

7 August 2019

Australian Securities Exchange
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

By Email: ListingsCompliancePerth@asx.com.au

RE: Appendix 3Y – Change of Director’s Interest Notice Query

Australis provides the following explanation and responses to the request for information made by the ASX in a letter dated 5 August 2019.

The change in notifiable interests for Mr Stewart and Mr Watson relate to the expiry on 30 June 2019 of unexercised unlisted options. Whilst Australis Oil & Gas Limited (**Australis** or the **Company**) (ASX:ATS) notified the market of the expiry of these options on 1 July 2019, due to an administrative oversight the Appendix 3Y for each of Mr Stewart and Mr Watson were not lodged with the ASX in a timely manner as required by listing rule 3.19A. The monthly compliance and monitoring procedures adopted by the Company identified this oversight and the Appendix 3Y for each of Mr Stewart and Mr Watson were lodged with the ASX on 2 August 2019.

1. *Please explain why the Appendices 3Y were lodged late.*

The Appendix 3Y for Mr Stewart and Mr Watson were not lodged due to an administrative error originating from the passive nature (i.e. lapsing of options) of the change in the interests of the two directors. We note that the 3Y’s for two directors who exercised options two weeks prior to the 30 June 2019 expiry date were lodged at the ASX within the prescribed reporting period.

2. *What arrangements does ATS have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?*

Internal processes requiring notification and approval for all transactional changes of interest include assessment of disclosure obligations. These processes have been expanded to include the passive nature of this change, i.e. the expiry of options. Additional review processes that run on a monthly cycle caught this oversight which triggered the lodgements on 2 August 2019.

3. *If the current arrangements are inadequate or not being enforced, what additional steps does ATS intend to take to ensure compliance with Listing Rule 3.19B?*

All directors and officers of Australis are aware of their obligations under the Listing Rules and believe the procedures for compliance and monitoring of the Company’s corporate governance obligations are adequate to prevent further oversight.

Yours sincerely



Julie Foster
Company Secretary

AUSTRALIS OIL & GAS LIMITED

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5 August 2019

Reference: 04952

Ms Julie Foster
Company Secretary
Australis Oil & Gas Limited

By email: jfoster@australisoil.com

Dear Ms Foster

Australis Oil & Gas Limited ('ATS'): Appendix 3Y – Change of Director's Interest Notice Query

ASX refers to the following:

1. ATS's Appendices 3Y lodged on the ASX Market Announcements Platform ('MAP') on 2 August 2019 for Mr Jonathan Stewart and Mr Alan Watson (the 'Notices');
2. Listing Rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 *'The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.*
 - *On the date that the entity is admitted to the official list.*
 - *On the date that a director is appointed.*

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.
 - 3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) including whether the change occurred during a closed period where prior written clearance was required and, if so, whether prior written clearance was provided. The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*
 - 3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.'*
3. Listing rule 3.19B which states that:

'An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.'

The Notices indicate that a change in Mr Stewart and Mr Watson's notifiable interest occurred on 30 June 2019. It appears that the Notices should have been lodged with ASX by 5 July 2019. Consequently, ATS may have breached Listing Rules 3.19A and/or 3.19B. It also appears that Mr Stewart and Mr Watson may have breached section 205G of the *Corporations Act 2001* (Cth).

Please note that ASX is required to record details of breaches of the Listing Rules by listed entities for its reporting requirements.

ASX reminds ATS of its contract with ASX to comply with the Listing Rules. In the circumstances, ATS should make necessary arrangements to ensure it does not continue to breach the Listing Rules.

Request for Information

Under Listing Rule 18.7, we ask that you answer each of the following questions having regard to Listing Rules 3.19A and 3.19B and *Guidance Note 22: Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities*.

1. Please explain why the Appendices 3Y were lodged late.
2. What arrangements does ATS have in place under Listing Rule 3.19B with its directors to ensure that it is able to meet its disclosure obligations under Listing Rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does ATS intend to take to ensure compliance with Listing Rule 3.19B?

When and where to send your response

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent to the ASX Market Announcements Office.

A response is requested as soon as possible and, in any event, no later than 3:00 pm AWST on 8 August 2019.

Under Listing Rule 18.7A, a copy of this letter and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Sean Maloney
Adviser, Listings Compliance (Perth)