

**CENTRAL PETROLEUM LIMITED**  
**ABN 72 083 254 308**

**SHARE TRADING POLICY**

**1. INTRODUCTION**

Central Petroleum Limited ("Company") has adopted this Share Trading Policy to regulate dealings by a Restricted Person in shares, options and other securities issued by the Company.

**2. PURPOSE**

The purpose of this policy is to ensure that Restricted Persons are aware of the legal restrictions of trading securities while such a person is in possession of unpublished price sensitive information concerning the Company and any of its subsidiaries.

In addition, the policy is intended to minimise the possibility that misunderstandings or suspicions arise that a Restricted Person is trading while in possession of unpublished price sensitive information.

**3. RESTRICTED PERSON**

In this policy "Restricted Person" means:

- (a) directors, officers, consultants and other staff;
- (b) key management personnel;
- (c) the spouse or child of a person referred to in (a) or (b);
- (d) partners or fellow directors of family partnerships and companies;
- (e) a trust for which a person referred to in (a), (b), (c) or (d) above, acts as trustee or as a director of its trustee company; and
- (f) an investment fund which effectively acts at the direction of a person referred to in (a), (b), (c) or (d) above.

In this policy "key management personnel", "spouse" and "child" have the same meaning as defined in s9 of the *Corporations Act 2001* (Cth).

**4. RESTRICTIONS ON TRADING**

Consistent with the legal prohibitions on insider trading contained in the *Corporations Act 2001* (Cth), all Restricted Persons are prohibited from trading in the Company's securities while in possession of unpublished price sensitive information.

Unpublished price sensitive information is information which a reasonable person would expect to have a material affect on the price or value of the Company's securities. Examples may include:

- (a) drilling results, mining exploration results, production figures and the like;
- (b) unpublished announcements;
- (c) changes in capital structure, including share issues, rights and the redemption of securities;

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- (d) impending mergers, corporate acquisitions, reconstructions, takeovers etc;
- (e) significant litigation and disputes;
- (f) significant changes in operations or proposed changes in the general character or nature of the business of the Company or its subsidiaries;
- (g) cash flow information;
- (h) management restructuring or Board changes;
- (i) an entity proposing to buy or a security holder proposing to sell, a substantial number of Company securities;
- (j) decisions on significant issues affecting the Company by regulatory bodies in Australia or other relevant jurisdictions (such as ASIC or the ACCC);
- (k) allegations of any breach of the law or other regulatory requirements by the Company;
- (l) major or material purchases or sales of assets; and
- (m) imminent new significant contracts yet to be announced.

It should be noted that either positive or negative information may be material. A Restricted Person, whilst in possession of unpublished price sensitive information, is subject to three restrictions:

- (a) they must not deal in securities affected by such information;
- (b) they must not cause or procure anyone else to deal in those securities; or
- (c) they must not communicate the information to any person if they know or ought to know that the other person will use the information, directly or indirectly, for dealings in securities.

A Restricted Person is required to advise the Company Secretary of their intentions prior to undertaking any transaction in Company securities. If a Restricted Person is considered to possess unpublished price sensitive information, they must not make a security transaction until after the time of public release of that information.

## **5. BLACKOUT PERIOD**

In a certain 'blackout period' which precedes important announcements the Company makes, a Restricted Person should not trade in the Company's securities. This blackout period is designed to assist Restricted Persons to comply with the insider trading provisions of the *Corporations Act 2001* (Cth).

The Company's blackout period is 5 business days prior to and 24 hours after the release of the Company's quarterly reports.

## **6. SITUATIONS WHEN TRADING IN A BLACKOUT PERIOD MAY BE ALLOWED**

Under certain circumstances detailed below a Restricted Person may, so long as they are not in possession of price sensitive information, sell or otherwise dispose of their securities during a 'blackout period'. They must first seek written approval from the Managing Director to do so.

### **6.1 Severe Hardship**

A person may be suffering severe financial hardship if he or she has a pressing financial commitment that cannot be satisfied otherwise than by selling the Company's securities.

A tax liability is not considered a severe financial hardship unless the person has no other means to satisfy that liability.

## **6.2 Legal or Regulatory Requirement**

The following are considered to be Exceptional circumstances:

- (a) if a person is compelled by Court Order;
- (b) there are court enforceable undertakings to transfer or sell the Company's securities (e.g. a bona fide family settlement); or
- (c) an overriding legal or regulatory requirement for him or her to do so.

## **6.3 Other Exceptional Circumstances**

Any other circumstance that is deemed exceptional by the Managing Director in consultation with the Chairperson or if one of them is unavailable, in consultation with the Chairperson of the Audit Committee, and they are satisfied the Restricted Person is not in possession of price sensitive information.

## **6.4 Application for written approval**

All applications must be made to the Managing Director detailing the particular circumstances.

The person must ensure that they complete the dealings within 5 working days from receipt of the written approval, and may be extended by the Managing Director in consultation with the Chairperson or if one of them is unavailable, in consultation with the Chairperson of the Audit Committee, in the interests of the Company as a whole.

## **7. TRADING EXCLUDED FROM SHARE TRADING POLICY**

For the purposes of listing rule 12.12.3 the following share trading is excluded from the operation of this policy:

- (a) transfers of securities of the Company already held into a superannuation fund or other saving scheme in which the Restricted Person is the beneficiary;
- (b) an investment in, or trading 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;
- (c) where a Restricted Person is a trustee, trading in the Company's securities 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;
- (d) undertakings to accept, or the acceptance of, a takeover offer;
- (e) trading under an offer or invitation made to all or most of the security holders, such as, rights issue, a security purchase plan, a dividend or distribution reinvestment plan and 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 decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of balance of entitlements under a renounceable pro rata issue;
- (f) a disposal of Company securities that is a result of a secured lender exercising their rights, for example, under a margin lending arrangement;

- (g) the exercise (but not the sale of securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a prohibited period and the Company has been in an exceptionally long prohibited period or the Company has a number of consecutive prohibited periods and the Restricted Person could not reasonably have been expected to exercise it at a time when free to do so; and
- (h) trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in this policy and where:
- (i) the Restricted Person did not however enter into the plan or amend the plan during a prohibited period;
  - (ii) the trading plan does not permit the Restricted Person to exercise any influence or discretion over how, when, or whether to trade; and
  - (iii) this policy does not allow the Restricted Person to cancel the trading plan or cancel or otherwise vary the terms of his or her participation in the trading plan during a prohibited period other than in exceptional circumstances.

## **8. COMPLIANCE**

Strict compliance with this policy is mandatory for all Restricted Persons. A breach of this policy could result in disciplinary action, termination and in more serious cases civil or criminal liability.

## **9. SUMMARY**

This policy is designed to clarify the obligations on Restricted Persons in relation to trading in the Company's securities, and to help them comply with relevant legislation should they wish to buy and sell Company securities.

All queries regarding issues raised in this policy should be directed to the Company Secretary.

Date: 24 July 2015

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