

**METGASCO LIMITED**

**SHARE TRADING POLICY**

## **1. Introduction**

The ordinary shares of Metgasco Limited are listed on the Australian Stock Exchange. This policy has been written in an effort to prevent the incidence of insider trading in Metgasco's shares by directors, senior executives, employees and persons associated with any of them. It is the responsibility of each individual to comply with this policy.

This policy sets out:

- a) When trading in Metgasco's securities by directors, senior executives and other employees is permitted;
- b) When trading by directors, senior executives and other employees is permitted in financial products issued or created of Metgasco securities by third parties or products which operate to limit the economic risk of their security holding in the company; and
- c) Procedures to reduce the risk of insider trading.

## **2. Trading in Company Shares and Other Securities**

Directors, senior executives, employees (and other persons connected with them who are likely to be influenced by the directors/employees in their decision making) shall not trade in the Company's shares or other securities nor place themselves under suspicion of trading in the Company's securities while in possession of unpublished price sensitive information.

All directors and employees should ensure that all transactions in Company shares or other securities comply with:

- a) Australian Corporations Law and Regulations (particularly the insider trading provisions in Section 1002G)
- b) The Australian Stock Exchange Ltd Listing Rules (particularly the continuous disclosure requirements in rule 3.1)
- c) Any similar legislation in other countries in which Metgasco conducts business

The Company's securities include equity shares, options and any other instrument issued or granted by Metgasco (or a Metgasco controlled company).

## **3. General Restrictions on Trading**

Directors and any employee:

- a) Must not engage in short term trading of any Metgasco securities;
- b) Must not trade in any Metgasco securities while that person is in possession of unpublished price sensitive information (ie inside information).

#### **4. Restrictions on Trading by Directors, Officers and Senior Executives**

When directors, officers or senior management trade in Company securities there is the potential for embarrassment or adverse publicity if the Company's financial position and operating results differ from the financial community's expectations.

Accordingly, directors, officers and senior management:

- a) Must not trade in Metgasco securities without first obtaining clearance before commencing the transaction from:
  - In the case of a senior manager, or their associates, the Managing Director or the Chief Financial Officer; or
  - In the case of a director, or their associates, the Chairman.
  - In the case of the Chairman, the Board.
  
- b) Must not be given clearance to trade in the Company's shares or other securities during:
  - Any period when there exists any matter which constitutes unpublished price sensitive information in relation to the Company's securities; or
  - Any period when the proposed dealing is in breach of this standard.

Generally, the Chairman will only approve Directors and the Board will only approve the Chairman buying or selling Metgasco shares during the 4 weeks commencing on the day immediately following the day on which Metgasco releases each of its quarterly, half yearly and full year results.

#### **5. Definitions**

The following definitions apply to this Share Trading Policy:

##### **Insider Trading**

Sn 1002G of the Corporations Act 2001 summarises prohibited conduct by persons in possession of insider information where:

- a) A person ("insider") possesses information that is not generally available but, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of those securities; and
  
- b) The person knows, or ought reasonably to know, that:
  - The information is not generally available; and
  - If it were generally available, it might have a material effect on the price or value of those securities

The following rules apply when a person is in possession of inside information. The insider must not:

- a) Subscribe for, purchase or sell or enter into an agreement to subscribe for, purchase or sell any such securities; or
  
- b) Procure another person to subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any such securities.

The insider must not directly or indirectly, communicate the information, or cause the information to be communicated to another person the insider knows or ought reasonably to know that the other person would or would be likely to:

- a) Subscribe for, purchase or sell or enter into an agreement to subscribe for, purchase or sell any such securities; or
- b) Procure another person to subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any such securities.

#### **Related Party**

Related Party is defined in Section 243 of the Corporations Act 2001 and essentially covers parties who are associated with directors or senior executives who are likely to be influenced by the directors/employees in their investment decision-making.

#### **Relevant Employee**

Relevant Employee means any Director or employee of a Metgasco controlled entity who, because of his or her office or employment in the listed company or controlled entity is likely to be in possession of unpublished price-sensitive information in relation to the listed company. It specifically includes directors and employees in management positions and above.

#### **Securities**

Securities means any Metgasco listed securities and, where relevant, Metgasco securities that have been listed or admitted for trading on, or have their prices quoted on or under the rules of, any regulated market. Securities include equity shares, options and any other instrument issued or granted by Metgasco (or a Metgasco controlled or managed company.)

#### **Trading**

Trading includes any sale or purchase of, or agreement to sell, or purchase any shares or other securities of the Company and the grant, acceptance, acquisition, disposal, exercise or discharge of any option or other right or obligation, present or future, conditional or unconditional, to acquire or dispose of securities or any interests in securities of the Company.

#### **Unpublished Price Sensitive Information**

Unpublished Price Sensitive Information means information required to be disclosed to the ASX under Listing Rule 3.1 and is defined as any unpublished information concerning Metgasco that a reasonable person would expect to have a material effect on the price or value of Metgasco's securities if it were made public.