

CORPORATE PROCEDURE

CODE OF BUSINESS CONDUCT AND ETHICS

CATEGORY: EMPLOYMENT – GENERAL
NO. 100
ISSUED: FEBRUARY 1, 2008
PAGE: 1 OF 8

For the employees, which for the purposes of this Code of Business Conduct and Ethics includes employees, principal executive officers, financial officers, controller, directors, contractors and consultants of Harvest Operations Corp:

INTRODUCTION

We require the highest standards of professional and ethical conduct from our employees. Our reputation for honesty and integrity among our unitholders and other stakeholders is key to the success of our business. No employee will be permitted to achieve results through violations of laws or regulations, or through unscrupulous dealings.

This Code reflects our commitment to a culture of honesty, integrity and accountability and outlines the basic principles and policies with which all employees are expected to comply. Please read this Code carefully.

In addition to following this Code in all aspects of your business activities, you are expected to seek guidance in any case where there is a question about compliance with both the letter and spirit of our policies and applicable laws. This Code sets forth general principles and does not supersede the specific policies and procedures that are covered in the Trust's specific policy statements. Reference in this Code of Ethics to the Trust means Harvest Operations Corp., Harvest Energy Trust and any other subsidiaries or affiliates.

Your cooperation and commitment is necessary to the continued success of our business and the cultivation and maintenance of our reputation as a good corporate citizen.

CONFLICTS OF INTEREST

A conflict of interest occurs when an individual's private interest interferes, or could be reasonably expected to interfere, in any way with the interests of the Trust. A conflict situation can arise when an employee takes actions or has interests that may make it difficult to perform his or her work 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 Trust, for example, an employee participating in the hiring, assessment of performance, career progression or compensation of a relative. Loans to, or guarantees of obligations of, such persons are likely to pose conflicts of interest, as are transactions of any kind between the Trust and any other organization in which you or any member of your family have a material interest. Loans by the Trust to officers and directors are prohibited.

Activities that could reasonably be expected to give rise to conflicts of interest are prohibited unless disclosed at time of hiring and annually through the annual sign off process, for conflicts of interest that relate to executive officers and directors approval in advance by the Audit Committee is required. It is not always easy to determine whether a conflict of interest exists, so any potential conflicts of interests must be reported immediately to senior management or to the Trust's legal counsel.

Should a conflict of interest not be disclosed, or is disclosed and the employee, Officer or Director does not take appropriate action as outlined below, the employee, Officer or Director will be subject to disciplinary action that may include suspension of pay, or, under certain circumstances, termination of employment. Any such circumstances will be reviewed and approved by the Audit Committee.

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Should the potential for a conflict of interest be identified, the employee, Officer or Director will take appropriate steps to excluding themselves from any discussion, negotiation, or transaction that has the potential to create a conflict of interest.

From time to time, the corporation may contract the services of, or hire relatives of an employee. In addition to the provisions in the Related Party Transactions Policy, no employee shall participate in the hiring, assessment of performance, career progression or compensation of a relative. Where technical or functional mentorship is still required, formal supervisory responsibilities will be delegated to an equivalent or next highest level of supervisor. Further, no employee shall be placed in the position of having supervisory responsibilities (of either an employee or contractor) for a relative of his or her immediate supervisor.

CORPORATE OPPORTUNITIES

Employees, officers and directors are prohibited from taking for themselves personal opportunities that arise through the use of the Trust's property, information or position and from using the Trust's property, information or position for personal gain. In addition, corporate property, and/or information should not be used to provide benefit for individuals or groups outside of the Trust. Employees, officers and directors are also prohibited from competing with the Trust.

INVENTIONS, PATENTS AND COPYRIGHTS

Inventions, designs, technological enhancements and discoveries related to or developed during the term of employment that are related to or within an individual's occupational duties and responsibilities are the entire and exclusive property of the Trust. Employees are required to disclose the invention, design, technological enhancement or discovery to the Trust. The Trust will determine whether it is patentable or should be otherwise protected by copyright or trademark registration. The Trust may require the employee to do what is necessary to assist in the patent, copyright or trademark application.

FULL DISCLOSURE

All employees have a responsibility to appropriately disclose information throughout the Trust if the information could reasonably be expected to have an impact in ensuring the accuracy of the Trust's records and reporting. Disclosure of this information should be made on a timely basis and should be communicated to the employee's supervisor, or, if the information is confidential in nature, through the Trust's whistleblower hotline. The supervisor is responsible for communicating the matter to the senior executive.

Detailed information on the Trust's policies regarding disclosure can be found in the Corporate Disclosure Policy, posted on the Trust's intranet site.

CONFIDENTIALITY

Employees must maintain the confidentiality of information entrusted to them by the Trust or that otherwise comes into their possession in the course of their employment, except when disclosure is authorized or legally mandated. The obligation to preserve confidential information continues even after you leave the Trust.

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Confidential information includes all positive and negative non-public information that may be of use to competitors, or harmful to the Trust or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us.

PRIVACY POLICY

The Trust has a privacy policy designed to ensure that personal information is protected. This policy is accessible to all Harvest's employees via its intranet site

PROTECTION AND PROPER USE OF TRUST ASSETS

All employees should endeavor to protect the Trust's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Trust's profitability. Any suspected incidents of fraud or theft should be immediately reported for investigation to supervisors, management or anonymously using Harvest's whistleblower hotline.

Trust assets, such as funds, products, computers or information may only be used for legitimate business purposes or other purposes approved by management. Company assets may never be used for illegal purposes.

The obligation to protect Trust assets includes proprietary information. Proprietary information includes any information that is not generally known to the public or would be helpful to our competitors. Examples of proprietary information include, but are not limited to, intellectual property, business and marketing plans and employee information. The obligation to preserve proprietary information continues even after you leave the Trust. See "Confidentiality".

INSIDER TRADING

Insider trading is unethical and illegal. Employees are not allowed to trade in securities of a company while in possession of material non-public information regarding the Trust. It is also illegal to "tip" or pass on inside information to any other person who might make an investment decision based on that information or pass the information on further.

Insiders are unable to trade the Trust's securities based on established blackout periods as disclosed in the Disclosure & Trading Policy available to all Harvest's employees via its intranet site. In addition, other blackout periods may be imposed at various times throughout the year and notification will be made through the Trust's e-mail system. No insider or employee possessing material non-public information concerning the Trust may trade in the Trust's securities even during applicable trading windows. Persons possessing such information may trade during a trading window only after the close of trading on the next full trading day following the widespread public dissemination of the information.

FAIR DEALING

Each employee should endeavor to deal fairly with the Trust's customers, suppliers, competitors and employees. No employee should take unfair advantage of anyone through illegal conduct, manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

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COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Compliance with both the letter and spirit of all laws, rules and regulations applicable to our business is critical to our reputation and continued success and employees must avoid even the appearance of impropriety. When in doubt, check with a senior officer of the Trust. All employees must respect and obey the laws of the cities, provinces, states and countries in which we currently operate in which the Trust has an obligation to report in the future. Employees who fail to comply with this Code and applicable laws will be subject to disciplinary measures, up to and including discharge from the Trust.

COMPLIANCE WITH ENVIRONMENTAL LAWS

The Trust is sensitive to the environmental, health and safety impact of its operations. Accordingly, the Trust's goal is strict compliance with all applicable Federal and Provincial environmental laws and regulations. If any employee has any doubt as to the applicability or meaning of a particular environmental, health or safety regulation, he or she should discuss the matter with a member of the senior management or the Trust's legal counsel.

SAFETY AND HEALTH

We are all responsible for maintaining a safe workplace by following safety and health rules and practices. The Trust is committed to keeping its workplaces free from hazards. Employees must report any accidents, injuries, unsafe equipment, practices or conditions immediately to a supervisor or other designated person. If at any time an employee feels that there is a safety risk, the employee has the right to stop work and report the safety risk. Threats or acts of violence or physical intimidation are prohibited.

In order to protect the safety of all employees, employees must report to work free from the influence of any substance that could prevent them from conducting work activities safely and effectively.

DISCRIMINATION AND HARASSMENT

We value the diversity of our employees and are committed to providing equal opportunity in all aspects of employment. Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical or visual. Examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances. Employees are encouraged to speak out when a co-worker's conduct makes them uncomfortable, and to report harassment when it occurs.

ACCURACY OF TRUST RECORDS AND REPORTING

Honest and accurate recording and reporting of information is critical to our ability to make responsible business decisions. The Trust's accounting records are relied upon to produce reports for the Trust's management, unitholders, creditors, governmental agencies and other stakeholders. Our financial statements and the books and records on which they are based must accurately reflect all corporate transactions and conform to all legal and accounting requirements and our system of internal controls.

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All employees have a responsibility to ensure that the Trust's accounting records do not contain any false or intentionally misleading entries. We do not permit intentional misclassification of transactions as to accounts, department or accounting periods. All transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period.

Business records and communications may become public through legal or regulatory investigations or the media. We should avoid exaggeration, derogatory remarks, legal conclusions or inappropriate characterizations of people and companies. This applies to communications of all kinds, including e-mail and informal notes or inter-office memos. For additional guidance please refer to Harvest's Disclosure and Trading Policy.

ASSISTANCE TO AUDITORS

Management and employees are expected to provide information reasonably requested by auditors of the Trust in order to assist them in completing their audit. When providing information you should be mindful of not influencing the auditor in either fact or appearance, and should instead focus on providing correct factual information. Improper conduct towards auditors such as coercion, manipulation, offering bribes or issuing threats is a violation of this Code.

INTERNAL CONTROLS

All members of the organization are required to comply with Harvest's system of internal controls. Known instances of internal control violations must be reported to the Controller immediately.

USE OF E-MAIL AND INTERNET SERVICES

Access to the Internet is provided to employees for the benefit of the Trust and its shareholders. Employees are able to connect to a variety of business information resources around the world.

Conversely, the Internet is also replete with risks and inappropriate material. To ensure that all employees are responsible and productive Internet users and to protect the Trust's interests, an Information Security Policy has been established for using the Internet and e-mail.

Employees using the Internet are representing the Trust. Employees are responsible for ensuring that the Internet is used in an effective, ethical, and lawful manner. Violation of these policies may result in disciplinary actions up to and including discharge from the Trust. For further detailed information on Harvest's e-mail and internet policy, please refer to the Information Security Policy

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POLITICAL ACTIVITIES AND CONTRIBUTIONS

We respect and support the right of our employees to participate in political activities. However, these activities should not be conducted on company time or involve the use of any Trust resources such as telephones, computers or supplies. Employees will not be reimbursed for personal political contributions.

RELATED PARTY TRANSACTIONS

All senior management and employers with sales or expenditure authority are required to disclose all transactions entered into with parties considered to be related to the Trust. Related party transactions should be disclosed at time of hiring and annually through the annual sign off process. For related parties transactions that relate to executive officer's and director's approval in advance by the Audit Committee is required. Should a related party transaction not be disclosed, and is discovered through regular business activity, an employee found to be in violation of this policy will be subject to disciplinary action that may include suspension of pay, or, under certain circumstances, termination of employment. Any such circumstances will be reviewed by the Audit Committee.

Upon the proper disclosure of related party transactions (or the potential of one to occur) and should it be deemed to be in the best interest of the Company to continue business activities with the related party, then the following controls must be implemented:

- 1) Conduct an independent bid process with at least 2 other suppliers of the same goods and services, through the Coordinator, Supply Chain Management. These should be reviewed on a minimum annual basis.
- 2) Should the related party be selected for appropriate business reasons (proximity, expertise, price etc.), a Master Service Agreement (MSA) outlining the relationship is to be signed by the related party, and a copy of the MSA along with the bid document will be filed.
- 3) All invoices relating to the activity conducted under the bid are to be reviewed and approved by (subject to current delegation of authority guidelines):
 - a. An employee that is independent of the related party, and having the specific knowledge of the activity that was undertaken.
 - b. The Coordinator, Supply Chain Management.
 - c. The respective Manager, or Vice-President.

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GIFTS AND ENTERTAINMENT

Business gifts and entertainment are customary courtesies designed to build goodwill among business partners. Gifts and Entertainment is defined as meals and beverages, tickets to sporting or cultural events, discounts not available to the general public, travel, accommodation and other merchandise or services. In some cultures, they play an important role in business relationships. However, a problem may arise when such courtesies compromise – or could reasonably be expected to compromise – our ability to make objective and fair business decisions. The same rules apply to employees offering gifts and entertainment to our business associates.

Offering or receiving any gift, gratuity or entertainment that might be perceived to unfairly influence a business relationship should be avoided. These guidelines apply at all times, and do not change during traditional gift-giving seasons.

Gifts that are repetitive (no matter how small) may be perceived as an attempt to create an obligation to the giver and are therefore inappropriate. Likewise, business entertainment should be moderately scaled and intended only to advance business goals. If, for example, tickets to a sporting or cultural event are offered, then the person offering the tickets should plan to attend the event as well. Use good judgment. “Everyone else does it” is not sufficient justification. If you are having difficulty determining whether a specific gift or entertainment item lies within the bounds of acceptable business practice, ask yourself these guiding questions:

- Is it legal?
- Is it clearly business related?
- Is it moderate, reasonable, and in good taste?
- Would public disclosure embarrass the Trust?
- Is there any pressure to reciprocate or grant special favors?

Any gift that could be seen as extravagant or questionable (i.e. continuous receipt of the item) should not be accepted. The value of gifts should be nominal, both with respect to frequency and amount and not be in the form of cash. Gifts received by employees in excess of \$500 in value by one vendor throughout a calendar year must be reported in writing to senior management.

Strict rules apply when we do business with governmental agencies and officials, whether in Canada or in other countries, as discussed in more detail below. Because of the sensitive nature of these relationships, talk with your supervisor and own legal counsel before offering or making any gifts or hospitality to governmental employees.

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REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOR

We have a strong commitment to conduct our business in a lawful and ethical manner. 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 and to report violations of laws, rules, regulations or this Code. If you are uncomfortable reporting a violation directly to supervisors, management or other appropriate personnel we recommend that you report the violation using Harvest's anonymous whistleblower hotline. We prohibit retaliatory action against any employee who, in good faith, reports a possible violation. However, please be aware that when reporting violations anonymously, provision of insufficient information will limit our ability to adequately investigate the reported violation, and it is unacceptable to file a report knowing it to be false.

WAIVERS OF THE CODE OF BUSINESS CONDUCT AND ETHICS

Any waiver of this Code will be investigated by the Trust. However, only waivers filed by Officers and Directors will be publicly disclosed for as required by law or stock exchange regulation.

COMPLIANCE PROCEDURES

This Code cannot, and is not intended to address all of the situations you may encounter. There will be occasions where you are confronted by circumstances not covered by policy or procedure and where you must make a judgment as to the appropriate course of action. In those circumstances, we encourage you to use your common sense, and to contact your supervisor, manager or the manager of Human Resources for guidance.

If you do not feel comfortable discussing the matter with your supervisor, manager or human resources, please contact any of the Executive, a Board member, or anonymously through Harvest's whistleblower hotline

HARVEST ENERGY TRUST COMPLIANCE AFFIRMATION

I. Affirmation of Compliance

The undersigned certifies that he or she has received and read the Code of Business Conduct and Ethics, understands its contents, and agrees to abide by the policies summarized therein.

II. Affirmation of Legal and Ethical Business Conduct

By signing this form, the undersigned confirms that, to the best of his or her knowledge and belief, each material dealing or transaction to which he or she has been party directly, or indirectly, on behalf of the Trust:

1. was characterized by honesty and integrity;
2. complies with applicable laws and regulations;
3. did not involve any unethical dealings, unrecorded fees, special favors, benefits or contributions to any private party, government or government agency;
4. did not involve any unlawful arrangements with competitors; and
5. was recorded and properly described on the Company's accounting records.
6. were at arm's length

If there are any exceptions, please describe them below or in the attached appendices:

III. Conflict of Interest Questionnaire

Please answer "Yes" or "no" to the following questions. If the answer to any question is "Yes", full details must be provided on the reverse side of this page or in the attached appendices:

- (a) Have you or, to your knowledge, has any member of your immediate family (ie: spouse, children / dependents, parents, siblings), at any time during the period since January 1, 2007:
1. engaged, directly or indirectly, in any transaction for the purchase or sale of materials or other property, or services by or to Harvest Energy Trust or any subsidiary or division thereof (hereinafter collectively called the Company), other than in the normal capacity of officer or employee of the Company:
Yes _____ No _____
 2. been an officer, director, partner or employee of any corporation, partnership or other organization which, to your knowledge, has engaged in any transaction described in (1) above with the Company;
Yes _____ No _____
 3. been interested monetarily, directly or indirectly, in any organization doing business with the Company (unless as a holder of less than one per cent of the voting securities issued by a corporation whose securities are publicly traded); or
Yes _____ No _____
 4. been a recipient, directly or indirectly, of any payments or material significant gifts of any kind from or on behalf of any organization doing business with the Company (unless by way of dividend or interest payments made by a corporation whose securities are publicly traded) which would contravene the Company's Code of Business Conduct and Ethics?
Yes _____ No _____
- (b) Is any transaction contemplated, involving you or any member of your immediate family, which if consummated, would be described in answer to any of the preceding items?
Yes _____ No _____
- (c) Are you aware of any interest or activity on your part, or on the part of any member of your immediate family, which is in conflict with the interests of the Company?
Yes _____ No _____
- (d) Are you in compliance with the Disclosure and Trading Policy?
Yes _____ No _____

IV. Knowledge of Code of Ethics Violations:

Please answer “Yes” or “No” to the following question. If the answer to the question is “Yes”, full details must be provided on the reverse side:

1. I am aware of a violation of the code of ethics that has not been properly reported to the Company:

Yes _____ No _____

Signed:

Name

Title

Date

Appendix to Harvest Holdings Inc. Code of Business Conduct and Ethics

RELATED PARTY TRANSACTIONS

I, _____ hereby declare that I do not have any interest or have entered into any transactions that are considered to be related to the Trust, except as noted below:

Organization relationship/transaction

Organization relationship/transaction

Organization relationship/transaction

Organization relationship/transaction

Organization relationship/transaction

Organization relationship/transaction

Signature

Date

