POLICY ON TRADING IN SECURITIES

PURPOSE

The purpose of this Policy is to ensure:

(a) compliance by Members (as defined herein) with all applicable securities laws governing insider trading (including tipping) in securities of Pengrowth Energy Corporation ("**Pengrowth**") while in possession of material non-public information (as defined herein) concerning Pengrowth; and

(b) the prevention of the appearance of insider trading or tipping.

SCOPE

This Policy governs the conduct of all employees, direct and indirect service providers, officers and directors (each, a "**Member**") of Pengrowth. Members are responsible for ensuring compliance by their families and other members of their households, where applicable.

This Policy applies to all transactions in: (i) the securities of Pengrowth, its affiliates and subsidiaries, including options, warrants, preferred shares and debentures, as well as exchange-traded options or other derivative securities that are not issued by Pengrowth, its affiliates or subsidiaries but the value of which is derived from the securities of Pengrowth; (ii) the securities of any other entity where the Member has obtained material non-public information (as defined herein) of such entity as a result of such Member's relationship to Pengrowth; and (iii) for certainty, this policy applies to all transactions under Pengrowth's Dividend Reinvestment and Optional Common Share Purchase Plan ("**DRIP**"), Employee Share Purchase Plan and all long term incentive plans of Pengrowth, other than predetermined reinvestment and purchase decisions made outside of a black-out period.

This Policy applies not only to the securities of Pengrowth which a Member owns, but also those over which control or direction is exercised (for example as a trustee or executor of an estate) and also to securities of Pengrowth that are indirectly owned (for example by a corporation controlled by a Member).

These procedures may be changed, or other procedures may be adopted in the future as considered appropriate, in order to carry out the purposes of this Policy.

REPORTING REQUIREMENTS

Applicable regulatory requirements require that once a person becomes an "insider" (as that term is defined in the *Securities Act* (Alberta) and generally meaning a director, senior officer or significant shareholder) of Pengrowth ("**Insider**"), their security holdings in Pengrowth, and any change therein, must be reported to the appropriate securities commissions through the System for Electronic Disclosure by Insiders ("**SEDI**"). The responsibility for compliance with insider reporting obligations rests with the Insiders and not with Pengrowth. Pengrowth has an interest in monitoring the holdings of its Insiders and ensuring that Insider holdings are accurately reported, as the identity of Insiders and the size of their holdings may be relevant in determining whether Pengrowth is permitted, under applicable securities laws and stock exchange rules, to undertake certain corporate transactions.

INITIAL REPORTS

An insider profile and initial report must be filed on SEDI within ten days of the date on which a person or corporation becomes an Insider. An insider profile or initial report is not required, however, when a person becomes an Insider if he/she does not own or exercise control or direction over securities of Pengrowth.

SUBSEQUENT CHANGES IN BENEFICIAL OWNERSHIP

A person or corporation who is an Insider must report any changes in his/her direct or indirect beneficial ownership of, or control over, securities of Pengrowth within five days of the date such change takes place.

SHARE OPTIONS, SHARE RIGHTS AND DEFERRED ENTITLEMENT SHARES

The grant of an option, right, deferred entitlement, or other security convertible into common shares of Pengrowth ("**Common Shares**"), or the exercise of any of the foregoing, gives rise to reporting obligations and an insider report must be filed with respect to these matters within five days of the date such transaction takes place.

DISTRIBUTION REINVESTMENT PLAN

Common Shares acquired pursuant to the terms of Pengrowth's DRIP or any other automatic securities purchase plan, give rise to reporting obligations, and an insider report must be filed disclosing, on a transaction by transaction basis or in acceptable summary format, each transaction that has not been previously disclosed and each disposition of securities that has not been previously disclosed:

(a) for any securities acquired under the DRIP or other automatic securities purchase plan that have been disposed of or transferred, other than securities that have been disposed of or transferred as part of a specified disposition of securities, within the time required by securities legislation for filing a report disclosing the disposition or transfer; and

(b) for any securities acquired under the DRIP or other automatic securities purchase plan during a calendar year that have not been disposed of or transferred, and any securities that have been disposed of or transferred as part of a specified disposition of securities, within 90 days of the end of the calendar year.

FORMS

Insiders of Pengrowth are to use the Insider Report form prescribed under the Securities Acts. In each instance an electronic copy of the Insider Report form must be filed using SEDI within ten days from the day the person becomes an Insider or five days from the day the Insider's interest changes. Failure to do so will result in fines levied by various securities regulatory authorities.

Insiders are encouraged to utilize the office of the Corporate Secretary of Pengrowth to assist with the preparation and filing of Insider Reports.

A copy of all Insider Reports filed with the securities commissions should also be sent to the Corporate Secretary of Pengrowth concurrently with the filing to the commissions.

STATEMENT OF COMPANY POLICY AND PROCEDURES

PROHIBITED ACTIVITIES

1. No Member may purchase or sell securities of Pengrowth while in possession of Material Non-public Information concerning Pengrowth.

2. No Member may disclose Material Non-public Information concerning Pengrowth to any outside person (including family members, analysts, individual investors and members of the investment community and news media) unless necessary in the course of business. In any instance where such information is

disclosed to outsiders, the outsider should be advised that they must not disclose the information to anyone else, other than in the necessary course of business, and they may not trade in securities of Pengrowth until the information has been generally disclosed.

3. No Member, possessing material non-public information about Pengrowth, shall recommend another person or company to: (i) purchase or sell a security of Pengrowth; or (ii) enter into a transaction involving a security the value of which is derived from or varies materially with the market price or value of securities of Pengrowth. However, Insiders or employees should advise others not to trade if doing so might violate the law or this Policy.

4. No Member may: (i) trade in securities of any other public company while possessing material non-public information concerning that company; (ii) "tip" or disclose material non-public information concerning any other public company to anyone; or (c) give trading advice of any kind to anyone concerning any other public company while possessing material non-public information about that company that such Member obtained by virtue of its relationship to Pengrowth.

5. No Member may trade in securities of Pengrowth outside of the "trading windows" described below, or during any designated special trading blackout periods.

6. No Member may trade in any puts or calls on any security of Pengrowth and no Member is permitted to purchase financial instruments, including without limitation, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of Pengrowth securities specifically.

7. In order to avoid possible inadvertent conflict with this Policy, it is recommended that no Member leave with a broker any outstanding sell or purchase orders.

8. As a matter of policy and procedure, all Insiders shall (i) consult with any one of the President and Chief Executive Officer, the Chief Financial Officer or the Corporate Secretary (the "**Designated Officers**") prior to completing a trade of securities of Pengrowth; or (ii) inform the Designated Officers of the Insider's intention to make the trade. The President and Chief Executive Officer shall consult with the Board Chair prior to completing a trade of securities of Pengrowth. Notwithstanding this provision, the responsibility to determine whether there is material information not generally disclosed remains with the Insider and nothing herein shall imply any additional level of responsibility or liability for the Designated Officers with respect to their advice or information provided to an Insider.

DEFINITION OF "MATERIAL NON-PUBLIC INFORMATION"

MATERIAL INFORMATION

"Material Information" is any information relating to the business and affairs of Pengrowth that results in or would reasonably be expected to result in a significant change in the market price or value of the securities of Pengrowth. Material Information consists of both "material facts" and "material changes".

A "material change" is defined as: (i) a change in the business, operations or capital of Pengrowth that would reasonably be expected to have a significant effect on the market price or value of a security of Pengrowth, or (ii) a decision to implement a change referred to in paragraph (i) made by the board of directors of Pengrowth Energy Corporation ("**Board**"), or by senior management of Pengrowth who believe that confirmation of the decision by the Board is probable.

A "material fact", when used in relation to securities issued or proposed to be issued, means a fact that would reasonably be expected to have a significant effect on the market price or value of the securities of Pengrowth. Both positive and negative information may be material. The following are some types of information that would ordinarily be considered material (this list is not to be considered exhaustive):

- financial performance, especially quarterly and year-end earnings, and significant changes in financial performance or liquidity;
- company projections and strategic plans;
- potential mergers and acquisitions;
- change in senior management;
- public or private securities/debt offerings;
- changes in dividend policies or amount; and
- actual or threatened material litigation, or the resolution of such litigation.

NON-PUBLIC INFORMATION

Material Information is "non-public" if it has not been widely disseminated to the public through major newswire services, national news services and financial news services. For the purposes of this Policy, information will be considered public (i.e., no longer non-public) **after the close of trading on the first full trading day following public release of the information**.

If you are unsure whether the information that you possess is material or non-public, please consult the President and Chief Executive Officer, Chief Financial Officer or General Counsel of Pengrowth before trading in any Pengrowth securities.

TRADING WINDOWS AND BLACKOUT PERIODS

1. Trading Windows for Insiders

   Insiders may trade in securities of Pengrowth only during the period beginning after the close of business one day following widespread public release of quarterly or year-end operating results and ending at the close of trading on the 15th day of the month following the end of a quarter or year-end.

2. Trading Windows for All Other Members

   All other Members who are not Insiders may trade in securities of Pengrowth at any time, provided they are not in possession of material non-public information and no blackout period applicable to such Member is in place. Notwithstanding the above, it is recommended that, if possible, Members not trade on the day on which quarterly or year-end operating results or other non-public information is released.

3. No Trading During Trading Windows While in Possession of Material Non-public Information

   No Insider or Member possessing material non-public information concerning Pengrowth may trade in securities of Pengrowth 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 release of the information.

4. No Trading During Blackout Periods

No Member may trade in securities of Pengrowth outside of applicable trading windows or during any designated special blackout periods. No Member may disclose to any outside third party that a special blackout period has been designated.

5. A calendar of currently known blackout dates will be distributed annually.

6. Should a special blackout period be required, a memorandum will be circulated to all Insiders and Members affected advising them of the blackout dates.

TRADING PROCEDURES

Subject to the restrictions on Insiders above, all Members covered by this Policy may trade during the designated trading windows provided they are not in possession of material non-public information or are subject to a general trading blackout imposed by Pengrowth. Following any trade, those Insiders set out in Schedule "A" are to provide the Corporate Secretary of Pengrowth Energy Corporation with notification of the trade.

PRIORITY OF STATUTORY OR REGULATORY TRADING RESTRICTIONS

The trading prohibitions and restrictions set forth in this Policy will be superseded by any greater prohibition or restrictions prescribed by applicable securities laws and regulations.

NOTICES

To facilitate compliance with this Policy and to assist Members in anticipating blackout periods in reference to the exercise of options, rights or other incentives and the completion of trades generally, Pengrowth will endeavour, but shall not be obligated to provide, periodic notices as to blackout periods and the anticipated impact of those blackout periods upon the exercise of options, rights and other incentives.

ENFORCEMENT POLICIES

PENALTIES UNDER SECURITIES LAWS

Penalties for violating statutory provisions relating to insider trading or tipping and disclosing material non-public information are severe and may include fines, sanctions, quasi-criminal penalties and criminal charges under the *Criminal Code* (Canada).

DISCIPLINE

Violation of this Policy, insider or tipping laws or other similar laws by any Member may subject such person to disciplinary action up to and including termination for cause.

Adopted by the Board of Pengrowth on November 4, 2011.

SCHEDULE A

Thomas A. Cumming	Director
Derek W. Evans	President, Chief Executive Officer and Director
Wayne K. Foo	Director
James D. McFarland	Director
Michael S. Parrett	Director
A. Terence Poole	Director
D. Michael G. Stewart	Director
John B. Zaozirny	Chairman of the Board
Gillian I. Basford	Vice President, Human Resources
Douglas C. Bowles	Vice President & Controller
James E.A. Causgrove	Senior Vice President, Operations and Engineering
Stephen J. De Maio	Vice President, In-Situ Oil Development & Operations
David Dean Evans	Treasurer
Andrew D. Grasby	Vice President, General Counsel & Corporate Secretary
Marlon J. McDougall	Chief Operating Officer
Robert W. Rosine	Executive Vice President, Business Development
Diane J. Shirra	Vice President, Reserves and Strategic Projects
Christopher G, Webster	Chief Financial Officer