

WARREN RESOURCES, INC

CODE OF BUSINESS CONDUCT AND ETHICS

This Code of Business Conduct and Ethics (this "Code") applies to Warren Resources, Inc. and its consolidated subsidiaries (collectively, the "Company"). We expect the Company's employees and officers ("employees") and members of its Board of Directors ("directors") to use sound judgment to help us maintain appropriate compliance procedures and to carry out our business with honesty and in compliance with laws and high ethical standards. Each employee and director is expected to read this Code and demonstrate personal commitment to the standards set forth in this Code. Employees and directors who do not comply with the standards set forth in this Code may be subject to discipline in light of the nature of the violation, including termination of employment.

Any questions about this Code or the appropriate course of conduct in a particular situation should be directed to the Company's General Counsel. Any evidence of improper conduct, violations of laws, rules, regulations or this Code should be reported immediately. The Company will not allow retaliation against an employee or director for such a report made in good faith.

This Code of Business Conduct is designed to deter wrong-doing and to promote:

1. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
2. Fair, full, accurate, timely and understandable disclosure in reports and documents that a registrant files with, or submits to, the Securities and Exchange Commission and in other public communications made by the registrant;
3. Compliance with applicable governmental laws, rules and regulations;
4. The prompt internal reporting to an appropriate person or persons identified in the Code of violations of the Code; and
5. Accountability for adherence to the Code.

It is not possible to enumerate all of the situations that could result in an actual or apparent violation of this policy. However, the following areas are of particular concern to Warren with respect to the ethical conduct of the Company's business. These principles must be interpreted using good judgment and common sense. Employees and officers are encouraged to discuss questions or concerns relating to this Code of Business Conduct with their supervisors or other members of management, while directors should direct their questions and concerns to the Corporate Governance Committee. This Code is not a contract and is not intended as a detailed guide for all situations you may face. You are also expected to comply with our Employee Handbook and other workplace rules we may from time to time communicate, all of which supplement this Code.

Responsibilities

Compliance with Laws, Rules and Regulations. All employees and directors must respect and obey all laws applicable to our business, including state and local laws in the areas in which the Company operates. Any questions as to the applicability of any law should be directed to the Company's General Counsel.

Insider Trading. The Company has a securities trading policy and all employees and directors must abide by its terms. Directors, officers and employees who are aware of material, nonpublic information (an “insider”) from or about the Company, are not permitted, directly or through family members or other persons or entities, to:

- Buy or sell securities (or derivatives relating to such securities) of Warren (other than pursuant to a pre-approved trading plan that complies with the SEC Rule 10b5-1), or
- Pass on, tip or disclose material, nonpublic information to others outside the Company including family and friends.

Such buying, selling or trading of securities may be punished by discipline of up to and including termination of employment; civil actions, including penalties of up to three times the amount of profit gained or loss avoided by the inside trade or stock tip; or criminal actions, including jail time.

Examples of information that may be considered material, non-public information in some circumstances are:

- Undisclosed annual, quarterly or monthly financial results, a change in earnings or earnings projections, or unexpected or unusual gains or losses in major operations.
- Undisclosed negotiations and agreements regarding mergers, concessions, joint ventures, acquisitions, divestitures, business combinations or tender offers.
- An undisclosed increase or decrease in dividends on the Company’s common stock.
- Undisclosed major regulatory changes.
- Undisclosed major management changes.
- Undisclosed information as to results of significant drilling and exploration activity.
- A substantial contract award or termination that has not been publicly disclosed.
- A major lawsuit or claim that has not been publicly disclosed.
- The gain or loss of a significant customer or supplier that has not been publicly disclosed.
- An undisclosed filing of a bankruptcy petition by the Company or a significant subsidiary.
- Information that is considered confidential.

- Any other undisclosed information that could affect our stock price.

Another Company's Securities. The same policy also applies to securities issued by another company if you have acquired material, nonpublic information relating to such company in the course of your employment or affiliation with Warren.

Trades Following Disclosure. When material information has been publicly disclosed, each insider must continue to refrain from buying or selling the securities in question until the third business day after the information has been publicly released to allow the markets time to absorb the information.

Any questions as to whether information is material or has been adequately disclosed should be directed to the Company's General Counsel.

Conflicts of interest. A conflict of interest occurs when the private interest of an employee or director interferes – or appears to interfere – with the interests of the Company as a whole. Conflicts of interest can occur when an employee or director takes action or has interests that could reasonably be expected to make it difficult to make objective decisions on behalf of the Company or to perform his or her duties objectively and effectively.

Here are some examples of conflicts of interest:

Family Members. Actions of family members may create a conflict of interest. For example, gifts to family members by a supplier of the Company are considered gifts to you and must be reported. Doing business for the Company with organizations where your family members are employed or which are partially or fully owned by your family members or close friends may create a conflict or the appearance of a conflict of interest. For purposes of the Code "family members" includes any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, and adoptive relationships.

Gifts, Entertainment, Loans, or Other Favors. Directors, officers and employees shall not seek or accept personal gain, directly or indirectly, from anyone soliciting business from, or doing business with the Company, or from any person or entity in competition with us. Examples of such personal gains are gifts, non-business-related trips, gratuities, favors, loans, and guarantees of loans, excessive entertainment or rewards. However, you may accept gifts of a nominal value. Other than common business courtesies, directors, officers, employees and independent contractors must not offer or provide anything to any person or organization for the purpose of influencing the person or organization in their business relationship with us.

Directors, officers and employees are expected to deal with advisors or suppliers who best serve the needs of the Company as to price, quality and service in making decisions concerning the use or purchase of materials, equipment, property or services. Directors, officers and employees who use Warren advisors, suppliers or contractors in a personal capacity are expected to pay market value for materials and services provided.

Outside Employment. Officers and employees may not participate in outside employment, self-employment, or serve as officers, directors, partners or consultants for outside organizations, if such activity:

1. reduces work efficiency;
2. interferes with your ability to act conscientiously in our best interest; or
3. requires you to utilize our proprietary or confidential procedures, plans or techniques.

You must inform your supervisor of any outside employment, including the employer's name and expected work hours.

Mineral interest in properties. Any interest held by you or any of your family members residing in your household in oil, gas or coal properties, royalties or other mineral interests, or interests in companies either owning mineral interests or providing services or materials to the Company must be disclosed in writing.

Reporting Conflicts of Interest or Potential Conflicts of Interest. You should report any actual or potential conflict of interest involving yourself or others of which you become aware to your supervisor or the General Counsel. Officers should report any actual or potential conflict of interest involving yourself or others of which you become aware to the General Counsel or to the Chairman of the Corporate Governance Committee of the Board of Directors. Directors should report any actual or potential conflict of interest involving yourself or others of which you become aware to the Chairman of the Corporate Governance Committee of the Board of Directors.

Except as pre-approved by our Audit Committee, transactions that involve a conflict of interest are prohibited as a matter of corporate policy. Any employee or director who becomes aware of a conflict or potential conflict, or who has a question about whether a conflict exists, should bring it to the attention of the Company's General Counsel.

Corporate Opportunities. Employees and directors are prohibited from (a) taking for themselves personally any opportunities that arise through the use of corporate property, information or position, (b) using corporate property, information or position for personal gain, and (c) directly or indirectly competing with the Company. Employees and directors owe a duty to the Company to advance the Company's legitimate interests when the opportunity to do so arises.

Confidentiality. During and after employment by or service with Warren, directors, officers, and employees shall not divulge to third parties, or appropriate to their own use, or to the use of others, any confidential information obtained during employment or service for Warren. The term "confidential information" as used in this policy includes but is not limited to trade secrets, technical materials and information, geological and geophysical information, reserve data, prospect data, maps, logs, bid data, transaction information, processes, technology, compilations of information, engineering information, financial information, or specifications that are used in the operation of Warren's business or that may eventually be used in the operation of Warren's business, and other information relating to the Company's business that is not public knowledge.

The following are examples of information that is not considered confidential;

- Information that is in the public domain to the extent such information is readily available;
- Information that becomes generally known to the public other than by disclosure by the Company or a director, officer or employee; or
- Information you receive from a party, which is under no legal obligation of confidentiality with the Company with respect to such information.

Any questions about whether information is confidential should be directed to the Company's General Counsel.

Fair Dealing. Each employee and director shall endeavor to deal fairly with our stockholders, competitors, suppliers, customers and employees. No employee or director shall take unfair advantage of any other person through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice.

Protection and Proper Use of the Company's Assets. All employees and directors have a duty to protect the Company's assets and ensure the assets' efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. The Company's assets should be used only for legitimate business purposes and employees and directors should take measures to ensure against their theft, damage or misuse. These assets include intellectual property such as trademarks, business and marketing plans, salary information and any unpublished financial data and reports. Any unauthorized use or distribution of this information is a violation of this Code.

Accuracy of Books, Records, Accounts and Reporting. All of the Company's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the matters to which they relate and must conform both to applicable legal requirements and to the Company's system of internal controls. All directors, officers, employees and other persons are prohibited from directly or indirectly falsifying or causing to be false or misleading any financial or accounting book, record or account. You and others are expressly prohibited from directly or indirectly manipulating an audit, and from destroying or tampering with any record, document or tangible object with the intent to obstruct a pending or contemplated audit, review or federal investigation. The commission of, or participation in, one of these prohibited activities or other illegal conduct will subject the perpetrator to federal penalties, as well as punishment of up to and including termination of employment.

No director, officer or employee of the Company may directly or indirectly:

- Make or cause to be made a materially false or misleading statement, or
- Omit to state, or cause another person to omit to state, any material fact necessary to make statements made not misleading

in connection with the audit of financial statements by independent accountants, the preparation of any required reports whether by independent or internal accountants, or any other work which involves or relates to the filing of a document with the Securities and Exchange Commission ("SEC").

Any questions about these policies should be directed to the Company's General Counsel.

Disclosure Controls and Procedures. We are required by SEC rules to maintain effective "disclosure controls and procedures" so that financial and non-financial information we are required to report to the SEC is timely and accurately reported both to our senior management and in the filings we make. All employees are expected, within the scope of their employment duties, to support the effectiveness of our disclosure controls and procedures. To that end, it is our policy to promote the full, fair, accurate, timely and understandable disclosure in reports and documents that we file or furnish with the SEC and otherwise communicate to the public.

Interaction with Public Officials. When dealing with public officials, employees and directors must avoid any activity that is or appears illegal or unethical. The giving of gifts, including meals, entertainment, transportation and lodging, to government officials in the various branches of U.S. government, as well as state and local governments, is restricted by law. Employees and directors must obtain pre-approval from the Company's General Counsel before providing anything of value to a government official or employee. The foregoing does not apply to personal lawful political contributions.

In addition, the U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. Illegal payments to government officials of any country are strictly prohibited.

Compliance

We understand that no code or policy can address every scenario or answer every question. To ensure that all employees and directors can obtain prompt answers to their questions and inquiries, we have implemented the following policies and procedures. Each responsible manager will be responsible for enforcement of the Code of Business Conduct, in coordination with the Company's General Counsel.

Reporting of Illegal or Unethical Behavior. It is the direct responsibility of each officer or employee of the Company to report promptly any actual, attempted, or apparent violation of laws, rules, regulations, or this Code of Business Conduct. In the event that a violation is observed by, responsibly reported to, or is indicated by records or other information of which the officer or employee becomes aware, the person should report the event to his immediate supervisor, the human resources department, internal audit, or any member of management with whom the person is comfortable discussing the matter. Any concerns regarding accounting, internal accounting controls, or auditing matters may be reported to the Audit Committee of the board of directors through the Company's procedures for such reporting. Officers and employees should always keep in mind that the Company supports the good faith reporting and investigation of potential violations of this Code of Business Conduct.

In no event will the Company take or threaten any action against an officer or employee for making a complaint or disclosing information in good faith. Retaliation or retribution against any officer or employee who in good faith reports a violation pursuant to this Code of Business Conduct is cause for disciplinary action, up to and including

termination of employment. However, it is a violation of our policy for any employee to communicate a report claiming illegal or unethical conduct which the employee knows to be false.

General Counsel. The Company's General Counsel has been designated with responsibility for overseeing and monitoring compliance with this Code. This officer makes periodic reports to the Company's Audit Committee regarding the implementation and effectiveness of this Code as well as the Company's policies and procedures to ensure compliance with this Code.

The Company's General Counsel may be reached at (800) 441-4049, Extension 224 or Counsel@WarrenResourcesInc.com. If you wish to communicate any matter anonymously, we will maintain the confidentiality of your communication to the extent possible under applicable laws. Communications intended to be confidential should be mailed in writing without indicating your name or address to Warren Resources, Inc., Attention: General Counsel. 489 Fifth Avenue, 32nd Floor, New York, New York 10017.

Investigations. Reported violations will be promptly investigated. The person reporting the violation should not conduct an investigation on his or her own. However, employees and directors are expected to cooperate fully with any investigation made by the Company or any of its representatives.

Accountability. Employees and directors who violate this Code may be subject to disciplinary action, including termination of employment. Knowledge of a violation and failure to promptly report or correct the violation may also subject an employee or director to disciplinary action. Some violations of this Code are illegal and may subject the employee or director to civil and criminal liability.

Waivers. The Company does not approve of the types of conduct prohibited by this Code of Business Conduct and would rarely grant exceptions to its application. Any waiver of this Code of Business Conduct for a director or executive officer of the Company must be approved by the Corporate Governance Committee and the full board, with a majority of the members of the Corporate Governance Committee voting to approve the waiver being directors who are disinterested, as defined by applicable law, with respect to the matter giving rise to the need for a waiver. Any waiver of the Code of Business Conduct approved for a director or executive officer will be promptly disclosed to the Company's stockholders in a form 8-K within five days of the waiver and in any other appropriate manner, as provided for by applicable law, regulations or listing standards. Any waiver of the Code of Business Conduct for an employee who is not an executive officer may be approved by the CEO, his designee, or pursuant to policies and procedures approved by the CEO.