



Securities trading policy

Strike Energy Limited
ACN 078 012 745

Approved: 23 June 2016

Contents

1.	Introduction.....	1
2.	Objectives.....	1
3.	Definitions and interpretation.....	2
4.	Insider trading	3
5.	Continuous disclosure	4
6.	When Strike personnel may deal in Securities	4
7.	Closed trading periods.....	5
8.	Excluded trading.....	6
9.	Exceptional circumstances – permission to deal.....	6
10.	Notification of directors’ dealings in Securities.....	7
11.	Notification to the Company secretary	7
12.	Breach of policy	7
13.	Speculative dealing and hedging.....	7
14.	Further information and updates.....	7

Strike Energy Limited

ACN 078 012 745

(Company)

Securities trading policy

1. Introduction

- 1.1 This policy has been implemented to prevent 'insider trading' in Securities of Strike Energy Limited (Company) by Strike personnel. It also imposes disclosure requirements on Directors.
- 1.2 This policy outlines:
- (1) when trading in the Company's Securities by Strike personnel is permitted (Paragraph 6.1);
 - (2) outlines when trading in Securities of certain other companies by Strike personnel is not permitted (Paragraph 4.6);
 - (3) how approvals are to be sought by Strike personnel prior to trading in Securities (Paragraph 6.2); and
 - (4) sets out procedures to reduce the risk of insider trading.
- 1.3 The Company is committed to ensuring that Strike personnel act in accordance with the company's values and strategies, to act at all times in accordance with the law and uphold the ASX and ASIC principles of corporate governance.

2. Objectives

- 2.1 The objectives of this policy are to:
- (1) ensure that Strike personnel are aware of the legal restrictions on trading Securities in the Company while a person is in possession of Inside Information in relation to the Company;
 - (2) minimise the risk of Strike personnel contravening the laws against insider trading;
 - (3) assist in ensuring the Company is able to meet its reporting obligations under the Australian Securities Exchange (ASX) Listing Rules;
 - (4) assist in ensuring the Company complies with the principles of good corporate governance and best practice recommendations set out by the ASX Corporate Governance Council; and
 - (5) increase transparency with respect to trading in the Securities of the Company by Strike personnel.
- 2.2 To achieve these objectives this policy is binding on all Strike personnel in the absence of a specific documented exemption by the board.

3. Definitions and interpretation

3.1 In this policy, unless the context otherwise requires:

- (1) **Act** means the Corporations Act 2001;
- (2) **Associated persons** refers to contractors, consultants, advisors or key suppliers that by virtue of their role or relationship with the Company or a controlled entity of the Company have access to information that has or could reasonably be deemed to be Inside Information;
- (3) **Business Day** has the meaning given in the ASX Listing Rules;
- (4) **Deal in Securities** means apply for, acquire or dispose of Securities in the relevant entity, or enter into an agreement to apply for, or acquire, or dispose of any such Securities, and includes procuring another person to do any of these things, and **Dealing in Securities** has a corresponding meaning;
- (5) **Inside Information** is information that is:
 - (a) not generally available (as defined in section 1042C of the Act); and
 - (b) if it were generally available (as defined in section 1042C of the Act), a reasonable person would expect it to have a material effect (as defined in section 1042D of the Act) on the price or value of the relevant Securities;
- (6) **Prohibited Period** has the meaning given in paragraph 6.1(3);
- (7) **Securities** include shares, debentures, options to acquire shares or debentures, and derivatives;
- (8) **Strike personnel** collectively refer to the Directors, employees and Associated persons of the Company and its controlled or associated entities.

3.2 Interpretation

- (1) Reference to:
 - (a) one gender includes the others;
 - (b) the singular includes the plural and the plural includes the singular;
 - (c) a person includes a body corporate;
 - (d) a party includes the party's executors, administrators, successors and permitted assigns;
 - (e) a statute, regulation, code or other law or a provision of any of them includes:
 - (i) any amendment or replacement of it; and
 - (ii) another regulation or other statutory instrument made under it, or made under it as amended or replaced;
 - (f) dollars means Australian dollars unless otherwise stated;

- (2) "Including" and similar expressions are not words of limitation.
- (3) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.
- (4) Headings and any table of contents or index are for convenience only and do not form part of this policy or affect its interpretation.
- (5) If an act must be done on a specified day which is not a Business Day, it must be done instead on the next Business Day.
- (6) Where notification is required to be given in writing under this policy, the written notification may be given electronically.

4. Insider trading

- 4.1 Insider trading is unlawful. A person undertakes insider trading in relation to the Securities of the Company if that person Deals in the Company's Securities while possessing Inside Information in relation to the Company.
- 4.2 It is also unlawful for a person in possession of Inside Information in relation to the Securities of the Company to disclose that Inside Information to another person if the first person knows, or ought reasonably to know, that the second person would or would be likely to Deal in Securities of the Company. Such action also constitutes 'insider trading' within the meaning of this policy.
- 4.3 Insider trading is a criminal offence. It is punishable by substantial fines or imprisonment or both under the Act.
- 4.4 Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties on persons who engage in insider trading and order payment of compensation to shareholders who suffer loss or damage as a result of insider trading in the Company's Securities.
- 4.5 Directors and employees engaged in the management of the Company will or may, from time to time, be in a situation where they are in possession of Inside Information. Some examples are the period shortly prior to the release of annual or half-yearly results to the ASX and the period during which a confidential major transaction is being negotiated.
- 4.6 The prohibition on insider trading is not restricted to Inside Information relating to the Company's Securities. If you possess Inside Information in relation to Securities of another company or entity, including suppliers or customers of the Company, you must not deal in those Securities. Examples of situations where you may be in possession of Inside Information in relation to Securities of another company and therefore prohibited from Dealing in Securities of that company are as follows:
 - (1) in the course of negotiating a transaction with the Company, another company provides confidential information about itself to you;
 - (2) in the course of negotiating a transaction with the Company, another company provides confidential information about a third party to you; or
 - (3) information, which you are aware of, concerning a proposed transaction or other action by the Company that might have a material effect on a third party.

5. Continuous disclosure

- 5.1 The risk of contravention of insider trading laws in relation to information concerning public companies was reduced with the introduction of the continuous disclosure regime.
- 5.2 Since the introduction of the ASX continuous disclosure regime in 1994, once an ASX-listed entity is or becomes aware of any "Price Sensitive Information" (being information concerning the entity that a reasonable person would expect to have a material effect on the price or value of the entity's securities), the entity must immediately tell ASX that information, except in limited circumstances. The tests of what constitutes Inside Information under the insider trading laws and what constitutes undisclosed Price Sensitive Information under the ASX continuous disclosure requirements are effectively identical.
- 5.3 There are a number of ways in which the continuous disclosure regime does not reduce the risk of insider trading. These include:
- (1) the ASX Listing Rules and the Act permit companies to not disclose certain information, for example in the situation where a proposed acquisition is being negotiated and remains confidential;
 - (2) information may be known to particular Strike personnel but not yet by an officer of the Company (in the officer's capacity as an officer of the Company) such as would trigger the requirement to make a disclosure under the continuous disclosure requirements;
 - (3) the Company may not have yet complied with its continuous disclosure obligations in relation to a particular event or circumstance and there will always be some element of delay in doing so.
- 5.4 In these situations there is potential for the contravention of the insider trading prohibitions. There is also the potential for an appearance of a contravention even if there has not been an actual contravention. This could reflect badly on the Company as well as the individuals concerned.
- 5.5 For these reasons, the approval of the Chair (in the case of Directors) or the Managing Director or Company secretary (in the case of employees or Associated persons) must be sought prior to any Dealings in Securities of the Company taking place. These approval requirements are set out in more detail in paragraph 6.2.
- 5.6 Notwithstanding anything in this policy, each Strike personnel individual has an individual responsibility to ensure they comply with all laws relating to insider trading.

6. When Strike personnel may deal in Securities

- 6.1 Strike personnel may only Deal in Securities of the Company if:
- (1) they have satisfied themselves that they are not in possession of any Inside Information;
 - (2) they have obtained the necessary written permissions in accordance with paragraph 6.2; and
 - (3) the Company is outside of a **Prohibited Period**, being:
 - (a) a "Closed trading period" (as defined in paragraph 7.1); and

- (b) any additional period when Strike personnel are prohibited from Dealing in Securities of the Company, which is imposed by the Board from time to time when the Company is considering matters which are subject to Listing Rule 3.1A,

In addition certain restricted Dealings in Securities are permitted (subject only to the requirement of paragraph 6.2) under paragraph 8.1.

- 6.2 The Chair and Managing Director will generally approve Strike personnel to Deal in Securities of the Company outside of a Prohibited Period and otherwise subject to the above limitations. Before undertaking a Dealing in Securities of the Company, a request to Deal in Securities form must be completed and approved as follows:
- (1) in the case of employees or Associated persons, the Managing Director or in his absence, the Company secretary;
 - (2) in the case of a Director or their associates (including spouses and de facto spouses or the Director's parents or children), the Chair, or in his absence, the Managing Director;
 - (3) in the case of the Managing Director, the Chair or, in his absence, the Chair of the Audit and Risk Committee; or
 - (4) in the case of the Chair, the Chair of the Audit and Risk Committee.
- 6.3 Strike personnel must not communicate Inside Information to a person who the Strike personnel knows, or ought reasonably to know, would or would be likely to Dealing in Securities of the Company.
- 6.4 Strike personnel must not recommend or otherwise suggest to any person (including a spouse, relative, friend, trustee of a family trust or Directors of a family company) that they Deal in Securities where the Strike personnel is in Inside Information.

7. Closed trading periods

- 7.1 The Company's **Closed trading periods** comprise the two weeks immediately leading up to and including each of the following dates:
- (1) the day a quarterly report is announced;
 - (2) the day half year results are announced;
 - (3) the day full year results are announced; and
 - (4) the day of the Company's annual general meeting.

Strike personnel are required to wait at least 1 full Business Day (i.e. a full 24 hour trading cycle) after the relevant release or meeting before Dealing in Securities so that the market has had time to absorb this information.

For other announcements (not specified above), Strike personnel are required to wait at least 4 trading hours before dealing in Securities in accordance with paragraph 7.1 so that the market has had time to absorb this information.

8. Excluded trading

8.1 Subject always to the prohibition against insider trading, the following transactions relating to trading in the Company's Securities are excluded from the operation of this policy:

- (1) transfers which result in no change in the beneficial interest in the Securities;
- (2) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the Company's Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (3) where Strike personnel are a trustee, trading in the Company's Securities by that trust provided the individual impacted by this policy is not a beneficiary of the trust and any decision to Deal in Securities during a prohibited period is taken by the other trustees or by the investment managers independently of this individual;
- (4) undertakings to accept, or the acceptance of, a takeover offer;
- (5) trading 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 and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the Board;
- (6) a disposal of Securities that is the result of a secured lender exercising its rights;
- (7) the exercise (but not sale of Securities following exercise) of an option or a right under an employee incentive share scheme, or the conversion of a convertible security; and
- (8) trading under a non-discretionary trading plan for which prior clearance has been provided in accordance with procedures set out in the trading policy and where:
 - (a) Strike personnel did not enter into the plan or amend the plan during a Prohibited Period;
 - (b) the trading plan does not permit Strike personnel to exercise any influence or discretion over how, when or whether to Deal in Securities; and
 - (c) Strike personnel may not 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.

9. Exceptional circumstances – permission to deal

9.1 In exceptional circumstances, clearance may be given by the Chair and at least one other non-executive Director for Strike personnel to sell (but not to purchase) Securities of the Company during a Prohibited Period.

9.2 An example of the type of circumstances which may be considered exceptional for these purposes would be a pressing financial commitment on the part of the individual that cannot otherwise be satisfied.

9.3 The determination of whether the circumstances are exceptional for this purpose must be made by the Chair and at least one other non-executive Director.

- 9.4 Notwithstanding anything in this paragraph 9 or otherwise in this policy, Strike personnel must not Deal in Securities of the Company if they are in possession of Inside Information.

10. Notification of directors' dealings in Securities

- 10.1 A Director of a listed company must notify the ASX within 14 days of acquiring or disposing of a relevant interest in any Securities of the Company (section 205G of the Act). This is an obligation of the Director, not the Company. There is no prescribed form for such notifications.
- 10.2 The Company (in this case as the agent of the director for the purposes of section 205G of the Act) must notify the ASX of dealing in Securities by Directors within 5 Business Days (ASX Listing Rules 3.19A and 3.19B).
- 10.3 Three appendices are included in the ASX Listing Rules for the purpose of this notification:
- (1) 3X: Initial Director's Interest Notice;
 - (2) 3Y: Change of Director's Interest Notice; and
 - (3) 3Z: Final Director's Interest Notice.
- 10.4 Where an Appendix 3Y is lodged with ASX, the Director's obligations under section 205G of the Act will be satisfied.

11. Notification to the Company secretary

- 11.1 Directors must notify the Company secretary within 2 business days on acquiring or disposing of a relevant interest in any Securities in the Company or on ceasing or becoming a substantial shareholder of the Company.

12. Breach of policy

- 12.1 A breach of this policy by Strike personnel will be regarded seriously. It may constitute a breach of the law and it will lead to disciplinary action being taken against the individual that may result in summary dismissal of the individual and other proceedings.

13. Speculative dealing and hedging

- 13.1 Strike personnel must not at any time engage in short-term trading in Securities of the Company.
- 13.2 Strike personnel must not at any time hedge options issued to them under an employee option plan prior to vesting of the options.

14. Further information and updates

- 14.1 If Strike personnel have any query about the application of this policy, they should consult the Managing Director or Company secretary. In addition for details of the Company's continuous disclosure requirements, reference should be made to the Continuous disclosure policy. This policy shall be reviewed periodically and updated as required or immediately after the occurrence of any significant incident or event.

