



warrego  
energy

Warrego Energy Limited  
ACN 125 394 667

# **WARREGO ENERGY LIMITED**

## **SECURITIES TRADING POLICY**

## 1 Introduction

This policy deals with the sale and purchase of securities in Warrego Energy Limited (“**WGO**” or “**Company**”) by its employees, consultants, contractors, directors and officers (“**Employees**”). The objective of the policy is to assist Employees to avoid conduct that is known as “insider trading” and to ensure that when Employees deal in the Company’s securities, those dealings are not only fair, but are seen to be fair.

This policy applies to:

- WGO shares;
- other securities which may be issued by WGO, such as options;
- derivatives and other financial products that can be traded on financial markets including financial products issued or created over WGO securities by third parties; and
- products which operate to limit economic risk in securities holdings in WGO.

This policy operates in addition to any statutory legal requirements.

This policy applies equally to any dealings in WGO securities by Employees, their nominees, agents, spouse or partner and on behalf of any dependent child, family company, self-managed superannuation fund or family trust.

This is an important document and any questions regarding it should be directed to the Company Secretary.

## 2 Insider Trading Provisions

The Corporations Act 2001 of the Commonwealth of Australia prohibits a person from dealing in securities if that person:

- is in possession of information that is not generally available to the public which would, if available, have a material effect on the price of the securities, and
- knows or ought reasonably to know that the information is not generally available and if it were, it might have a material effect on the price of the securities.

This practice is termed “insider trading” based upon “inside information”.

Dealing includes applying for, acquiring or disposing of, or entering into an agreement to apply for, acquire or sell securities.

A person need not be an Employee of WGO to be guilty of insider trading in relation to WGO’s securities. The prohibition extends to dealings by Employees through nominees, agents or other associates, such as family members, family trust and family companies.

There may be significant criminal and civil liability and penalties (including imprisonment) imposed on those who breach the law concerning insider trading.

## 3 Restrictions on Dealing in WGO Securities

### 3.1 General rule

Employees must not buy or sell WGO securities while they are in possession of inside information, being information about securities in WGO which is not publicly available.

### 3.2 Specific prohibited dealings

In addition to the general restriction in section 3.1 above, there are certain periods during the year when Employees may not deal in WGO securities.

Employees are prohibited from dealing in WGO's securities during the two (2) weeks prior to and the day after the release of the following information:

- Full year financial results to ASX;
- Half yearly financial results to ASX; and
- Quarterly activities and cashflow reports to ASX

(collectively called "**Closed Periods**").

The WGO Board may impose other periods when Employees are prohibited from trading because price sensitive, non-public information may exist in relation to a matter. Employees will be notified of these periods by letter, email or facsimile by the Chairman, Managing Director or Company Secretary. These ad hoc periods, together with the Closed Periods are called "**Prohibited Periods**".

From time to time, the Company may be engaged with other companies in situations which may give rise to inside information. In these instances, these companies will be placed upon a "**Restricted List**" and dealing in their securities prohibited while they remain on the list. The Company Secretary will maintain the Restricted List.

### 3.3 Additional Restrictions on Designated Personnel

As the Board, Managing Director and his/her direct reports, the Company Secretary and the Chief Financial Officer ("**Designated Personnel**") are likely to be exposed to confidential or non-public information regarding WGO, they are subject to additional restrictions.

Any Designated Personnel wishing to deal in WGO's securities must give written notice (which may be by email) to the Chairman and the Managing Director or another non-executive director (in the case of the Chairman and the Managing Director) of their intention prior to dealing in WGO's securities.

The Designated Person must not deal in WGO's securities until written approval has been given by both the Chairman and the Managing Director or another non-executive director (in the case where either the Chairman or the Managing Director is unavailable). The Designated Person must deal as soon as possible and in any event within five (5) business days of the permission being given and he/she must confirm the dealing and relevant details of the dealing to the Chairman, Managing Director and Company Secretary within two (2) business days after the dealing.

The Board may from time to time designate other Employees as Designated Personnel for the purposes of this policy and will notify such Employees of the designation.

### **3.4 Dealings in Exceptional Circumstances**

An Employee, who is not in possession of inside information in relation to WGO may deal in WGO securities during a Prohibited Period if they have the prior written approval (which may be by email) of both the Chairman and the Managing Director or another non-executive director (in the case of the Chairman and the Managing Director). Such approval will only be given where:

- The Employee may be in severe financial hardship; or
- An exceptional circumstance exists as determined by the Chairman and the Managing Director or another non-executive director (in the case of the Chairman and the Managing Director).

Where prior written approval is given for an Employee to deal during a Prohibited Period, such approval is valid for only five (5) trading days including the day on which permission is granted. The Company Secretary will maintain a register of Employees given clearance to trade under this clause.

### **3.5 Exceptions**

This Policy does not apply to:

- dealings in WGO's securities already held by an Employee in a superannuation fund in which that Employee is a beneficiary and where any decision to trade during a Prohibited Period is taken by the trustees of the fund or by the investment managers independently of the Employee;
- an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of WGO) where the assets of the fund or other scheme are invested at the discretion of a third party;
- where an Employee is a trustee, trading in the securities of the entity 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;
- an undertaking to accept, or the acceptance of, a takeover offer;
- dealings under an offer or invitation made to all or most of the security holders of WGO, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back approved by the WGO Board; or
- the exercise (but not the sale of securities following exercise) of an option or a right under any 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 WGO has been in an exceptionally long prohibited period or the entity has had a number of consecutive prohibited periods and the Employee could not reasonably have been expected to exercise it at a time when free to do so.

## **4 Short-term trading**

Employees must not engage in short-term trading of any WGO securities. Short-term trading is a purchase and sale of the same securities within a six-month period.

This prohibition on short-term trading may be excepted by the Chairman and the Managing Director or another non-executive director (in the case of the Chairman and the Managing Director) in some very limited circumstances for example, involving employee incentive schemes, if exception circumstances exist and approval is given as provided in section 3.4, above.

## 5 Margin lending

Designated Personnel should ensure that when arranging finance either for themselves or through their associated parties, where security in WGO is provided as collateral, such obligations do not conflict with their obligations under this policy. In particular, Designated Personnel should ensure that the terms of any margin lending arrangements do not require dealings in WGO's securities at such time when they are prohibited from dealing in WGO's securities. Margin Lending is also subject to the approval requirements in section 3.3.

If any Designated Personnel enters into a margin lending arrangement, within ten days of entering into such arrangement, the following information must be provided to the Company Secretary:

- number of securities subject to such arrangement;
- the trigger events for disposal of such securities;
- any other information that may be relevant to WGO's continuous disclosure obligations, including the ability of the Designated Personnel to meet any margin call.

If any Designated Personnel has provided details of any margin lending arrangements, they must keep the Company Secretary informed of any change in circumstances that may be relevant to WGO's continuous disclosure obligations.

## 6 Derivatives

Designated Personnel may only enter into transactions involving derivatives (as defined in section 761D of the Corporations Act) ("**Derivatives**") in respect of WGO's securities (including shares, performance options and performance rights) if the following criteria are satisfied:

- the relevant securities are fully vested;
- the Derivative has a maturity date that falls outside a Prohibited Period;
- WGO is not a counterparty to the Derivative;
- the Derivative is used for the purposes of protecting the value of an asset supporting a loan taken out for the exercise price of options granted by WGO or to protect the value of the security in respect of tax liabilities that may become due and payable; and
- the Derivative transaction complies with all applicable laws.

The approval requirements in section 3.3 of this policy apply to the use of Derivatives. At the time of making a notification, the relevant Designated Personnel must also provide evidence that the criteria set out above have been satisfied.

WGO may publicly disclose all Derivative positions over WGO securities taken out by Designated Personnel, including in situations, where disclosure is not required by law.

## 7 Compliance with this Policy

It is the personal responsibility of each individual to comply with this policy. Any Employee may be asked to confirm their compliance with this policy or provide confirmation of their dealings in WGO's securities. Any request must be responded to promptly.

Any breach of this policy will be severely dealt with and may be grounds for termination.

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