

J-W OPERATING COMPANY WHISTLEBLOWER POLICY

March 12, 2008

J-W Operating Company, a Texas corporation (together with its subsidiaries, the "Company"), has adopted this Whistleblower Policy (the "Policy").

I. PURPOSE

This Policy establishes procedures for the receipt, review and retention of complaints relating to the Company's accounting, internal accounting controls, auditing matters, and Corporate Code of Conduct. The Company is committed to complying with all applicable accounting standards, accounting controls, audit practices, and legal and regulatory requirements affecting its activities, as well as the standards adopted in the Corporate Code of Conduct. While the Company does not encourage frivolous complaints, the Company does expect its officers, employees and agents to report any irregularities and other suspected wrongdoing regarding any of these matters that appear questionable. It is the Company's policy that its employees may submit complaints of such information on a confidential basis without fear of dismissal or retaliation of any kind.

Our legal counsel, David A Miller, is responsible for overseeing the receipt, investigation, resolution and retention of all complaints submitted pursuant to this Policy. This Policy applies only to reports concerning the Covered Issues, as set forth in Part III below.

This Policy was adopted in order to:

1. encourage violations, if any, to be disclosed before they can disrupt the business or operations of the Company, or lead to serious loss;
2. promote a climate of accountability and full disclosure with respect to the Company's accounting, internal accounting controls and auditing matters and its compliance with legal and regulatory requirements; and
3. ensure that no individual feels at a disadvantage for raising legitimate concerns.

This Policy provides a means whereby individuals can safely raise, at a high level, serious concerns and disclose information that an individual believes in good faith relates to any of the Covered Issues.

II. REPORTING PERSONS PROTECTED

This Policy and the related procedures offer protection from retaliation to officers, employees and agents who make any complaint with respect to, or that could give rise to, Covered Issues (a "Reporting Person"), provided the complaint is made in good faith. "Good

faith" means that the Reporting Person has a reasonably held belief that the complaint made is true and has not been made either for personal gain or for any ulterior motive.

The Company will not discharge, demote, suspend, threaten, harass or in any manner discriminate or otherwise retaliate against any Reporting Person in the terms or conditions of his or her employment with the Company based upon such Reporting Person submitting in good faith any complaint regarding a Covered Issue. Any acts of retaliation against a Reporting Person will be treated by the Company as a serious violation of Company policy and could result in dismissal.

III. SCOPE OF COMPLAINTS

Employees and officers (each, "Inside Reporting Persons") as well as non-employees, such as agents, consultants and investors (each, "Outside Reporting Persons") are encouraged to report irregularities and other suspected wrongdoings regarding accounting standards, accounting controls, audit practices, and legal and regulatory requirements affecting its activities, as well as the standards adopted in the Corporate Code of Conduct, including, without limitation, the following (collectively, referred to as "Covered Issues"):

1. fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Company;
2. fraud or deliberate error in the recording and maintenance of financial records of the Company;
3. deficiencies in or noncompliance with the Company's internal accounting controls;
4. misrepresentation of false statement to or by a senior officer or accountant of the Company regarding any matters contained in the financial records or any financial or audit reports of the Company;
5. deviation from full and fair reporting of the Company's financial condition;
6. altering, destroying or concealing a document, or attempting to do so, with the intent to impair the document's availability for use in an official proceeding or otherwise obstructing, influencing or impeding any official proceeding, in violation of federal or state law or regulations;
7. knowingly or intentionally violating any federal or state law or regulation applicable to the Company's activities or business; or
8. violating any of the standards set forth in the Corporate Code of Conduct adopted by the Company.

Employment related concerns, other than those described above, should continue to be reported through normal supervisory or Human Resource channels.

IV. CONFIDENTIALITY OF COMPLAINT

The Company will keep the identity of any Inside Reporting Person confidential and privileged under all circumstances to the fullest extent allowed by law, unless the Inside Reporting Person has authorized the Company to disclose his or her identity.

The Company will exercise reasonable care to keep the identity of any Outside Reporting Person confidential until a formal investigation is launched. Thereafter, the identity of the Outside Reporting Person may be kept confidential, unless confidentiality is incompatible with a fair investigation, there is an overriding reason for identifying or otherwise disclosing the identity of such person or disclosure is required by law, such as where a governmental entity initiates an investigation of allegations contained in the complaint. Furthermore, the identity of an Outside Reporting Person may be disclosed if it is reasonably determined that a complaint was made maliciously or recklessly.

V. SUBMITTING COMPLAINTS

A. Inside Reporting Persons should submit complaints concerning Covered Issues in accordance with the following procedures:

1. Complaints must be submitted in writing and forwarded to the attention of the David A. Miller, Legal Counsel, PO Box 130, Palmer, TX 75152, in a sealed envelope with the following prominent label, in bold face type:

"Privileged and Confidential, Submitted Pursuant to the Company's Whistleblower Policy."

The Company recommends that Inside Reporting Persons use the sample complaint form attached as Exhibit A to this Policy when reporting Covered Issues.

2. An Inside Reporting Person may request a discussion of his or her complaint with Legal Counsel if desired, by indicating such desire, and including his or her name and telephone number, in the complaint.
3. Inside Reporting Persons may not report Covered Issues on an anonymous basis. Anonymous complaints are, by their nature, susceptible to abuse, less reliable, and more difficult to resolve. There are significant rights and protections available to Reporting Persons if they identify themselves when making a complaint, and these rights and protections might be lost if they make the complaint on an anonymous basis.

B. Outside Reporting Persons should submit complaints concerning Covered Issues in accordance with the following procedures:

1. Complaints must be submitted in writing and forwarded to the attention of David A. Miller, Legal Counsel, PO Box 130, Palmer, TX 75152 in a sealed envelope with the following prominent label, in bold face type:

"Privileged and Confidential. Submitted Pursuant to the Company's Whistleblower Policy."

The Company recommends that Outside Reporting Persons use the sample complaint form attached as Exhibit A to this Policy when reporting Covered Issues.

2. Outside Reporting Persons are required to disclose their identity in any complaints submitted under this Policy. Complaints submitted by non-employees on an anonymous basis may not be reviewed.

VI. INVESTIGATION OF COMPLAINTS

1. Upon receipt of a complaint, Legal Counsel (or his designated representative) will confirm the complaint pertains to a Covered Issue. Investigations will be conducted as quickly as possible, taking into account the nature and complexity of the complaint and the issues raised therein. Any complaints submitted pursuant to this Policy that do not relate to a Covered Issue will be returned to the Reporting Person, unless the Reporting Person's identity is unknown in which case the complaint will be forwarded to the Director of Human Resources for review and resolution as the Director of Human Resources deems appropriate.
2. Legal Counsel may enlist employees of the Company and outside legal, accounting and other advisors, as appropriate, to conduct an investigation of a complaint.
3. The results of each investigation will be reported timely to the appropriate senior management or the board of directors of the Company. With respect to each investigation, prompt and appropriate remedial action will be taken as warranted in the judgment of Legal Counsel or as otherwise directed by the appropriate senior management or the board of directors of the Company. Any actions taken in response to a complaint will be reported to the Reporting Person to the extent allowed by law, except no reporting is contemplated in the case of a Reporting Person submitting a complaint on an anonymous basis.
4. An Inside Reporting Person who is not satisfied with the outcome of the initial investigation or the remedial action taken with respect thereto, if any, may submit a written complaint, together with a written explanation of why the investigation

or remedial action was inadequate directly to appropriate senior management or the board of directors of the Company for its review.

5. Notwithstanding Parts VI (1) and (2) above, all complaints submitted by Reporting Persons regarding Covered Issues that relate to the alleged fraudulent conduct of a director or executive officer of the Company will be referred directly to an independent director for oversight in the investigation.

VII. RETENTION OF COMPLAINTS

Legal Counsel (or his designated representative), will maintain all complaints received, tracking their receipt, investigation and resolution. All complaints and reports will be maintained in accordance with the Company's confidentiality and document retention policies.

VIII. UNSUBSTANTIATED ALLEGATIONS

If a Reporting Person makes a complaint in good faith pursuant to this Policy and any facts alleged therein are not confirmed by a subsequent investigation, no action will be taken against the Reporting Person. In submitting complaints, Reporting Persons should exercise due care to ensure the accuracy of the information reported. If, after an investigation, it is determined that a complaint is without substance or was made for malicious or frivolous reasons or otherwise submitted in bad faith, the Reporting Person could be subject to disciplinary action. Where alleged facts reported pursuant to this Policy are found to be without merit or unsubstantiated, (1) the conclusions of the investigation will be made known to both the Reporting Person and, if appropriate, to the persons against whom any allegation was made in the complaint, and (2) the allegations will be dismissed, except to the extent necessary to document the conclusion of the investigation and any documentation relating to the Reporting Person's personnel file, and all documentation and information related thereto will be removed from the Company's records.

IX. REPORTING AND ANNUAL REVIEW

Legal Counsel will submit periodic reports to the Audit Committee of all complaints and any remedial actions taken in connection therewith. This Policy will be reviewed annually by senior management of the Company, taking into account the effectiveness of this Policy in promoting the reporting of Covered Issues, but with a view to minimizing improper complaint submissions and investigations.

X. WEBSITE PUBLICATION

This Policy will be posted on the Company's website.

EXHIBIT A

Form of Complaint

I am: an employee or officer of the Company not an employee of the Company

Part I (see General Instructions before completing)

I hereby authorize the disclosure of my identity if Legal Counsel reasonably believes it is necessary or appropriate.

I am an employee or officer of the Company and wish my identity to remain as confidential as possible.

Name: _____

Address: _____

Telephone Number: _____

E-Mail: _____

Part II

Type of Violation: _____

Violation is Ongoing Completed

Unclear whether ongoing or completed

Department(s) suspected of violation, if applicable:

Individual(s) suspected of violation, if applicable:

Describe all relevant facts of the suspected violation:

Describe how you became aware of the suspected violation:

Describe any steps taken to address the violation prior to submitting this complaint, if any:

Who, if anyone, may be harmed or affected by this violation:

Part III

If you are an employee or officer of the Company, would you like to discuss this matter with Legal Counsel?

Yes No

Please be advised that federal law prohibits the Company, as well as its officers, employees or agents, from discharging, demoting, suspending, threatening, harassing or otherwise discriminating against anyone who in good faith reports illegal activities of the Company.