

CODE OF BUSINESS CONDUCT

Provident Energy Trust (the "Trust") and Provident Energy Ltd. (the "Corporation") and their affiliates (collectively the Trust, the Corporation and their affiliates are referred to as "Provident") will each adhere to the highest ethical standards in all of their business activities, and all of the Corporation's directors and officers and Provident's employees and consultants are expected to maintain these standards. Business partners and suppliers of Provident are also expected to act consistently with the principles outlined in Provident's policies, practices and processes, including this Code of Business Conduct. The President & Chief Executive Officer, Chief Financial Officer and other senior financial and accounting officers of Provident who are subject to this Code of Conduct (this "Code") are also subject to an additional Code of Ethics for Chief Executive Officer and Chief Financial Officer.

Provident and its directors, officers, employees and consultants shall comply with the letter and spirit of all laws and regulations applicable to Provident's activities, including insider-trading laws. A concern for what is right must underlie all business decisions.

Ignorance of the law is not, in general, a defense should a law be contravened. Moreover, agreements or arrangements need not necessarily be in writing to be contrary to the law since it is possible for a contravention to be inferred from the conduct of the parties. Accordingly, directors, officers, employees and consultants must diligently ensure that their conduct is not and cannot be interpreted as being in contravention of laws governing the affairs of Provident in any jurisdiction where it carries on business.

In view of the ever-increasing complexity of the law affecting business activity, whenever a director, officer, employee or consultant is in doubt about the application or interpretation of any legal requirement, or about the best course of action in a particular situation, the director, officer, employee or consultant should seek the advice of the President & Chief Executive Officer, Executive Vice President Operations and Chief Operating Officer, or the Senior Vice President Finance and Chief Financial Officer of the Corporation or, in the case of directors, the Chairman of the Board of the Corporation or in either case if that is not satisfactory, Provident's legal counsel, Macleod Dixon LLP.

1. No business operation is considered effective or complete without proper attention to safety, health and the environment.
2. Provident believes that its directors, officers, employees and consultants are a valuable asset to be treated fairly without discrimination by reason of race, national or ethnic origin, colour, religion, age, sex, sexual orientation, marital status or physical handicap or any other legally protected characteristic.
3. Directors, officers, employees and consultants shall not (a) take for themselves personally opportunities that are discovered through the use of corporate property or information or their position with Provident; (b) use corporate property or information or their position with Provident for personal gain; or (c) compete with Provident. If a director, officer, employee or consultant discovers or is presented with a business opportunity through the use of Provident property, information or because of his or her position at Provident, he or she must first advise of the business opportunity to Provident before pursuing the opportunity, to ensure that there are no conflicts in an individual capacity. The director, officer, employee or consultant should disclose to their supervisor, the terms and conditions of each business opportunity covered by this Code that he or she wishes to pursue. The supervisor must

contact the appropriate management personnel to determine whether Provident wishes to pursue the business opportunity. If Provident chooses not to pursue the business opportunity, the director, officer, employee or consultant may pursue the business opportunity on the same terms and conditions as originally proposed and consistent with the other ethical guidelines set forth in this Code.

4. Directors, officers, employees and consultants shall not furnish, on behalf of Provident, expensive gifts or provide excessive benefits to other persons. Nominal gifts are also prohibited in the event such gifts would violate any laws or regulations. At times, Provident's suppliers may offer gifts, including entertainment. While gifts of cash are never acceptable, you may accept gifts on behalf of Provident that are consistent with customary business practices; are not excessive in value; and could not be construed as a bribe or a payoff. If in doubt, consult a senior officer of Provident for advice in this regard or if you are a director, consult the Chairman of the Board.
5. Soliciting, accepting or paying bribes or other illicit payments for any purpose is prohibited. Payment or acceptance of "kickbacks" from a contractor or other external party is prohibited. Examples of laws to which Provident is subject and abides by include the Corruption of Foreign Public Officials Act (Canada) and the Foreign Corrupt Practices Act (USA).
6. The direct or indirect use of Provident funds, goods or services as contributions to political parties, campaigns or candidates for election to any level of government requires approval of a senior executive officer of the Corporation.
7. All dealings between directors, officers, employees and consultants of Provident and public officials are to be conducted in a manner that will not compromise the integrity or impugn the reputation of any public official or Provident.
8. Directors, officers, employees and consultants have an obligation to promote the best interests of Provident at all times. They should avoid any action, which involves a conflict of interest with Provident. Directors, officers, employees and consultants should not have any material financial or other business relationships with a company that might impair, or might reasonably be perceived to impair, the independence of any judgment they may need to make on behalf of Provident without disclosing all pertinent facts and obtaining approval as described in paragraph 9 below. For certainty, holding securities in a publicly listed entity shall not, by itself, constitute a material financial interest in a competitor.

The actions of family members outside the workplace may also give rise to the conflicts of interest described above because they may influence a director's, officer's, employee's or consultant's objectivity in making decisions on behalf of Provident. For purposes of the Code, "**family members**" include your spouse or other union recognized by law, brothers, sisters, parents, in-laws and children whether such relationships are by blood or adoption.

For purposes of this Code, a company is a "material" customer if the company has made payments to Provident in the past year in excess of \$1.0 million. A company is considered a "material" supplier if the company has received payments from Provident in the past year in excess of \$1.0 million. A company is considered "material" competitor if the company is an oil and gas production or midstream company and produces at least 1.0 million barrels of oil equivalent per year. If you are uncertain whether a particular company is a material customer, supplier or competitor, please contact your Supervisor (as defined in paragraph 9 below) for assistance.

9. Where conflicts of interest arise, directors, officers, employees and consultants must provide full disclosure of the circumstances to, and seek approval from, their immediate supervisor

in the case of employees and consultants, to the President & Chief Executive Officer in the case of officers, to the Board in the case of the President & Chief Executive Officer, and the Chairman of the Board in the case of directors (in each case, a "Supervisor") and not be involved in any related decision making process. In circumstances where such a conflict of interest does not constitute a material departure from a provision of this Code, the Supervisor may determine that such disclosure and approval is sufficient to remove the circumstances from the prohibitions of this Code, without constituting a waiver of, or other material departure from this Code.

10. Directors, officers, employees and consultants must also avoid apparent conflicts of interest, which occur where a reasonable observer might assume there is a conflict of interest and, therefore, a loss of objectivity in their dealings on behalf of Provident.
11. All directors, officers, employees and consultants are responsible for protecting Provident's assets and ensuring their efficient use for legitimate business purposes only. Managers are specifically responsible for establishing and maintaining appropriate internal controls to safeguard Provident's assets against loss from unauthorized use or disposition. The use of Provident's funds or assets, whether or not for personal gain, for any unlawful or improper purpose is prohibited

Directors, officers, employees and consultants should be aware that Provident property includes all data and communications transmitted or received to or by, or contained in, Provident's electronic or telephonic systems. The Provident property also includes all written communications. Directors, officers, employees and consultants and other users of this property should have no expectation of privacy with respect to these communications and data. To the extent permitted by law, Provident has the ability, and reserves the right, to monitor all electronic and telephonic communication. These communications may also be subject to disclosure to law enforcement or government officials.

12. All directors, officers, employees and consultants must endeavor to deal fairly with Provident's customers, suppliers, competitors and employees. Directors, officers, employees and consultants may not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.
13. The books and records of Provident must reflect in reasonable detail all of its business transactions in a timely, fair and accurate manner in order to, among other things, permit the preparation of accurate financial statements in accordance with generally accepted accounting principles. All assets and liabilities of Provident must be recorded as necessary to maintain accountability for them. The accuracy of asset and liability records must be maintained by comparing the records to the existing assets and liabilities at reasonable intervals, and taking appropriate action with respect to any differences. All business transactions must be properly authorized and transactions must be supported by accurate documentation in reasonable detail and recorded properly. The books and records of Provident include booking information, payroll, timecards, travel and expense reports, emails, accounting and financial data, measurement and performance records, electronic data files and all other records maintained in the ordinary course of business.
14. No information may be concealed from Provident's external auditors, internal auditors, the board of directors of the Corporation or the Audit Committee of the board of directors of the Corporation. In addition, it is illegal to fraudulently influence, coerce, manipulate or mislead an external auditor who is auditing Provident's financial statements.

15. Certain of Provident's records, reports, papers, devices, processes, plans, methods and apparatus are considered by Provident to be confidential information, and directors, officers, employees and consultants are prohibited from revealing such matters except as may be allowed under Provident's Disclosure Policy. Directors, officers, employees and consultants must also maintain the confidentiality of confidential information entrusted to them by Provident's customers, except when disclosure is authorized by the customer or mandated by law. Confidential information includes, but is not limited to, technical information, results, observations, analyses, compilations, evaluations, assessments, business or commercial data or plans and investor related data, and any other non-public information that might be of use to Provident's competitors, or harmful to Provident or its customers, if disclosed. The term "confidential information" relates to the underlying nature of the information, covering both oral and written information, and is independent of the medium on which the information is stored. It thus covers information stored on paper, various magnetic media, computer, microfiche or any other medium.
16. During the course of employment in the case of employees, the term of the consulting contract with Provident in the case of consultants and during their term as directors or officers in the case of directors and officers of the Corporation and for period of five years thereafter, directors, officers, employees and consultants shall not use for their own financial gain or disclose for the use of others, confidential information, obtained as a result of their position with Provident.
17. Directors, officers, employees and consultants must strictly adhere to the terms outlined in Provident's Policy on Trading in Securities by Directors, Officers, Employees and Consultants (Insider Trading and Blackout Policy) to ensure compliance with applicable Canadian and United States securities laws governing trading in securities of Provident while in possession of material non-public information concerning Provident, and tipping or disclosing material non-public information to outsiders and to avoid embarrassment by preventing the appearance of improper trading or tipping.
18. As a publicly traded entity, the Trust has an obligation to comply with the rules relating to disclosure of material and price sensitive information under the relevant Canadian and United States securities legislation and the rules and guidance of the Toronto Stock Exchange and the New York Stock Exchange.
19. In accordance with Provident's disclosure obligations, all public communications and reports must contain full, fair, accurate, timely and understandable disclosure and will be delivered in a manner that facilitates the highest degree of clarity of content and meaning so that readers and users will be able to timely and accurately determine their significance and consequence. All directors, officers, employees and consultants who are responsible for the preparation of Provident's public disclosure, or who provide information as part of the process, have a responsibility to ensure that such disclosure is prepared and information is provided honestly, accurately and in compliance with the various Provident disclosure controls and procedures.
20. In accordance with Provident's Disclosure Policy, any director, officer, employee or consultant in possession of material information must not disclose such information before its public disclosure and must take steps to ensure that Provident complies with its timely disclosure obligations.
21. Speculation in business, equity and other securities, land or other ventures of any kind on the basis of confidential information obtained in the course of a director's, officer's, employee's or consultant's duties with Provident is prohibited. This includes but is not limited to securities of any company, which Provident is evaluating or is studying as a possible acquisition or joint venture partner or with whom a major contract may be concluded. Use

or disclosure of such information can result in civil or criminal penalties, for both the individuals involved and Provident.

22. It is the responsibility of every director, officer, employee and consultant to bring to the attention of Provident knowledge of any situation, which might adversely affect Provident's reputation. All directors, officers, employees and consultants are encouraged to report, verbally, or in writing any evidence of improper practice of which they are aware. As used here, the term "**improper practice**" means any illegal, fraudulent, dishonest, unsafe, negligent or otherwise unethical action by a director, officer, employee or consultant. In addition, all directors, officers, employees and consultants have a duty to submit, in accordance with the procedures described in Provident's Whistleblower Policy, any good faith questions and concerns regarding questionable accounting, auditing or disclosure matters or controls.
23. Provident, its directors, officers, employees and consultants shall comply with copyright law and any other laws applicable to the use of computer software, hardware and related materials, as well as with any and all contracts entered into by Provident with suppliers or licensors of computer software, hardware and related materials.
24. Waivers of this Code for employees and consultants may be made only by the President & Chief Executive Officer, Executive Vice President Operations and Chief Operating Officer, or the Senior Vice President Finance and Chief Financial Officer. Any waiver of this Code for directors and officers may be made only by the board of directors and will be promptly disclosed as required by law, regulation or stock exchange requirement. Any amendment of this Code will be disclosed as required by law.

All directors, officers, employees and consultants are responsible for abiding by this Code. This includes individuals responsible for the failure to exercise proper supervision and to detect and report a violation by their subordinates. All directors, officers, employees and consultants are encouraged to report violations or apparent violations of this Code or applicable laws, rules or regulations in accordance with the procedures described in Provident's Whistleblower Policy. As described in more detail in Provident's Whistleblower Policy, Provident will not allow retaliation for such reports made in good faith. Violations of this Code will result in Provident taking effective remedial action commensurate with the severity of the violation. This action may include disciplinary measures up to and including termination in the case of a director, employee or officer or termination of the consulting contract in the case of a consultant and, if warranted, legal proceedings. If determined appropriate, a matter may be referred to the appropriate authorities.