

CORPORATE COMMUNICATIONS POLICY

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CORPORATE COMMUNICATIONS POLICY

INTRODUCTION

As a public company, Prospect Global Resources Inc., including any subsidiaries or affiliates that Prospect Global Resources Inc. controls or is under common control with, the “Company”) has an obligation to ensure that all communications of material information are, factual, accurate, credible, and in compliance with the applicable legal requirements of the various regulatory agencies which the Company is subject to including, without limitation, the requirements of the Securities and Exchange Commission (the “SEC”), as well as stock markets listing the Company’s stock, and the applicable securities laws of the United States.

It is imperative that communication be consistent at all times and that selective disclosure is avoided at all times. The goal of this Corporate Communications Policy (this “Policy”) is to make all required disclosures on a broadly disseminated basis as required by SEC Regulation Fair Disclosure (“Reg FD”) and, as applicable, by Regulation G – Conditions for Use of Non-GAAP Financial Measures (“Reg G”), as well as stock markets listing the Company’s stock company disclosure requirements. Obligations with respect to confidential and highly sensitive information are also addressed in the Company’s Insider Trading Policy and such Insider Trading Policy should be used in conjunction with this Policy.

Failure to fulfill these obligations may result in significant liability for the Company and, in some instances, certain directors, officers, employees and independent contractors. This policy statement has been adopted to satisfy the Company’s obligations in this regard.

STATEMENT OF POLICY

This Policy is applicable to all directors, officers, employees and independent contractors of the Company (each, a “Covered Person”) and mandates that these Covered Persons not disclose internal matters or developments which relate in any way to material, nonpublic information to any person not affiliated with the Company (including, without limitation, family members, relatives and friends) except as required in the performance of such Covered Person’s duties and in accordance with this Policy.

This Policy governs disclosures in SEC-filed documents, statements made in the Company’s annual and quarterly reports, news and earnings releases, communications between the Company and financial or industry analysts, investors and the news media, senior management speeches and presentations and information contained on the Company’s web site and Intranet, and includes discussion of material, nonpublic information in public or quasi-public areas where conversations may be overheard. Further, Covered Persons may not participate in, host or link to Internet chat rooms, bulletin boards, blogs or other similar media which discuss the Company or Company products, services or technology, in any fashion, with the exception of linking as required in the performance of such Covered Person’s duties and in accordance with this Policy.

Nothing in this Policy should be construed as prohibiting a Covered Person from complying with local, state and federal laws and regulations, including those dealing with reporting emergencies to appropriate non-company agencies.

AUTHORIZED SPOKESPERSONS

Unless otherwise approved by the Board of Directors of Prospect Global Resources Inc., the only persons authorized to discuss Company matters with the news media, investment community (e.g. sell-side research analysts, buy-side analysts and portfolio managers, and investment bankers) or industry analysts are as follows:

- Chief Executive Officer (CEO)
- Chief Financial Officer (CFO)
- Vice President of Corporate Development

Each of the foregoing are designated as an “Authorized Spokesperson.”

Covered Persons, other than those authorized to speak on behalf of the Company, are hereby instructed not to respond, under any circumstances, to inquiries from the news media, investment community or industry analysts unless specifically authorized to do so by an Authorized Spokesperson. This will help ensure consistent disclosure and avoidance of selective disclosure. Covered Persons who receive such inquiries either directly or indirectly must refer the inquirer to the appropriate Authorized Spokesperson identified above.

MATERIAL INFORMATION

It is impossible to provide a complete definition of what constitutes “material” information. Under the federal securities laws, information is material if its disclosure is likely to have an impact on the price of a security, or if reasonable investors would want to know that information before making an investment decision. In other words, information is material if it would alter significantly the total mix of information available regarding the security. Both positive and negative information can be material, as well as information that forecasts whether an event may or may not occur. Any questions concerning the materiality of particular information should be resolved in favor of materiality.

Examples of material information include, but are not limited to:

- Announcements of earnings or losses;
- An actual change in earnings or in forecasted earnings that is higher or lower than the forecast;
- A pending or prospective merger, acquisition or tender offer;
- The sale of significant assets, or a significant subsidiary;
- Major changes in senior management;
- Significant developments in actual or threatened litigation; and
- New equity or debt offerings.

DISCLOSURE OF MATERIAL NONPUBLIC INFORMATION

Nonpublic information includes information which has not been broadly disclosed to the marketplace via press releases, earnings calls or a SEC filing. Except in accordance with the procedures set forth in this Policy, Covered Persons may not discuss or otherwise disclose

material, nonpublic information with any person outside of the Company. Except as otherwise may be set forth herein and subject to the detailed provisions below regarding the disclosure of earnings information, all material, nonpublic information pertaining to the Company should initially be disclosed as follows: (i) by means of a widely disseminated press release; (ii) by filing of a material change report (Form 8-K) or other like form with applicable securities regulators; (iii) by another method reasonably expected to effect a broad and non-exclusionary distribution of information to the public; or (iv) pursuant to a confidentiality agreement executed by the intended recipient of the information.

“Selective disclosure” is the disclosure of material, nonpublic information to any individual or group prior to the broad public dissemination of that information. It is against Company policy to selectively disclose material, nonpublic information to people or groups outside the Company at any time, unless those people or groups are covered by Confidentiality or Nondisclosure Agreements.

Except as described below, the Company will repeat or reaffirm only previously disclosed historical factual information about the Company when educating the public or a third party about the Company or when correcting misstatements about the Company that were initiated by the Company or an individual acting on the Company’s behalf. The situations in which the Company will disclose material nonpublic Company information include, but are not limited to, the following:

- (1) To correct as necessary a Company statement as soon as the Company discovers that it was, when made, incomplete, incorrect, inaccurate or misleading;
- (2) To correct as necessary a third-party statement previously approved or adopted by the Company as soon as the Company discovers that it was, when approved, incomplete, incorrect, inaccurate or misleading;
- (3) To disclose material nonpublic information when the Company or its insiders are trading in the Company’s stock;
- (4) To confirm, complete or correct as necessary information in the marketplace that appears to have been improperly disseminated by a Company source; and
- (5) To immediately disclose material nonpublic information whenever the Company discovers that the information has been inadvertently disclosed to a limited audience.

The Company will disclose other material nonpublic Company information that the Authorized Spokespersons, upon consultation with the Company’s CFO determine must be disclosed on a case-by-case basis.

As a matter of policy, any new material information that is to be intentionally discussed or presented in any meeting, conference or conversation with the investment community will be preceded by the issuance of a broadly disseminated news release or other appropriate public disclosure. If new material information is unintentionally disclosed in such a meeting or discussions with a member or members of the investment community, the Company will issue a

news release containing that information, or provide other appropriate public disclosure, as soon as reasonably practical after the CFO is first informed of such unintentional disclosure.

REVIEW PROCESS FOR PRESS RELEASES

The following steps are to be followed for the review and approval of all the Company's financial and marketing press releases:

- (1) The release is drafted using the standard template
- (2) Develop "review and approval" checklist
- (3) Conduct fact checking, ensure consistent message and double-check trademarks, company descriptions and safe harbor language
- (4) Initial review and approval to be with internal corporate resources (sales, OEM, product development, product marketing) followed by preliminary review by CEO, CFO, Vice President of Corporate Development, and legal
- (5) If a press release mentions or is a joint press release with customers, end users, strategic partners, OEM's, or industry analysts, preliminary internal review and approval shall occur prior to external review
- (6) Once a press release has been reviewed and approved by external parties (above) and changes/edits have been made, proceed with final review by CEO, CFO, Vice President of Corporate Development, and legal
- (7) Sign-off by CEO and/or CFO and legal is required prior to press releases being distributed over the wire service

NEWS MEDIA

While the news media are not covered under Reg FD, Company policy is that the news media will receive new material information at the same time the investment community and the public receive it. If the Company provides a single reporter or a limited sector of the press with material nonpublic Company information so that a detailed article or related media disclosure may be published concurrently with an anticipated public announcements by the Company, the Company will obtain a written confidentiality agreement from such reporter or sector of the press to keep the information confidential until the Company makes its public announcement.

DISCLOSURE OF QUARTERLY EARNINGS INFORMATION

Quarterly press releases containing a discussion of the Company's earnings results shall be submitted to the appropriate newswire service for dissemination to the public. All such press releases shall be approved by the majority of Authorized Spokespersons. Such press releases shall also be reviewed in advance by the Company's Audit Committee, as well as the Company's independent registered public accounting firm and outside legal counsel.

Advance notice of the date, time and connection instructions for the quarterly earnings conference call will be included in a press release disseminated at least one week prior to the time of such call.

The quarterly earnings calls shall be broadcast live on a medium that will allow the public, without charge, to listen to the call. Assuming the foregoing provisions have been complied with, the contents of the quarterly press release may be freely discussed on the quarterly earnings call. No Covered Person may discuss earnings or other financial information with anyone outside of the Company except in accordance with this Policy.

An earnings release generally will be furnished on a Form 8-K within four business days from its release. However, under normal circumstances, the Company will attempt to furnish its earnings release on Form 8-K prior to the earnings conference call. The Company will reconcile non-GAAP information to GAAP equivalent information in the earnings release and will promptly post that information on its web site, in accordance with Reg G requirements. Since the Company may discuss non-GAAP information in the associated conference call, the release will also provide the location on the Company's web site where the required reconciled information will be available.

CONDUCT OF CONFERENCE CALLS

The Company makes a practice of holding open, publicly accessible conference calls to discuss quarterly and annual financial results and other significant events that arise in the course of its business. Generally, analysts and professional investors will have teleconference access to the call so they can participate in the question-and-answer segment of the call. The Company will attempt to respond to as many questions as possible as time may allow. All others may listen to the call via the Internet on the Company's web site.

A replay of the call will be publicly available, via phone for a period of not less than one week after the live event, and via the Internet for a period of not less than four weeks after the live event. All transcripts are to be considered time-dated material and not a current representation of Company views or forecasts.

INVESTMENT COMMUNITY MEETINGS

The Company makes a practice of communicating on a regular basis with the investment community to allow for a better understanding of the strategies, fundamentals, operations and financials of the Company, as well as to give analysts and investors the opportunity to personally meet and assess management. This communication takes the form of phone conversations, one-on-one meetings and group meetings with members of the senior management team, whether at Company offices or during non-deal road shows. The Company also participates in a number of self-hosted and analyst-hosted conferences and other meetings.

The Company will not selectively disclose material, non-public information in these meetings. In the case of conferences or Company-hosted presentations, a prior public announcement will be made of the event and every effort will be made to web cast the presentation.

FORWARD-LOOKING INFORMATION/EARNINGS GUIDANCE

Should the Company determine it is in its best interest to disclose forward-looking information or financial projections, the Company will endeavor to use appropriate safe harbor language as prescribed in the 1995 Private Securities Litigation Reform Act.

The Company may provide a range of revenue and earnings estimates, for a specified time period. It is the Company's policy not to re-iterate earnings guidance. Any material update/change announcement to previously issued earnings guidance would occur only within the Company's guidelines regarding disclosure of material non-public information as set forth in this policy.

The Company may also provide other forms of guidance that may aid analysts and investors in making their own estimates or in making an investment decision.

Such guidance may include:

- Qualitative statements about market conditions;
- Trend information that may affect the business of the Company;
- Industry-specific information;
- Qualitative statements about high-level measures such as revenues and customers;
- Estimates or forecasts of factors that may drive earnings (but not all factors that might be in the Company's internal financial forecasts); or
- Qualitative information on business measures or assumptions.

QUIET PERIOD

At the end of each quarter, the Company will observe a "quiet period" with respect to communication with the investment community commencing at the close of the quarter. During this quiet period, the Company, including any Covered Persons of the Company, will refrain from providing any information or guidance on matters potentially impacting earnings outlooks. On-site meetings will not be conducted. Immediately prior to the expected earnings release, the Company will cease all communication with the investing public. The quiet period ends when the earnings are publicly released.

GENERAL INDUSTRY COMMUNICATIONS, RUMOR/LEAKS

The Company communicates on a regular basis in its ordinary course of business with customers, partners, vendors, and other third parties through a variety of means. These communications are not subject to this policy statement except in circumstances where: (i) the communication is disseminated through a medium which reaches or could reasonably be expected to reach analysts or other members of the investment community in general; or (ii) where such communications involve the dissemination of material, nonpublic information, in which case, if such dissemination is absolutely necessary to conducting business, an appropriate confidentiality agreement shall be executed as noted above. Any individual seeking the dissemination of the communication should obtain the prior approval of an Authorized Spokesperson in the event of any doubt concerning the applicability of these policies.

If any Covered Person is contacted by anyone in the investment community, all such inquiries should be referred to the Vice President of Corporate Development. If any Covered Person is contacted by an industry analyst or news media representative, all such inquiries should be referred to the Vice President of Corporate Development. If any Covered Person is contacted by a governmental representative, an attorney, or other legal representative regarding any legal matter, such matters shall be referred to the CEO or CFO.

Authorized Spokespersons shall not comment on any market rumors, leaks or other similar information without first obtaining the appropriate legal advice. In the absence of any such legal advice, such Authorized Spokespersons shall provide “no comment” to the rumor, leak or similar information. Should the stock market listing the Company’s stock request the Company to make a definitive public statement in response to a market rumor that is causing significant volatility in the stock, the Board will consider the matter and make a recommendation to the CFO and CEO on whether to make an exception to this policy statement. Rumors about the Company that are posted in Internet chat rooms or blogs are covered by this Policy. Covered Persons should not respond to such rumors found on Internet chat rooms or blogs, and all rumors should be referred to the Company’s CFO for appropriate action.

If any Covered Person becomes aware of an inadvertent or unauthorized disclosure of material, nonpublic information about the Company, such Covered Person shall immediately contact the Company’s CFO. Upon being contacted under such circumstances, the Company’s CFO shall consult with such other persons as necessary, to determine the need for disclosure of the information and develop an appropriate disclosure plan, if applicable.

SECURITIES ANALYSTS – RESEARCH REPORTS

The Company’s CFO may review, upon request, drafts of research analysts’ reports. However, any comments to such documents shall be limited to those portions of the model or report that constitute statements of historical fact or a factual description of the business of the Company. The Company’s CFO may correct material factual errors in such models or reports, provided that the factual information has already been broadly disseminated to the public. In no event shall the Company’s CFO comment on, confirm, deny or guide any forward-looking statements or financial projections contained in such models or reports.

The Company shall not provide such analyst reports or models through any means to any person outside of the Company. Financial analysts’ reports regarding the Company and other companies may be periodically distributed and referred to inside the Company, but on a limited basis. The Company may post on the investor relations section of its web site the names and firms of analysts who are currently providing research on the Company.

REGULATORY FILINGS

All electronic and other regulatory filings made by or on behalf of the Company, including without limitation, all periodic and other filings required by applicable securities laws and regulations, shall be prepared by and be the responsibility of the CFO. All such filings shall be reviewed, where applicable, by the Company’s outside legal counsel and the Company’s

independent registered public accounting firm, as well as the CEO and where such filings include financial disclosure of the Company, the Company's Audit Committee.

QUESTIONS

All questions relating to this Policy set forth herein should be referred to the Company's CFO.

DISCLAIMER

This document states a policy of the Company and is not intended to be regarded as rendering legal advice.

Adopted by the Board of Directors

_____, 2011