
1 Introduction

The purpose of this policy is:

- (a) to outline the type of conduct in relation to dealing in securities that is prohibited under insider trading laws and regulations, which is applicable to all personnel of the Tap group of companies (**Tap**); and
- (b) establish a best practice procedure relating to dealing in securities (including shares, options and share rights issued by Tap) that provides protection to both Tap and its personnel against the misuse of unpublished information which could materially affect the value of Tap securities.

Tap aims to achieve the highest possible standards of corporate conduct and governance. Accordingly, the Board of Directors considers that compliance with this policy is essential to ensure that the highest standards of conduct are being met by Tap personnel. Tap also wishes to ensure that any incorrect perception by any of its personnel is avoided as to when they may or should not deal in Tap securities.

This policy should be read in conjunction with the Continuous Disclosure Policy which details Tap's obligations to disclose material information to the ASX.

2 Application

2.1 Who does this policy apply to?

This policy applies to:

- (a) all directors of Tap or any related body corporate (as defined in the *Corporations Act*);
- (b) all employees of Tap or any related body corporate (as defined in the *Corporations Act*);
- (c) all persons working for Tap under a contract or a consultancy agreement, as opposed to an employment agreement,

referred to in this policy as **Tap Personnel**.

This policy also extends to some "**Associates**" of Tap Personnel, such as family members or entities controlled by Tap Personnel and their associates. For further information on who may be your "Associate", refer to paragraph 1.2 in Schedule 1 of this policy.

Any non-compliance with this policy, whether or not it also constitutes a breach of the *Corporations Act*, will be regarded as serious misconduct which may

entitle Tap to terminate the employment of any employee or the contract of any contractor found to be in breach of this policy. For directors, any non-compliance with this policy may constitute a breach of your terms of appointment as a director of the Company.

If you are unsure about whether this policy applies to you, another person connected to you or to any particular instrument you wish to deal in, you should seek assistance from the Company Secretary before you deal in the instrument.

2.2 What type of transactions are covered by this policy?

This policy applies to all “dealing” in Tap securities including the sale and purchase of any Tap securities on issue from time to time. The General Prohibition set out in Section 3 also extends to dealing in securities of other entities (refer to Section 5 of this policy for further information).

For further information on what is a “dealing”, refer to paragraph 1.3 in Schedule 1 of this policy.

3 Policy for Dealing in Tap Securities

3.1 General Prohibition

It is illegal and you must not deal in, or procure others to deal in Tap securities, if:

- (a) you possess information which is not generally available;
- (b) a reasonable person would expect that that information (if it were generally available) would have a material effect on the price or value of Tap securities or the securities of another relevant body; and
- (c) you know, or ought reasonably to know, that the relevant information is not generally available and would have that effect on the price or value of securities.

In addition, it is also illegal to communicate such Inside Information to another person if you know, or ought reasonably to know, that the recipient of that information is likely to use that Inside Information to deal in, or procure someone else to deal in, securities.

This **General Prohibition** overrides all other rules and exceptions set out in this policy. It applies at all times. Further, the General Prohibition applies regardless of where the relevant conduct takes place.

It does not matter how or in what capacity you become aware of Inside Information. It does not have to be obtained from Tap or Tap Personnel to constitute Inside Information.

You may also owe duties or a contractual obligation to Tap not to use information acquired in your capacity as a member of Tap Personnel for

improper purposes, including to gain an improper advantage for yourself or someone else, or to cause a detriment to Tap.

3.2 The Blackout Period Prohibition

Even if the General Prohibition does not apply, you must not deal in Tap's securities during the following periods:

- (a) four weeks prior to the release of Tap's results for the financial year ended 31 December until the beginning of the next trading day after the announcement of such results; and
- (b) four weeks prior to the release of Tap's results for the half year ended 30 June until the beginning of the next trading day after the announcement of such results,

each a **Blackout Period**.

Tap typically releases its results for the:

- (a) financial year ended 31 December on or around 28 February; and
- (b) half year ended 30 June on or around 31 August,

however, these dates are indicative only and the applicable Blackout Periods may vary.

3.3 Prohibition in Other Circumstances

From time to time outside a Blackout Period, it may be necessary to prohibit the dealing of Tap's securities by Tap Personnel or a group of them due to activity or knowledge within the Company at that time (**Prohibited Trading Period**). In these circumstances, the decision to impose (and subsequently lift) such a prohibition will be taken by the Managing Director/CEO in consultation with the Company Secretary.

To protect confidentiality, there may not be any announcement of the creation of a Prohibited Trading Period. Further, you may be told that a prohibition exists, but you may not necessarily be told why or for how long it will last.

If you hold Tap securities, you must recognise that a Prohibited Trading Period may apply at the time you wish to sell your shares and Tap will have no responsibility to you if that is the case.

3.4 How to Deal when there is no Prohibition

Subject to this Section 3.4, you may deal in Tap securities if none of the prohibitions set out in paragraph 3.1, 3.2 or 3.3 above (the **Prohibitions**) applies at that time. It is your responsibility to determine whether you are in possession of any Inside Information and if unsure or in any doubt, you should seek the advice of the Company Secretary before any dealing is undertaken. It is also your responsibility to make your Associates aware of the restrictions imposed under this policy and to put in place appropriate arrangements with your Associates to seek to ensure any dealings with or by your Associates

comply with this policy as if the relevant dealing was undertaken by Tap Personnel.

Prior to undertaking a dealing to which this policy applies, all Tap Personnel must seek written clearance from the Company Secretary by providing the Company Secretary with a notice:

- (a) setting out details of the proposed dealing;
- (b) confirming that he or she is not in possession of any Inside Information; and
- (c) seeking written confirmation that none of the Prohibitions apply.

The Company Secretary may at the discretion of Tap:

- (a) refuse to give the written clearance without giving any reasons; and
- (b) withdraw a clearance if new information comes to light or there is a change in circumstances;

Any refusal to provide the written clearance is final and binding on the Tap Personnel seeking that clearance on behalf of themselves or their Associates. If written clearance is not provided or withdrawn, that Tap Personnel must keep that information confidential and not disclose the refusal or withdrawal to anyone other than any of your Associates to which the proposed dealing relates.

On receipt of written clearance from the Company Secretary (if any), any dealing must be completed within two business days of receipt of the clearance from the Company Secretary and must be consistent with the terms of the notification given by the Company Secretary. Within three business days following any dealing in securities by Directors, details of the dealing and their holdings (including HINs or SRNs) must be provided to the Company Secretary to ensure that the notification obligations of Directors under the ASX Listing Rules and the Corporations Act are satisfied. Other Tap Personnel must provide the Company Secretary with the updated details of their holdings within five business days of any dealing.

A written clearance is not an approval for, or endorsement of the relevant dealing. It is your responsibility to determine whether you are in possession of any Inside Information at the time the dealing is undertaken.

3.5 Short term dealing

Even if none of the Prohibitions referred to above apply, you must not deal in Tap securities on a short term or speculative basis. You must not acquire Tap's securities with the intention of disposing or selling them within 30 days of acquisition.

This short term dealing rule does not apply:

- (a) to securities acquired as a result of the exercise of an option or the vesting of rights under Tap's employee share plans as described below; or
- (b) shares acquired under Tap's employee share plans.

3.6 Short selling

Even if none of the above Prohibitions apply, Tap Personnel must not engage in the short selling of Tap securities at any time. Short selling is the sale of securities that you do not own but have borrowed with a view to later buying those securities back at a lower price to make a profit.

3.7 Employee, Executive and Director Share Plans

While any person remains employed by Tap, any dealing in securities (including vesting of rights) acquired pursuant to the Tap Oil Limited Share Rights Plan, following cessation of restrictions over any such securities, must only occur in accordance with this policy.

3.8 Exceptions to this policy

The following dealings are excluded from the operation of this policy:

- (a) transfers of Tap securities already held by Tap Personnel into a superannuation fund or other saving scheme in which that Tap Personnel is a beneficiary;
- (b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in Tap securities) where the assets of the fund or other scheme are invested at the discretion of an unrelated third party;
- (c) where Tap Personnel is a trustee, trading in Tap securities by that trust, provided the relevant Tap Personnel 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 relevant Tap Personnel;
- (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, 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. This includes decisions relating to whether or not to take up the entitlements and the sale of the entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- (f) subject to the relevant Tap Personnel having complied with paragraph 4 of this policy, a disposal of Tap securities by a secured lender without the

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- permission or authority of the relevant Tap Personnel at the time that is the result of that lender exercising its rights under a lending arrangement;
- (g) the exercise (but not the sale of Tap securities following exercise) of an option or vesting of 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 entity has been in an exceptionally long prohibited period or the entity has had a number of consecutive prohibited periods and the relevant Tap Personnel could not reasonably have been expected to exercise it at a time when free to do so;
 - (h) the acquisition of securities under an employee incentive scheme;
 - (i) where Tap has an employee incentive scheme with a Director, executive or senior manager as trustee of that scheme, the acquisition of Tap securities by that Director, executive or senior manager in his or her capacity as trustee of the scheme;
 - (j) the obtaining by a Director of a share qualification;
 - (k) trading under a non-discretionary trading plan (but which does not include sales under stop/loss orders) for which prior written clearance has been provided in accordance with procedures set out in this policy and where:
 - (i) the relevant Tap Personnel did not enter into the plan or amend the plan during a prohibited period;
 - (ii) the trading plan does not permit the relevant Tap Personnel to exercise any influence or discretion over how, when, or whether to trade; and
 - (iii) this policy does not allow for the cancellation of a trading plan during a prohibited period other than in exceptional circumstances;
 - (l) where the beneficial interest in the relevant Tap security does not change;
 - (m) transactions conducted between an individual and their spouse, civil partner, child, step-child or other close family member;
 - (n) cancellation of the Tap securities as a result of failure to vest or other forfeiture of securities received by individuals as part of performance based remuneration; and
 - (o) vesting (but not any subsequent sale) of Tap securities as a result of meeting tenure and/or performance hurdles or release of Tap securities from holding lock or holding term in respect of securities received by individuals as part of performance-based remuneration.

You should note that, under insider trading laws, a person who possesses Inside Information may be prohibited from dealing in Tap securities even where the dealing falls within an exception specified in this policy.

3.9 Exceptional Circumstances

The Managing Director/CEO (in consultation with the Chairman) has the discretion to give approval to Tap Personnel to deal in Tap securities during a Blackout Period, Prohibited Trading Period or within a thirty day period as referred to in paragraph 3.5 above if:

- (a) that person is experiencing severe financial hardship or other exceptional circumstances (such as where there is a court order); and
- (b) the disposal would not breach the General Prohibition.

To be eligible for this relief, you must seek and obtain written approval from the Managing Director/CEO prior to undertaking the dealing. The request for approval must include details of the number of securities to be dealt with, the manner of the dealing, the proposed timing of the dealing, a statement confirming that you do not possess Inside Information and describing the exceptional circumstance necessitating the dealing.

By way of guidance a general tax liability or a tax liability relating to securities received under an employee incentive scheme or an obligation to sell under a collateralisation arrangement will not constitute exceptional circumstances. Granting of relief under this section of the policy is not expected to occur easily.

The authorised dealing in Tap securities must take place within 2 business days of obtaining approval under this paragraph 3.9.

Approval provided under this paragraph 3.9 is an exemption from the operation of this policy during a Blackout Period or Prohibited Trading Period and is not an approval for, or endorsement of, the relevant dealing. Under insider trading laws, a person who possesses Inside Information may be prohibited from dealing even where they have been given permission to deal under this policy.

4 Hedging and Collateralisation of Tap Securities

4.1 Hedging

4.1.1 Prohibited conduct

Hedging of Tap securities by Tap Personnel is subject to the following overriding prohibitions:

- (a) the hedge transaction may not be entered into, renewed, altered or closed out when the relevant Tap Personnel is in possession of Inside Information;
- (b) Tap securities may never be hedged prior to the vesting of those Tap securities; and

Tap securities may never be hedged while they are subject to a holding lock or restriction on dealing under the terms of an employee share plan operated by Tap.

4.1.2 Permitted conduct

You are permitted to hedge your Tap securities on the following conditions:

- (a) the hedge transaction is treated as an ordinary dealing in Tap securities for the purposes of this policy, and the relevant approvals and notifications are made on this basis; and
- (b) clearance has been obtained in accordance with paragraph 3.4.

4.1.3 Notification

Where you enter into a hedging arrangement in respect of Tap securities, the Company may, where appropriate, disclose the fact and nature of the hedge (eg in the annual report or to the ASX).

4.2 Collateralisation and margin loans

Any Tap Personnel who has used his/her Tap securities as collateral or has entered into a margin loan in relation to his/her Tap securities, or intends to do so, must provide a copy of this policy to the lender and notify the Company Secretary accordingly.

In addition, any Director, executive or senior manager of Tap is not permitted to use his/her Tap securities as collateral or to enter into a margin loan or similar arrangement in relation to them, without:

- (a) obtaining written confirmation from the lender or holder of the collateral that the Tap securities will not be dealt with by it in contravention of the Director, executive or senior manager's obligations under this policy; and
- (b) seeking and obtaining, in writing, formal approval as follows:
 - (i) a Director of Tap (including the Managing Director/CEO) must inform and receive approval from the Chairman;
 - (ii) the Chairman must obtain approval from the Chairman of the Audit and Risk Committee and Managing Director/CEO or the Company Secretary; and
 - (iii) key management personnel (including the Managing Director/CEO) must inform and receive approval from the Chairman,

prior to entering into that collateralisation, margin loan or arrangement.

5 Securities in Other Companies

If Tap Personnel have Inside Information, relating to other entities whether listed in Australia or any other jurisdiction, then the General Prohibition applies to any dealing in the securities of that entity.

Examples of when these extended rules may arise include, but are not limited to, the following:

- (a) another entity may provide material information about itself to Tap in the course of a proposed transaction;
- (b) another entity with whom Tap is dealing may provide material information about a third entity;
- (c) information concerning Tap or actions which may be taken by Tap (i.e. a planned transaction or strategic change) that could reasonably be expected to have an effect on a third party entity; and
- (d) information regarding the outcome of exploration, appraisal or development activities being undertaken by a joint venturer where this information has not been released to the market.

In addition to the application of the insider trading rules to securities of other entities, all Tap Personnel are also bound by a duty of confidentiality in relation to information obtained in the course of their duties.

6 Register of Dealings

The Company Secretary will maintain a copy of:

- (a) all requests for approval to deal in Tap securities submitted by any Tap Personnel;
- (b) all decisions relating to requests; and
- (c) details of all dealings in Tap securities made by any Tap Personnel.

The Company Secretary will notify the Board of any dealings by a Director, senior manager or executive (or any related body corporate or Associates of those Tap Personnel).

7 Policy Governance

The Company Secretary shall be responsible for assessing and monitoring the compliance with this policy and reporting to the Managing Director/CEO and the Board, as required. The Company Secretary shall also be responsible for the communication of this policy to employees and its implementation.

A copy of this policy will be provided to all Tap Personnel as part of Tap's induction procedures. A copy can also be found on Tap's website.

Policy No: LG3.0
Policy: Dealing in Securities



This policy will be reviewed periodically to ensure it complies with all applicable laws and best corporate governance practices. Any amendment of this policy must be approved by the Board.

Breach of the insider trading laws may subject you to:

- (a) criminal liability - penalties include heavy fines and imprisonment; and
- (b) civil liability - you can be sued by another party or Tap for any loss suffered as a result of illegal trading activities

Breach of the law or this policy or both will be regarded by Tap as serious misconduct which may lead to disciplinary action or dismissal.

If you are in any doubt regarding your proposed dealing in Tap securities or those of another company or the impact of this policy upon you, you should contact the Company Secretary.

Schedule 1

Key Concepts

This schedule provides further details on the key concepts underlying the insider trading laws, which are referred to in this policy.

1 Relevant Terms

1.1 Securities

The definition of securities in the *Corporations Act* is very broad, and includes:

- ordinary shares;
- preference shares;
- options;
- any financial product;
- debentures; and
- convertible notes.

It also extends to things relating to securities issued by Tap (for example, warrants and other derivative products).

1.2 Associate

The definition of “associate” specifically includes:

- (a) your spouse or de facto partner;
- (b) dependent children or those of your partner or de facto partner;
- (c) a company, partnership or trust which:
 - you control or have significant influence over;
 - you and any of the persons in (a) or (b) control or have significant influence over; or
 - any person referred to in (a) or (b) controls or has significant influence over;
- (d) any other person or entity, including a nominee, with whom you act or propose to act in concert regarding dealing in securities.

This policy extends to all of your associates, unless that person is over the age of 18 and acts, or makes decisions in respect of dealings in securities, completely independently of you, without any influence from or control by you.

1.3 Dealing in Securities

Dealing in securities is a broad concept and covers more than simply buying or selling shares. It extends to exercising options over shares, entering agreements to buy or sell securities and creating a security interest in the securities.

Under this policy, the prohibition on dealing means that you are not permitted to:

- (a) buy or sell securities;
- (b) subscribe for new securities;
- (c) enter into an agreement to subscribe for, buy or sell, securities;
- (d) create a security interest in the securities;
- (e) enter into or close out of short term trades (including short selling);
- (f) enter into or close out of margin loans through the acquisition or disposal of shares,

where you possess Inside Information.

If you are subject to the General Prohibition at any time because you possess Inside Information, you are also prohibited from:

- (a) procuring any other person to deal in Tap securities; or
- (b) directly or indirectly communicating the information to another person who you believe is likely to deal in, or procure another to deal in, Tap securities.

“Procuring” means enticing, encouraging, persuading, causing or securing another person to do something. For the purposes of these provisions procuring includes inciting, inducing or encouraging an act or omission.

For example, you cannot ask or encourage family members to deal in Tap securities when you possess Inside Information and you should not communicate price sensitive information.

If you accidentally give somebody Inside Information when you should not have, you must immediately tell that person that it is ‘Inside Information’ and warn them against dealing in Tap securities, getting others to deal in Tap securities, or communicating the information to others.

1.4 Inside Information

“Inside Information” is “Material Information” which is not “generally available”. Refer to sections 1.5 and 1.6 of this schedule.

1.5 Information that is generally available

The concept of “information” under insider trading laws is very broad and includes intentions, matters that are not definite and matters of supposition.

Information is considered to be “generally available” if:

- (a) it consists of readily observable matter;
- (b) it has been made known in a manner likely to bring it to the attention of investors in securities of corporations of that kind and a reasonable period for dissemination of that information has elapsed. That is, information will be “generally available” if it has been released to the ASX, published in an Annual Report or prospectus or otherwise has been made generally available to the investing public and a reasonable period of time has elapsed after the information has been disseminated in one of these ways; or
- (c) it may be deduced, inferred or concluded from the above.

1.6 Material information

Material Information is information considered to be likely to have a material effect on the price or value of securities of a company if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell those securities.

It is not possible to list all of the information that may be “material”, however, the following type of information would be likely to be considered to have a material effect on Tap’s share price:

- (a) information regarding a material increase or decrease in Tap’s financial performance from previous results or forecasts;
- (b) a proposed material business or asset acquisition or sale;
- (c) material exploration results;
- (d) the damage or destruction of a material operation of the company;
- (e) proposed material legal proceedings to be initiated by or against Tap;
- (f) regulatory action or investigations undertaken by a government authority;
- (g) the launch of a material new business; or
- (h) a proposal to undertake a new issue of shares or major change in financing.

Conclusion – seek assistance

The question of whether you hold Inside Information is often a difficult one to answer. For example, there are principles that may extend (or deem) you to possess Inside Information even if you don’t actually know the information personally. Please seek assistance from the Company Secretary if you have any questions or doubts about whether you would be considered to hold Inside Information at a particular time.

Policy No: LG3.0
Policy: Dealing in Securities



Approved by the Board of Tap Oil Limited

A handwritten signature in black ink, appearing to be "Douglas Bailey", written over a horizontal line.

Douglas Bailey
Chairman
for and on behalf of the Board
of Directors

Date: 25 August 2016