BUSINESS CODE OF CONDUCT AND ETHICS
OF
DELTA NATURAL GAS COMPANY, INC.

Approved by the Board of Directors
August 18, 2016

Purpose of Business Code of Conduct and Ethics

The purpose of this Business Code of Conduct and Ethics (the "Code") is to provide written standards that are reasonably designed to deter wrong doing and to promote the honest and ethical conduct of all employees, officers and the Board of Directors (hereinafter collectively referred to as the "employees") of Delta Natural Gas Company, Inc. (the "Company" or "Delta"), including, without limitation, the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; to promote full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to the Securities and Exchange Commission and in other public communications made by the Company; to promote compliance with applicable laws, rules and regulations; to avoid insider trading; to promote the prompt internal reporting of violations of the Code to an appropriate person or persons identified in the Code; and to promote accountability for adherence to the Code. For purposes of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder, this Code shall be the code of ethics that applies to Delta's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions.

Introduction

This Code is applicable to all of the Company's employees, including the chief executive officer, chief financial officer, chief operating officers, general counsel, chief administrative officer, chief accounting officer and controller (or any persons performing similar functions) (collectively, the "Senior Executive and Financial Officers"). References in this Code to the Company means the Company or any of its subsidiaries.

While the Company expects honest and ethical conduct in all aspects of its business from all employees, the Company expects the highest possible honest and ethical conduct from its Senior Executive and Financial Officers. Senior Executive and Financial Officers are examples for other employees and are expected to foster a culture of transparency, integrity and honesty. Compliance with this Code is a condition to employment and any violations of the Code may result in disciplinary action, up to and including termination.

Waivers of this Code may be made only by the Board or the Board's Executive Committee, after full disclosure by the conflicted party and all other interested parties, with any conflicted Director not voting, and will be disclosed in accordance with applicable law.

Any waiver of the Code with respect to any Director or Executive Officer of the Company, however, may only be made by the Board, and not a committee of the Board. Such waiver may only be made after full disclosure by the conflicted party and all other interested parties, with any conflicted Director not voting. Any waiver of the Code with respect to any Director or Executive Officer of the Company must be timely disclosed in a Form 8-K and promptly disclosed to the shareholders, along with the reasons for the waiver, in such manner as is required by law and as the Board deems appropriate. The process for any waivers with respect to employees that are not Directors or Executive Officers shall not be affected by this paragraph.

Conflicts of Interest

A conflict of interest occurs when private interests interfere, or appear to interfere, in any way, with the interests of the Company as a whole. Conflicts of interest can also arise when action is taken, or family members have interests, that may make it difficult to perform duties to the Company effectively.

Although every conceivable conflict cannot be listed, following are some common examples that illustrate actual or apparent conflicts of interest that should be avoided:

- Conflicts of interest arise when an employee, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company. Employees may not accept any benefits from the Company that have not been duly authorized and approved pursuant to Company policies and procedures, including any Company loans or guarantees of personal obligations.

- Avoid having an ownership interest in any other enterprise if that interest compromises or appears to compromise loyalty to the Company. For example, employees should not own an interest in a company that competes with the Company or that does business with the Company (such as a supplier) unless they obtain the written approval of the Chief Executive Officer before making any such investment. However, it is not typically considered, and the Company does not consider it, a conflict of interest (and therefore prior written approval is not required) to make investments in competitors, clients or suppliers that are listed or traded on a national securities exchange or market so long as the total value of the investment is less than one percent (1%) of the outstanding stock of the corporation and the amount of the investment is not so significant that it would affect business judgment on behalf of the Company.

- Without the prior written approval of the Chief Executive Officer, employees may not participate in a joint venture, partnership or other business arrangement with the Company.

- Employees who learn of a business or investment opportunity through the use of Company property or information or their position at the Company, such as from a competitor or actual or potential supplier or business associate of the Company (including a principal, officer, director or employee of any of the above), may not participate in the business or make the investment without the prior written approval of the Chief Executive Officer. Such an opportunity should be considered first as an investment opportunity for the Company.

- Simultaneous employment with or serving as a director of a competitor of the Company is strictly prohibited, as is any activity that is intended to or that should reasonably be expected to advance a competitor's interests at the expense of the Company's interests. Employees may not market products or services in competition with the Company's current or potential business activities. It is each employee's responsibility to consult with the Chief Executive officer to determine whether a planned activity will compete with any of the Company's business activities before pursuing the activity in question.

- Without the prior written approval of the Chief Executive Officer, employees may not be a supplier or employed by, serve as a director or represent a supplier to the Company. Without the prior written approval of the Chief Executive Officer, employees may not accept money or benefits of any kind from a third party as compensation or payment for any advice or services that they provide to a client, supplier or anyone else in connection with its business with the Company.

- Employees may accept gifts from third parties as long as such gifts do not compromise the employee's judgment, or do not in any way compromise or otherwise affect the employee's actions to properly perform their jobs and to represent Delta's best interests at all times. Any such gift or series of gifts received during any 12 month period by an employee in excess of $200 in value shall be disclosed in writing to Delta's Chief Executive Officer.

- If employees' spouses or significant others, children, parents, or in-laws, or someone else with whom employees have a familial relationship is a competitor or supplier, the employee must disclose the situation to the Chief Executive Officer so that the Company may assess the nature and extent of any concern and how it can be resolved. Employees must carefully guard against inadvertently disclosing Company confidential information and being involved in decisions on behalf of the Company that involve the other enterprise.

If employees have any doubt as to whether or not conduct would be considered a conflict of interest, they should consult with the Chief Executive Officer.

Accurate Reports and Other Public Communications

Full, fair, accurate, timely and understandable disclosure in Delta's reports and documents filed with (or submitted to) the Securities and Exchange Commission and in Delta's other public communications is required by Securities and Exchange Commission rules and is essential to Delta's continued success. All employees should exercise the highest standard of care in preparing such materials. The following guidelines have been established in order to ensure the quality of such reports and documents:

- All Company accounting records, as well as reports produced from those records, must be presented in accordance with the laws of each applicable jurisdiction.
- All records must fairly and accurately reflect the transactions or occurrences to which they relate.
- All records must fairly and accurately reflect in reasonable detail the Company's assets, revenues and expenses.
- The Company's accounting records must not contain any false or intentionally misleading entries.
- No transaction may be intentionally misclassified as to accounts, departments or accounting periods in any other manner.
- All transactions must be supported by accurate documentation in reasonable detail and in the proper account and in the proper accounting period.
- There shall be no manipulation of financial results, including accelerating or deferring the recording of revenues or expenses, to meet any performance objectives for any incentive compensation awards.
- No information may be concealed from the internal auditors or the independent registered public accounting firm.
- Compliance with Generally Accepted Accounting Principles and the Company's system of accounting controls is required at all times.

Insider Trading

I. *Introduction/Purpose*. Both the United States Securities and Exchange Commission (the "SEC") and the Financial Industry Regulatory Authority investigate and are very effective at detecting insider trading. Cases have been successfully prosecuted against trading by employees, officers and directors through foreign accounts, trading by family members and friends, and trading involving only a small number of shares.

In order to avoid illegal trading and the appearance of impropriety, each employee, officer or director of the Company, any outside service provider of the Company or any Related Person (defined below) is prohibited from (1) buying or selling

common stock or other securities of Delta while aware of material nonpublic information relating to the Company or (2) communicating such material nonpublic information to someone else who then acts on it by buying or selling Company securities.

This Code also applies to material nonpublic information relating to any other company with publicly-traded securities, including our customers or suppliers, obtained in the course of employment by or association with the Company.

To avoid even the appearance of impropriety, additional restrictions on trading of Company securities apply to directors and members of Company's Leadership Group. See Subsection V below.

II. *Sanctions and Penalties*. Violations of the insider trading laws can result in severe civil and criminal sanctions. For example, under U.S. securities laws, individuals may be subject to imprisonment for up to twenty years, criminal fines of up to $5 million and civil fines of up to three times the profit gained or loss avoided. Failure to comply with this Code may also subject Insiders to sanctions imposed by Delta, up to and including immediate dismissal for cause, whether or not the failure to comply with this Code results in a violation of law.

III. *Definitions/Explanations*.

A. Who is an "Insider?" Any person who possesses material nonpublic information is considered an Insider as to that information. Insiders include Delta directors, officers, employees, independent contractors and those persons in a special relationship with Delta, e.g., its independent registered public accounting firm, attorneys or other outside service providers. The definition of Insider is transaction specific; that is, an individual is an Insider with respect to each material nonpublic item of which he or she is aware.

B. What is "Material" Information? The materiality of information depends upon the circumstances. Information is considered "material" if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security or where the information is likely to have a significant effect on the market price of the security. Material information can be positive or negative and can relate to virtually any aspect of a company's business or to any type of security – debt or equity.

Some examples of material information include:

- unpublished financial results;
- information regarding sales, revenues or earnings (including projections);

- financial forecasts of any kind, including earnings estimates or changes in previously announced earnings estimates;
- news of a pending or proposed company transaction or rate proceeding;
- significant business trends and metrics;
- gain or loss of substantial customers;
- execution or termination of significant contracts;
- significant changes in corporate objectives or strategies;
- developments in significant litigation or government investigations;
- news of a significant sale of assets;
- public or private debt or equity offerings;
- significant changes in senior management;
- changes in dividend policies;
- financial liquidity problems; and
- Delta share repurchases; or stock splits or dividend information.

It is not possible to define all categories of material information, and the public, the media and the courts may use hindsight in judging what is material. Therefore, it is important to err on the safe side and assume information is material if there is any doubt.

C. What is "Nonpublic" Information? Information is "nonpublic" if it is not available to the general public. In order for information to be considered public, it must be widely disseminated in a manner making it generally available to investors through such media as Business Wire, NASDAQ, Dow Jones, Reuters Economic Services, The Wall Street Journal, Associated Press, or United Press International. The circulation of rumors, even if accurate and reported in the media, does not constitute effective public dissemination.

In addition, even after a public announcement of material information, a reasonable period of time must elapse in order for the market to react to the information. Approximately two full trading days following publication should be allowed as a reasonable waiting period before such information is deemed to be public. Therefore, if an announcement is made before the commencement of trading on a Monday, an Insider may trade in Delta's securities starting on Wednesday of that week, because two full trading days would have elapsed by then (all of Monday and Tuesday). If the announcement is made on Monday after trading begins, an Insider may not trade in Delta securities until Thursday. If the announcement is made on Friday after trading begins, an Insider may not trade in Delta securities until Wednesday of the following week.

D. Who is a "Related Person?" For purposes of this Code, a Related Person includes the spouse of an Insider, minor children and anyone else living in the household; partnerships in which the Insider is a general partner;

limited liability companies of which the Insider is a member; trusts of which the Insider is a trustee; estates of which the Insider is an executor; and other equivalent legal entities controlled by the Insider. Although a person's parent or sibling may not be considered a Related Person (unless living in the same household), a parent or sibling may be a "tippee" for securities laws purposes. See Section V(D) below for a discussion on the prohibition on "tipping" and other individuals who are deemed to be a "tippee."

IV. *Requirements Applicable To Everyone*.

A. No trading in Delta securities while aware of material nonpublic information. Insiders are prohibited from engaging in any transaction in Delta securities while aware of material nonpublic information about Delta. It makes no difference whether or not the Insider relied upon or used material nonpublic information in deciding to trade – if the Insider is aware of material nonpublic information about Delta, the prohibition applies. Insiders should avoid even the appearance of an improper transaction to preserve Delta's reputation for adhering to the highest ethical standards of conduct.

This prohibition covers virtually all transactions in Delta securities. "Securities" includes common stock, debt securities, preferred stock and derivative securities such as put and call options, warrants, swaps, caps and collars. This prohibition extends to trades of Delta securities in which Insiders have any "beneficial" or other interest, or over which Insiders exercise investment control, including:

- transactions in Delta securities held in joint accounts or accounts of persons or entities controlled directly or indirectly by Insiders;
- transactions in Delta securities for which Insiders act as trustee, executor or custodian; and
- transactions in any other account or investment involving in any way any Delta securities over which Insiders exercise any direct or indirect control.

Vesting of Restricted Stock. This prohibition does not apply to the automatic deduction of shares by Delta from a restricted stock account to satisfy the minimum statutory tax withholding liability upon the vesting of restricted stock. The prohibition does apply, however, to any open market sale of vested shares, including to satisfy tax liabilities.

10b5-1 Plans. This prohibition does not apply to trades made pursuant to a valid "10b5-1 plan" approved by Delta as described below. However, this prohibition does apply to the creation of a new 10b5-1 plan and the termination or modification of an existing 10b5-1 plan.

Employee Payroll Deductions. This prohibition does not apply to the systematic purchase of Delta securities through payroll deductions. This prohibition does apply, however, to increases or decreases in the amount withheld from paychecks to purchase Delta securities.

Dividend Reinvestment Plan. This prohibition does not apply to purchases of Delta securities under the Delta dividend reinvestment plan that result from reinvestment of dividends paid on Delta securities held in such plan. This prohibition does apply, however, to other purchases of Delta securities under the plan that result from additional contributions to the dividend reinvestment plan, or to increases or decreases in the level of participation in the plan. This prohibition also applies to the sale of any Delta securities purchased pursuant to the plan.

B. Event-specific blackout periods may apply. Although Insiders are always responsible for monitoring themselves as to whether they possess material nonpublic information, from time to time Delta may decide to impose a special trading blackout on those who are aware of particular information that Delta determines may be considered material nonpublic information. This kind of trading blackout may be imposed in connection with a potential acquisition, a financial analyst conference, an anticipated positive or negative earnings surprise or other material development. When subject to the blackout, Insiders may not trade in any Delta securities, except pursuant to a 10b5-1 plan previously approved by Delta, until notified that the blackout has ended. The Chief Executive Officer and the corporate secretary will determine whether an event-specific blackout should be imposed. The existence of an event-specific blackout will not be generally announced. An officer of Delta will notify Insiders if they are covered by the event-specific blackout. Any person made aware of an event-specific blackout should not disclose the existence of the blackout to anyone else.

C. No trading in securities of other companies while aware of material nonpublic information**.** Delta may engage in business transactions with companies whose securities are publicly traded. These transactions may include, among other things, mergers, acquisitions, divestitures or renewal or termination of significant contracts or other arrangements. Information learned in connection with these transactions or relationships may constitute material nonpublic information about the other company. Insiders are prohibited from trading in the securities of these companies while aware of material nonpublic information about the companies and from communicating that information to any other person for such use.

D. No "tipping" of material nonpublic information**.** Insiders may be liable for communicating or tipping material nonpublic information to any third

party ("tippee"), not to just Related Persons. Further, insider trading violations are not limited to trading or tipping by Insiders. Tippees can be family members, friends, acquaintances, former employees, outside service providers or anyone else who has received material nonpublic information. Persons other than Insiders also can be liable for insider trading, including tippees who trade on material nonpublic information tipped to them and individuals who trade on material nonpublic information which has been misappropriated.

Tippees inherit an Insider's duties and are liable for trading on material nonpublic information illegally tipped to them by an Insider. Similarly, just as Insiders are liable for the insider trading of their tippees, so are tippees liable who pass the information along to others who trade. In other words, a tippee's liability for insider trading is no different from that of an Insider. Tippees can obtain material nonpublic information by receiving overt tips from others or through, among other things, conversations at social, business or other gatherings.

E. Frequent trading of Delta securities is strongly discouraged**.** Frequent trading of Delta securities can create an appearance of wrongdoing even if the decision to trade was based solely on public information such as stock price ranges and other market events. Insiders are strongly discouraged from trading in Delta securities for short-term trading profits. Daily or frequent trading, which can be time-consuming and distracting, is strongly discouraged. Delta reserves the right to request brokerage account statements to assure compliance with this and other provisions of the Code.

F. No trading on rumors. Rumors within Delta concerning matters which, if true, would be material nonpublic information are deemed to constitute material nonpublic information for purposes of this Code. Accordingly, Insiders should not trade on the basis of these rumors.

G. Material nonpublic information must be kept confidential. Material nonpublic information about Delta or its business partners is the property of Delta, and unauthorized disclosure or use of that information is prohibited. That information should be maintained in strict confidence and should be discussed, even within Delta, only with persons who have a "need to know." Insiders should exercise the utmost care and circumspection in dealing with information that may be material nonpublic information. Conversations in public places, such as hallways, elevators, restaurants and airplanes, involving information of a sensitive or confidential nature should be avoided. Written information should be appropriately safeguarded and should not be left where it may be seen by persons not entitled to the information. The unauthorized disclosure of information could result in serious consequences to Delta, whether or not

the disclosure is made for the purpose of facilitating improper trading in securities.

H. Public disclosures should be made only by designated persons; Social Media. No individuals other than specifically authorized personnel should release material information to the public or respond to inquiries from the media, analysts, investors or others outside of Delta. Insiders should not respond to these inquiries unless expressly authorized to do so and should refer any inquiries to the Chief Executive Officer or the corporate secretary. Any posting of corporate information on electronic bulletin boards, chat rooms, websites or other forms of social media is prohibited.

I. Post-employment transactions may be prohibited**.** The portions of this Code relating to trading while in possession of material nonpublic information and the use or disclosure of that information continue to apply to transactions in Delta securities even after termination of employment or association with Delta. If Insiders are aware of material nonpublic information about Delta when their employment or other business relationship with Delta ends, they may not trade in Delta securities or disclose the material nonpublic information to anyone else until that information is made public or becomes no longer material.

J. Exceptions**.** In certain limited circumstances, a transaction otherwise prohibited by this Code may be permitted if, prior to the transaction, the Chief Executive Officer or corporate secretary determines that the transaction is not inconsistent with the purposes of this Code. The existence of a personal financial emergency does not excuse Insiders from compliance with this Code and will not be the basis for an exception to the Code for a transaction that is inconsistent with the purposes of the Code.

V. *Additional Requirements Applicable To Restricted Persons*

A. "Restricted Persons" are those who are at an enhanced risk of possessing inside information and who therefore must exercise greater diligence to comply with insider trading prohibitions. This group includes all members of the Board of Directors, officers, Delta's Leadership Group, individuals who work in treasury, accounting, employee services, business development, investor relations, external communications, as well as any others in a role that makes it likely they will have involvement with material nonpublic information. The procedures set forth in this section of the Code will cease to apply to the transactions in Delta securities of Restricted Persons that are not directors or executive officers, upon the expiration of any blackout period that is applicable to their transactions at the time their employment or other relationship with Delta ends. Directors

will remain Restricted Persons for a period of six months following the last day of service as a director of Delta, and executive officers will remain Restricted Persons for a period of six months following the last day of employment with Delta.

B. Quarterly blackout periods. No Restricted Person may trade in Delta securities during a quarterly blackout period, regardless of whether they are then actually aware of material nonpublic information.

A quarterly blackout period is in effect while the quarterly financial results are prepared, starting on the 15th day of the month following Delta's fiscal quarter-end and ending when two full trading days have passed following the filing of Delta's Form 10-Q /10-K with the SEC. Delta has selected this period because it is the time when there is likely to be material nonpublic information about Delta that may be available to Restricted Persons. It is strongly encouraged that all trading of Delta securities occurs within 30 days from the expiration of the most recent quarterly blackout period.

Notwithstanding the above, a quarterly blackout period does not prohibit trading in Delta securities pursuant to a valid pre-existing 10b5-1 plan approved by Delta as described below.

C. 10b5-1 Plans. SEC Rule 10b5-1(c) of the Securities Exchange Act of 1934 permits corporate Insiders to establish written trading plans (commonly referred to as "10b5-1 plans") that can be useful in enabling Insiders to plan ahead without fear that they might become exposed to material nonpublic information that will prevent them from trading. Where a valid 10b5-1 plan has been established at a time when the Insider was not in possession of material nonpublic information, trades executed as specified by the plan do not violate the securities laws or this Code even if the Insider is in possession of material nonpublic information at the time the trade is executed. Trades executed as specified by the plan are not subject to the pre-clearance requirement.

To qualify as a 10b5-1 plan for purposes of this Code, the plan must be approved in advance by the Chief Executive Officer. One of the factors that the Chief Executive Officer may consider in whether to approve a 10b5-1 plan is compliance with Delta's applicable minimum stock ownership guidelines. These pre-planned trading programs are available only to officers and such other Delta employees or directors as may be designated from time to time by the Chief Executive Officer and the corporate secretary. For more information about how to establish a 10b5-1 plan, please contact the corporate secretary. Delta reserves the right to disapprove any submitted plan.

Compliance with Laws, Regulations and this Code

Employees are expected to comply with both the letter and spirit of all applicable governmental rules and regulations and this Code, and to report any suspected violations of applicable governmental rules and regulations or this Code to the Chief Executive Officer. No one will be subject to retaliation because of a good faith report of a suspected violation. Failure to comply with this Code or any applicable laws or regulations, may be grounds for disciplinary measures, up to and including discharge.

Procedure for the Receipt, Retention and Treatment of Complaints

Dependent on the nature of the complaint, individuals should report the issue to a supervisor, Department Manager, Officer, the Employee Services Department, the Internal Auditor or the Chair of the Audit Committee.

Complaints may be submitted to internal audit by telephone at 859-744-6171, ext. 1310, by email to internalauditor@deltagas.com or anonymously in writing. Any written communications should be mailed in a sealed envelope to the attention of internal audit at the Company. All complaints reported to internal audit will be communicated directly to the Chair of the Audit Committee.

The following procedures, established by the Audit Committee of the Board of Directors of Delta Natural Gas Company, Inc. for the receipt, retention and treatment of complaints received by the company regarding questionable accounting, internal controls, or auditing matters, are to be followed by all employees:

- Employees and others are encouraged to bring to the attention of the Chair of the Audit Committee any concerns regarding accounting, internal controls or auditing matters.

- Any such complaints should be submitted directly in writing to the Chair of the Audit committee in a sealed envelope mailed to Company headquarters, located at 3617 Lexington Road, Winchester, KY 40391. Any such complaints submitted to Delta will be provided to the Chair of the Audit Committee.

    - Complaints may be submitted anonymously, if desired, by mail or the Company's internal distribution system.
    - No attempt to identify the author of anonymous complaints shall be made by the Audit Committee or any other employee of the Company.
    - No attempt will be made to retaliate against an employee submitting a complaint, whether it is anonymous or not.

- Upon receipt of a complaint, the Chair of the Audit Committee shall designate a member or members of the Committee to investigate the Complaint and to prepare a written report of that investigation to be presented at the next meeting of the Audit Committee.

- The designated investigators shall be authorized to meet with any employee of the Company as necessary to determine the legitimacy of the complaint, to request and review any relevant documents produced by or in the possession of the Company, to request statements, sworn or unsworn, from any employee with information relevant to the complaint and to retain legal counsel or other experts to assist them in the investigation.

- The Audit Committee shall take action as deemed appropriate by the Committee to include, if appropriate, a report to the Board of Directors of the Company concerning the Committee's findings with regard to the subject of the complaint.

- All complaints, reports of investigations, and reports to the Board of Directors shall be kept in a permanent file by the Audit Committee.

Confidentiality

Employees shall respect and preserve the confidentiality of information acquired in the course of performing duties on behalf of the Company, except for instances when disclosure of such information is authorized by the Chief Executive Officer or required by law. Confidential information respecting the Company is at no time to be used for personal advantage.

No Rights Created

This Code is a statement of certain fundamental principles, policies and procedures that govern the Company's employees, including Senior Executive and Financial Officers, in the conduct of the Company's business. It is not intended to and does not create any rights in any employee, customer, supplier, competitor, shareholder or any other person or entity.

Acknowledgement

Each employee and each member of the Company's Board of Directors is required to complete the attached Acknowledgement Form. Directors and Officers annually reaffirm compliance with this Code in the Directors and Officers Questionnaire. The Acknowledgement Form must be re-signed by each employee and each member of the Company's Board of Directors any time the Board makes a material revision to this Code.

Delta Natural Gas Company, Inc.
Business Code of Conduct and Ethics
As Approved By the Board of Directors
On August 18, 2016

ACKNOWLEDGEMENT FORM

I have received and read the Business Code of Conduct and Ethics and I understand its contents. I agree to comply fully with the standards contained in the Business Code of Conduct and Ethics and the Company's related policies and procedures. I understand that I have an obligation to appropriately report any suspected violations of the Business Code of Conduct and Ethics.

Printed Name _____

Signature _____

Date _____