

ENTECH SOLAR, INC.
CODE OF BUSINESS CONDUCT AND ETHICS

General Policy and Procedures

Entech Solar, Inc. and its subsidiaries (herein collectively referred to as the “Company”) are committed to the highest legal, moral and ethical standards of business conduct. The demonstration of these standards by the company is essential to the attainment of our company goals and future success. We value our reputation for honesty and integrity and are determined that it not be impaired by illegal or unethical behavior. Accordingly, we are issuing our Code of Business Conduct and Ethics (herein referred to as the “Code”) which is intended to reflect our past, present and future standard of conduct applicable to all employees of the Company, including officers and directors (herein referred to as “Employees”). This Code is expanded upon and explained in the Company’s Employee Manual.

This Code sets forth the principles by which we operate our company and conduct our daily business with our shareholders, customers, vendors and with each other. The Company is committed to conducting business in an ethical and legal manner. Our directors, employees, agents and representatives are expected to act in accordance with the highest ethical and legal standards in all aspects of their business activities.

The principles described in this Code apply to all directors, officers and employees of the Company. These principles are not intended to be a complete list of ethical and legal issues a director, officer or employee might face in the course of his/her business activities. Therefore, it is intended that these principles are to be applied using common sense and reasonable business judgment. These principles and standards of conduct apply in all countries where the Company conducts business.

It is the Company’s policy to conduct its business with the highest standards of integrity and in accordance with all applicable laws and regulations. Employees are expected to deal fairly and honestly with each other as well as with our vendors, customers and other third parties.

This Code neither constitutes nor should be construed to constitute a contract of employment for a definite term or a guarantee of continued employment. It is for the sole and exclusive benefit of the Company and may not be used or relied upon by any other party. The Company may modify or repeal the provisions of the code or adopt a new Code at any time it deems appropriate, with or without notice.

Equal Opportunity

The Company has been and will continue to be committed to equal opportunity for employment to all individuals regardless of race, color, religion, gender, national orientation, age, mental or physical disability or handicap, veteran status, genetic information, or any other classification protected by applicable law. Specifically, employment opportunities are and shall be open to all qualified applicants solely on the basis of their experience, aptitudes, abilities and training. Advancement is and shall be based on the individual's achievement, performance, ability, attitude and potential for promotion. The Company is committed to providing reasonable accommodations where necessary, feasible and required by applicable law. Employees seeking an accommodation must bring their request to the Human Resources Manager. When an

accommodation is requested, the Company will meet and discuss the situation with the employee and attempt to reach a mutually agreeable reasonable accommodation.

Confidentiality

Non-public information about the Company and all information concerning its customers, prospective customers and projects are strictly confidential. The employee is expected to maintain the confidentiality of such information. Confidential information includes non-public information concerning the nature and operation of the business of the Company, all clients, and any related organizations, including but not limited to the manner of operation, business methods, business plans, business opportunities, transactions and proposed transactions, projects and proposed projects, site locations, financial information, trade secrets, prices, fees charged, servicing techniques, customers and prospective customers, computer software and programs (including but not limited to source and other object codes, flowcharts, algorithms, report formats, data compilers, assemblers, design concepts, manuals and other materials, whether in human or machine readable form), Company technology, know-how, techniques, designs, concepts, idea developments, improvements, copyrights, inventions, discoveries (whether patentable or not and including but not limited to the nature and results of research, development, marketing, planning and any other business activities), documentation, records, files, manuals and other proprietary information of any kind. All copies of confidential information belong to the Company.

Loyalty

While working for the Company, each employee owes the Company and fellow employees a duty of loyalty. Among other things, this means employees should bring to the attention of a Manager any circumstance that may involve or give rise to business opportunities for the Company, conflict of interest, improper personal benefit or illegality. In addition, no employee may compete with the Company, whether directly or indirectly, pursue Company projects or opportunities for the benefit of anyone other than the Company, or induce Company employees or customers to curtail or terminate their relationships with the Company.

Conflicts of Interest

All directors, officers and employees of the Company should avoid any action or interest that conflicts or gives the appearance of a conflict with the Company's interests. A "conflict of interest" exists whenever an individual's personal interests interfere or appear to interfere with the interests of the Company. A conflict situation can arise when a director, officer or employee takes actions or has interests that may make it difficult to perform his or her work for the Company objectively and effectively. Conflicts of interest may also arise when a director, officer or employee or a member of his or her family receives improper personal benefits as a result of his or her position with the Company, whether from a third party or from the Company. Directors, officers and employees are expected to avoid all situations that might lead to an actual or apparent conflict of interest. Conflicts of interest may not always be identifiable, so if a question arises, an officer or employee should consult with higher levels of management. Any director, officer or employee who becomes aware of an actual or apparent conflict involving an officer or employee is required to bring it to the attention of a supervisor, manager or other appropriate personnel. Any director who becomes aware of an actual or apparent conflict

involving him or herself or another director should disclose the conflict to the Board of Directors.

Fair Dealing

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing or utilizing trade secret information that was obtained without the owner's consent or inducing such disclosures by past or present employees of other companies is prohibited.

Each director, officer and employee is expected to deal fairly with the Company's customers, vendors, competitors, officers and employees. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing.

Insider Trading

While performing their duties, directors, officers, employees and advisors of the Company ("Participants") may learn material, nonpublic information about the Company or another company. This information may be valuable to those who trade in Entech Solar, Inc. common stock or the stock of other companies. It is the law, as well as the interest of the Company, that this information not be disclosed to anyone outside the Company and that no one profit as a result of having information not available to the general public.

A Participant of the Company who is in possession of or who has knowledge of material, non-public information regarding or relating to the Company or any other company may not

- *Buy or sell securities of Entech or that company,*
- *Communicate that information to others, or*
- *In any other way, take advantage of that information.*

Insider trading is a serious legal concern for both Participants and the Company. The law provides for significant civil and criminal penalties for violation of that law.

Some of those penalties are imposed on individuals who use material, nonpublic information for their own gain. Civil and criminal liability could also extend to a Participant who "tip" another person about material, non-public information where that person, in turn, buys or sells stock.

There is a wide range of potential sanctions for a person found to have engaged in insider trading. Besides requiring disgorgement of profits gained or losses avoided, the Securities and Exchange Commission (the "SEC") may seek the imposition of a penalty of up to three times the illicit windfall. In addition, the government may seek a criminal fine of up to \$1,000,000 and/or ten years imprisonment. By passing laws with strong criminal penalties, Congress has expressed its intent that each person convicted of insider trading serves a jail term.

General Guidelines

Information should be considered material if it would be considered important by investors making decisions whether to purchase, sell or hold the securities of the company in question.

Stated another way, information should be considered material if it would alter the total mix of information available to the public. Either positive or negative information may be material.

Examples of Material Information include:

- Dividend information
- Earnings or revenue results
- A merger or acquisition proposal
- New business ventures, partnerships or agreements, or a change in existing ventures, partnerships or agreements
- New product developments
- New business information relating to changes in management, impending bankruptcy or financial problems, and
- The gain or loss of a substantial customer or supplier.

Material information, quantitative or qualitative, should be treated as being nonpublic unless a reasonable period of time has passed, usually two business days, since it has been distributed by means likely to result in a general public awareness of the information, for example, by press release or other publication of the information on a website or in a newspaper.

Trading By Participants

At the end of every calendar quarter, the Company will announce financial information about the Company's performance. Sometimes, that information may be better, or worse, than people who trade in the Company's stock expect. Due to the potential impact of the release of financial information at the end of each fiscal quarter on the price of the Company's stock, it is important to avoid any appearance of impropriety which might result if Participants trade Entech Solar, Inc. stock near the quarter. Therefore, the Company has instituted what it refers to as the "Black-Out Period."

The standard Black-Out Period will commence on the close of business 10 days before the end of each quarter and will end at the close of business 2 business days after the public announcement of earnings for the quarter. During the Black-Out Period, all Participants are expected to refrain from buying or selling the Company's securities.

The foregoing prohibition does not include:

- The exercise for cash of stock options granted under the Company's stock plans. (Note, however, that a same day "cashless exercise" of stock options through a broker is considered a sale of securities for this purpose and is prohibited.)
- Bona fide gifts of securities or certain other transfers of securities that are not considered a sale, such as a transfer to a family member or into a family trust.

When a Black-Out Period is not in effect, a "Trading Window" is opened, and Participants may buy or sell Entech Solar, Inc's stock.

The Trading Window is:

- Open on the Third (3rd) calendar day after release of the Company's earnings and closes on the twentieth day of the last month of each Fiscal Quarter, and
- Open for a period of Five (5) business days beginning on the effective date of a Registration Statement of Entech's Common Stock.

The Chief Financial Officer may, but will not be obligated to, approve trades of the Company during a Black-Out Period, provided that (1) the individual proposing to engage in such a trade provides a valid reason to justify the trade, such as hardship or a desire to purchase stock to demonstrate support for the Company; (2) the individual provides the amount and terms of any proposed transactions prior to the commencement of the Black-Out Period; and (3) the individual proposing to trade has certified prior to the proposed trade date that such individual is not in possession of material, non-public information concerning the Company.

To further insure compliance with securities laws and to be certain insider sales do not create any adverse impression in the market, all trades by executive officers or directors should be pre-cleared in advance by the Chief Financial Officer and the Company's legal counsel.

Additional Black-Out Periods may be imposed or existing Black-Out Periods may be extended. Usually this will occur when The Company is imminently considering some significant decision, for example, a public offering of securities, an acquisition or a major commercial transaction. At those times, Participants may receive a separate communication from the Company advising of the commencement of a special Black-Out Period or extension of a regular Black-Out Period.

Short-Term Trading, Options and Certain Other Transactions

The Company strongly discourages Participants from engaging in the following activities with respect to the securities of Entech Solar, Inc.:

- Trading in securities on a short-term basis. Any Entech Solar, Inc. stock purchased in the open market should be held for a minimum of six (6) months and ideally longer. Directors and officers of Entech Solar, Inc. are subject to "short-swing profit recovery" for any profit realized on the purchase and sale or sale and purchase of Entech Solar, Inc. securities within any six month period.
- Purchases of Company stock on margin.
- Short sales.
- Trading in puts, calls, and straddles.

Compliance and Sanctions Summary

Participants are personally responsible for ensuring that they and members of their immediate families and personal households comply with the provisions and intent of this policy. Violations of this policy will be viewed seriously. Such violations provide grounds for disciplinary sanctions, including dismissal from the Company.

The Company has set forth a broad policy designed to limit the possibility of Insider Trading. However, Insider Trading is a complex area of the law and there are many circumstances in which an individual may be legitimately unsure about the application of this Policy Statement. In

these situations, a simple question may forestall disciplinary action or complex legal problems.

Reporting on any illegal or unethical behavior

This code applies to all offices and subsidiaries of the Company.

A. Responsibilities of Audit Committee With Respect to Specified Complaints

1. The Audit Committee shall receive, retain, investigate and act on complaints and concerns of employees regarding questionable accounting, internal accounting controls and auditing matters, including those regarding the circumvention or attempted circumvention of internal accounting controls or that would otherwise constitute a violation of the Company's accounting policies (an "Accounting Allegation").

2. At the discretion of the Audit Committee, responsibilities of the Audit Committee created by these procedures may be delegated to any member of the Audit Committee or to a subcommittee of the Audit Committee.

B. Procedures for Receiving Accounting Allegations

1. Any Accounting Allegation that is made directly to management, whether openly, confidentially or anonymously, shall be promptly reported to the Audit Committee.

2. Each Accounting Allegation forwarded to the Audit Committee by management and each Accounting Allegation that is made directly to the Audit Committee, whether openly, confidentially or anonymously, shall be reviewed by the Audit Committee, who may, in their discretion, consult with any member of management or employee whom they believe would have appropriate expertise or information to assist the Audit Committee. The Audit Committee shall determine whether the Audit Committee or management should investigate the Accounting Allegation, taking into account the considerations set forth in Section C below.

(a) If the Audit Committee determines that management should investigate the Accounting Allegation, the Audit Committee will notify the Company's legal counsel in writing of that conclusion. Management shall thereafter promptly investigate the Accounting Allegation and shall report the results of its investigation, in writing, to the Audit Committee. Management shall be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.

(b) If the Audit Committee determines that it should investigate the Accounting Allegation, the Audit Committee shall promptly determine what professional assistance, if any, it needs in order to conduct the investigation. The Audit Committee shall be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.

C. Considerations Relative to Whether the Audit Committee or Management Should Investigate an Accounting Allegation

In determining whether Management or the Audit Committee should investigate an Accounting Allegation, the Audit Committee shall consider, among any other factors that are appropriate under the circumstances, the following:

1. Who is the alleged wrongdoer? If an executive officer, senior financial officer or other high management official is alleged to have engaged in wrongdoing, that factor alone may militate in favor of the Audit Committee conducting the investigation.

2. How serious is the alleged wrongdoing? The more serious the alleged wrongdoing, the more appropriate the Audit Committee should undertake the investigation. If the alleged wrongdoing would constitute a crime involving the integrity of the financial statements of the Company, that factor alone may militate in favor of the Audit Committee conducting the investigation.

3. How credible is the allegation of wrongdoing? The more credible the allegation, the more appropriate the Audit Committee should undertake the investigation. In assessing credibility, the Audit Committee should consider all facts surrounding the allegation, including but not limited to whether similar allegations have been made in the press or by analysts.

D. Protection of Whistleblowers

Consistent with the policies of the Company, the Audit Committee shall not retaliate, and shall not tolerate any retaliation by management or any other person or group, directly or indirectly, against anyone who, in good faith, makes an Accounting Allegation or provides assistance to the Audit Committee, management or any other person or group, including any governmental, regulatory or law enforcement body, investigating an Accounting Allegation. The Audit Committee shall not reveal the identity of any person who makes a good faith Accounting Allegation and who asks that his or her identity as the person who made such Accounting Allegation remain confidential and shall not make any effort, or tolerate any effort made by any other person or group, to ascertain the identity of any person who makes a good faith Accounting Allegation anonymously.

E. Records

The Audit Committee shall retain for a period of seven years all records relating to any Accounting Allegation and to the investigation of any such Accounting Allegation.

F. Procedures for Making Complaints

In addition to any other avenue available to an employee, any employee may report to the Audit Committee openly, confidentially or anonymously any Accounting Allegation. Accounting Allegations can be made orally or in writing to: David Field, the Company's Audit Committee Chairman. Such reports can also be made anonymously by calling the Company's Hotline at 1-888-883-1499 at any time. The toll-free line is managed by an outside, independent service provider and allows anyone to make an Accounting Allegation without divulging his or her name. The hotline service provider is required to give the information provided in the Accounting Allegation to the Audit Committee Chairman as promptly as practicable.

Protection and Proper Use of Company Assets

All directors, officers and employees should protect the Company's assets and ensure their efficient and proper use. Permitting the Company's property, including electronically transmitted and stored data and computer resources, to be damaged, lost or used in an unauthorized manner is strictly prohibited.

Corporate Opportunity

Directors, officers and employees are prohibited from (a) taking for themselves personal opportunities that properly belong to the Company or are discovered through the use of corporate property, information or position; (b) using corporate property, information or position for personal gain; and (c) competing with the Company.

Public Company Reporting

As a public company, it is of critical importance that the Company's filings with the Securities and Exchange Commission, governmental and other regulatory agencies and other public communications be accurate and timely. Depending on their position with the Company, a director, officer or employee may be required to provide necessary information to assure that the Company's public reports are complete, accurate and understandable. The Company expects directors, officers and employees to take this responsibility very seriously and to provide prompt and accurate information related to the Company's public disclosure requirements.

Financial Statements and Other Records

All of the Company's books, records, accounts and financial statements must appropriately reflect the Company's transactions in accordance with generally accepted accounting principles and conform to applicable legal requirements and to the Company's system of internal controls as well as its disclosure controls and procedures. Records should always be retained or destroyed according to the Company's record retention policies.

Complying with Laws, Rules, Regulations, Policies and Procedures

All directors, officers and employees of the Company are expected to understand, respect and comply with all of the laws, rules and regulations of federal, state and local governments and other appropriate regulatory agencies and the policies and procedures of the Company that apply to them in their position with the Company. Employees are responsible for talking to their supervisor to determine which laws, rules, regulations, policies and procedures apply to their position and what training is necessary to understand and comply with them.

Code of Ethics Adherence

All directors, officers and employees are required to adhere to the Code. Any failure to adhere to the Code may result in disciplinary action, up to and including termination of employment or the director's position with the Company. Violations of the Code may also constitute violations of law and may result in civil and criminal penalties for the director, officer or employee and /or the Company.