

INTRODUCTION

This Policy sets out the following:

1. Overview
2. Insider Trading
3. Restrictions on trading in Blackout Periods
4. Other restrictions
5. Exemptions
6. ASX notifications
7. Definitions
8. Further information

1. OVERVIEW

1.1 Purpose

The Corporations Act prohibits the trading in shares, options, debentures (including convertible notes) and other securities of a company by any person who is in possession of price sensitive information regarding that company that is not generally available. The Corporations Act:

- (a) imposes substantial penalties on persons who breach those provisions; and
- (b) applies to the extent of any inconsistency between it and this policy.

This policy regulates dealings by directors and certain officers of the Company and other designated persons, in securities in Australis about which they acquire Inside Information (as defined below) through their position or dealings with Australis.

The purpose of this policy is to minimise the risk of insider trading and to avoid the appearance of insider trading and the significant reputational damage associated with the perception of insider trading. This policy is not designed to prohibit Australis Persons from investing in Company securities, but does recognise that there may be times when directors, officers or certain employees cannot or should not invest in Company securities.

A breach of this policy will be regarded as serious misconduct which may lead to disciplinary action, up to and including dismissal.

2. INSIDER TRADING

2.1 General prohibition on Insider Trading

No Australis Person may, while in possession of Inside Information concerning the Company:

- (a) buy or sell any Company securities at any time;
- (b) procure another person to deal in the Company's securities in any way; or
- (c) pass on any Inside Information to another person for that person's own personal gain by dealing in the Company's securities in any way.

The requirements imposed by this policy are in addition to any legal prohibitions on Insider Trading. Trading in the Company's securities is prohibited at any time by a director or an Australis Person if that person possesses Inside Information, even:

- (a) where the trade occurs outside a Blackout Period; or
- (b) the trade falls within an exclusion in this policy; or
- (c) clearance has been given under this policy to trade (whether in exceptional circumstances or otherwise).

All Australis Persons are also prohibited from dealing in the securities of outside companies about which they acquire Inside Information through their position with Australis.

2.2 Inside Information

An Australis Person is responsible for assessing whether they possess “**Inside Information**”. This occurs where:

- (a) the person possesses information that is not generally available to the public and, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of the Company’s securities (or a decision whether or not to trade in them); and
- (b) the person knows, or ought reasonably to know, that the information is not generally available and, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of the Company’s securities.

A reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence a person who commonly invests in securities to either deal or not deal in securities in any way.

Inside Information in relation to the securities of outside companies has the same meaning for the purposes of this policy, except that references to “Australis’ securities” should be read as references to the securities of the outside company.

3. RESTRICTIONS ON TRADING IN BLACKOUT PERIODS

3.1 Blackout Periods

Subject to sections 3.4 and 5, Australis Persons may not buy or sell Australis securities during a Blackout Period.

“**Blackout Periods**” are times when Australis Persons must not deal in the Company’s securities. The following are mandated Blackout Periods:

- (a) from the close of the ASX trading day on 23 March, 23 June, 23 September and 23 December each year until 48 hours after the Company’s release of its quarterly, half-year or full year results to the ASX; and
- (b) any other period that the Board specifies from time to time.

If any of the dates specified above are not ASX trading days, then the Blackout Period begins on the preceding ASX trading day.

3.2 Ad-hoc restrictions

Australis may impose, without hesitation and in its sole and absolute discretion, additional restrictions on trading in Australis’ securities by any or all Australis Persons, and also by any other employee (who may not otherwise be an “Australis Persons” as defined above) as Australis considers appropriate.

For the avoidance of doubt, Australis may impose ad-hoc restrictions under this section 3.2 even where the proposed trade would otherwise take place outside a Blackout Period provided for in this policy. Any restriction communicated by Australis to any or all Australis Persons (or other employees) under this section 3.2 must be kept strictly confidential.

3.3 Notification requirement for trading outside of a Blackout Period

Australis Persons must:

- (a) prior to dealing in Australis securities outside a Blackout Period, notify the Authorising Officer(s) (as specified in the table below) of their proposed dealing;
- (b) confirm that they are not in possession of any Inside Information; and
- (c) after dealing in Australis securities, provide the Authorising Officer(s) and the Company Secretary with confirmation of the transaction having been completed; and
- (d) notify the Authorising Officer(s) and the Company Secretary if they begin to have, or cease to have, a “substantial holding” (as defined in section 9 of the Corporations Act) in Australis, or if they have a substantial holding in Australis and there is a movement of at least 1% in their holding.

For the purposes of this Policy, the following are the relevant Authorising Officer(s) for the corresponding Australis Person:

Australis Person	Authorising Officer(s)
Chair of the Board	Lead Independent Director
Directors and Chief Executive Officer	Chair of the Board
Any other Australis Person	The Chief Executive Officer.

3.4 Exceptional circumstances

In exceptional circumstances the Authorising Officer(s) may approve dealings in Australis securities during a Blackout Period, or other dealings that would otherwise be prohibited by this policy. Any approval given under this section 3.4, must be provided by electronic delivery via email. The notification requirements in section 3.3 above still applies.

What constitutes “exceptional circumstances” will be assessed on a case-by-case basis within the absolute discretion of the Authorising Officer(s), and may include, without limitation, severe financial hardship or a requirement to comply with a court order or court enforceable undertaking.

Any decision to grant or refuse to grant clearance to an Australis Person to trade in the Company’s securities by the Authorising Officer(s) under this section 3.4:

- (a) may be made in the absolute discretion of the Authorising Officer(s), without giving any reasons;
- (b) can be withdrawn (if clearance has been given) if new information comes to light or there is a change in circumstances;
- (c) is final and binding on the Australis Person seeking clearance; and
- (d) must be kept strictly confidential by the Australis Person and not disclosed to any other person.

In deciding whether to grant clearance to trade in Australis securities, the Authorising Officer(s) will consider the need to minimise the risk of Insider Trading, and also to avoid the appearance of Insider Trading and the significant reputational damage that may result.

Any clearance to trade by the Authorising Officer(s) under this section 3.4 is not an endorsement to trade. The Australis Person conducting the trading is individually responsible for their investment decisions and their compliance with Insider Trading laws.

If the Australis Person:

- (a) is in any doubt about whether he or she is in possession of Inside Information; or
- (b) comes into possession of Inside Information after receiving a clearance to trade, they must not trade.

3.5 Company secretary to maintain records

The Company Secretary will maintain a copy of:

- (a) all requests for an approval to deal in Australis securities submitted by an Australis Person; and
- (b) details of all dealings in Australis’ securities made by an Australis Person.

4. OTHER RESTRICTIONS

4.1 No speculative trading

Under no circumstances should Australis Persons engage in short-term or speculative trading in the Company’s securities. This prohibition includes short term direct dealing in the Company’s securities as well as transactions in the derivative markets, involving exchange traded options, share warrants, contracts for difference, and other similar instruments, which are short term or speculative.

4.2 No short-selling

Under no circumstances should Australis Persons engage in short-selling in the Company's securities. This prohibition includes direct dealing in Australis securities as well as transactions in the derivative markets, involving exchange traded options, share warrants, contracts for difference, and other similar instruments.

4.3 No protection arrangements

The entering into of all types of "protection arrangements" for any Company securities (or Company products in the derivatives markets):

- (a) is prohibited at any time in respect of any Company securities which are unvested or subject to a holding lock; and
- (b) otherwise, requires approval from the Authorising Officer(s).

For the avoidance of doubt and without limiting the generality of this policy, entering into protection arrangements includes entering into transactions which:

- (a) amount to "short selling" of securities beyond the Australis Person's holding of securities;
- (b) operate to limit the economic risk of any Australis Person's security holding (e.g. hedging arrangements) including Company securities held beneficially (for example, in trust or under an incentive plan) on that Australis Person's behalf; or
- (c) otherwise enable an Australis Person to profit from a decrease in the market price of securities.

4.4 No granting of security over Company securities or entering into margin lending arrangements

Australis Persons may not at any time, directly or indirectly, grant any form of security (whether by way of charge, mortgage, pledge or otherwise) over any Company securities which are unvested or subject to a holding lock, to secure any obligation of that Australis Person or any third party or enter into any margin lending arrangement involving Company securities.

Unless the preceding paragraph applies, Australis Persons may, directly or indirectly, grant any form of security (whether by way of charge, mortgage, pledge or otherwise) over any of the Company's securities, to secure any obligation of that Australis Person or any third party or enter into any margin lending arrangement involving Company securities, with approval of the Authorising Officer(s).

4.5 Trading in outside companies

Australis Persons must not trade in the securities or financial products of outside companies where they are in possession of Inside Information of that outside company.

5. EXEMPTIONS

Australis Persons may at any time:

- (a) trade in Australis securities where the trading does not result in a change of beneficial interest in the securities;
- (b) acquire securities under any director or employee security plan or through the exercise of options or performance rights under an option or performance rights plan or acquire, or agree to acquire, options or performance rights under an option or performance rights plan. However, any dealing in those securities remains subject to this policy and the provisions of the Corporations Act;
- (c) transfer Company securities already held into a self-managed superannuation fund or other saving scheme in which the restricted person is a beneficiary;
- (d) acquire Company ordinary shares by conversion of securities giving a right of conversion to Company ordinary shares;
- (e) acquire Company securities under a bonus issue made to all holders of securities of the same class;
- (f) undertake to accept, or accept, a takeover offer;
- (g) invest in, or trade in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;

- (h) dispose of Company securities that is the result of a secured lender exercising their rights under a loan or security agreement;
- (i) where a restricted person is a trustee, trade in the securities managed by that trust provided the restricted person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;
- (j) trade under an offer or invitation made to all or most of the security holders, such as a rights issue, a security purchase plan, a dividend or distribution reinvestment plan or an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board. This includes deciding whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue.

If an Australis Person undertakes any of the actions described above, that Australis Person must advise the relevant Authorising Officer(s).

6. ASX NOTIFICATIONS

Australis must notify ASX within 5 business days after any change to a director's relevant interest in Australis securities or a related body corporate of Australis, including whether the change occurred inside a Blackout Period and, if so, whether prior written clearance was provided.

To enable Australis to comply with the obligation set out in the preceding paragraph, a director must immediately (and no later than 3 business days after any relevant event) notify the Company Secretary in writing of the requisite information for the Company Secretary to make the necessary notifications to the ASIC and ASX as required under the Corporations Act and ASX Listing Rules.

If Australis makes a material change to this trading policy, the amended trading policy will be provided to the ASX for release to the market within 5 business days of the material changes taking effect.

7. DEFINITIONS

For the purposes of this Policy:

Australis or Company means Australis Oil & Gas Limited (ACN 609 262 937) and its subsidiaries and joint ventures in which Australis and/or a subsidiary owns a controlling interest;

Australis Person means:

- (a) all Directors and Senior Management and any other person designated as an Australis Person by the Board in writing; and also includes:
 - (i) a company or trust controlled by any of the persons referred to above; and
 - (ii) a spouse (including a de facto spouse), child (including a step-child or adopted child), a close relative, a person financially dependent on or acting in concert with any of the persons referred to above.

Blackout Period has the meaning given in section 3 of this policy;

Board means the board of directors of the Company from time to time;

Company Secretary means the secretary of the Company from time to time;

Corporations Act means the *Corporations Act 2001* (Cth);

Directors and Senior Management means each director of Australis, each member of the executive leadership team, each Key Management Personnel and any other persons or categories of persons as the Board decides from time to time;

Inside Information has the meaning given in section 2 of this policy; and

Key Management Personnel has the meaning given in the Corporations Act.

8. FURTHER INFORMATION

If you require any further information or assistance, or are uncertain about the application of the law or this trading policy in any situation, please contact the **Company Secretary**.

Approved by the Board: 15 June 2016.