offered the opportunity and declined it in accordance with applicable policy and law.

9.2 The Company does not permit payments or payments in kind, including gifts, favours, entertainment or benefits, to improperly induce anyone to award business opportunities to the Company or make decisions in the Company's favour. Reasonable and modest business courtesies may be permitted where made for a proper purpose, consistent with law and Company policy, and accurately recorded.

9.3 A director, officer, employee, consultant or contractor should not accept personal gifts, extraordinary hospitality, accommodation, travel or other benefits that may influence, or appear to influence, a business decision.

9.4 Public statements have the potential to breach the Company's obligations regarding confidential information, securities trading, fair disclosure and public communications. Directors, officers, employees, consultants and contractors should not make public statements on behalf of the Company unless authorised by the Chief Executive Officer, Chief Financial Officer, Corporate Secretary, investor relations officer or another authorised Company spokesperson.

10. Confidentiality

Directors, officers, employees, consultants and contractors should maintain the confidentiality of information entrusted to them by the Company or by its customers, suppliers, partners, landowners, stockholders or other stakeholders, except when disclosure is expressly authorised or is required or permitted by law. Confidential information includes all nonpublic information, regardless of source, that might be useful to competitors or harmful to the Company or its stakeholders if disclosed.

11. Fair Dealing

Each director, officer, employee, consultant and contractor must deal fairly with the Company's customers, suppliers, partners, service providers, competitors, employees, contractors, regulators, landowners, stockholders and anyone else with whom they have contact in the course of performing their duties. No person may take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

12. Reporting and Enforcement

12.1 Reporting and Investigation of Violations

- Actions prohibited by this Code involving directors or executive officers must be reported to the Corporate Secretary, General Counsel, Audit Committee or other body or officer designated by the Board.
- Actions prohibited by this Code involving anyone other than a director or executive officer should be reported to the reporting person's supervisor, the Chief Operating Officer, the General Counsel, the Corporate Secretary or another designated compliance officer.
- After receiving a report of an alleged prohibited action, the relevant recipient must promptly take appropriate action to investigate or escalate the matter in accordance with Company policy.
- All directors, officers, employees, consultants and contractors are expected to cooperate in internal investigations of misconduct.

12.2 Enforcement

- The Company must ensure prompt and consistent action against violations of this Code.
- If, after investigation of a report involving a director or executive officer, it is determined that a violation has occurred, the matter will be reported to the Board or an appropriate committee of the Board.
- If, after investigation of a report involving any other person, it is determined that a violation has occurred, the matter will be reported to the Chief Executive Officer or another appropriate officer.
- Upon receipt of a determination that a violation has occurred, the Board, a committee of the Board, the Chief Executive Officer or another authorised officer may take preventative, corrective or disciplinary action considered appropriate, including reassignment, demotion, dismissal, termination of engagement, restitution, training, policy changes and, in the event of criminal conduct or serious legal violations, notification of governmental authorities.

12.3 Waivers

- The Board, or a committee authorised by the Board, may in its discretion waive a violation of this Code.
- Any waiver for a director or executive officer shall be disclosed as required by SEC rules, Nasdaq rules and any other applicable law or regulation.

12.4 Prohibition on Retaliation

The Company does not tolerate retaliation against any director, officer, employee, consultant or contractor who makes a good faith report of known or suspected misconduct or other violations of this Code, or who participates in an investigation.

Acknowledgment of Receipt and Review

To be signed and returned to the Chief Operating Officer, Corporate Secretary or another officer designated by the Company.

I, _____, acknowledge that I have received and read a copy of the Code of Ethics and Business Conduct of BlockFuel Energy Inc.. I understand the contents of the Code and agree to comply with the policies and procedures set out in the Code.

I understand that I should approach the Chief Operating Officer, Corporate Secretary, General Counsel, my supervisor or another designated compliance officer if I have any questions about the Code generally or about reporting a suspected conflict of interest or other violation of the Code.

[RECIPIENT NAME]

By: _____

Name: _____

Date: _____