

**MAGNUM GAS & POWER LIMITED  
ACN 107 708 305**

**SECURITIES TRADING POLICY**

**As approved by the Board of Directors 28 October 2015**

The Trading Rules of the Company set out when Directors, Senior Executives and certain others may deal in securities issued by the Company. Securities include ordinary shares, options and any other securities issued by the Company from time to time (“MPE Securities”).

The Rules will enhance market confidence in the management of the Company and ensure the Directors and officers do not breach insider trading provisions of the Corporations Act. In general terms the Board discourages trading in the Company’s shares by its Directors and Officers and shareholdings are encouraged only on a long term basis.

**Application of the Rules**

The Securities Trading Rules apply to all Directors and Senior Executives of Magnum Gas & Power Limited and its subsidiaries (“Executives”). The Rules also apply to family members and to companies and other entities controlled by the Directors or Senior Executives or their family members (“Associates”).

**Insider Trading**

Under these Rules insider trading is prohibited at all times. Executives and their Associates must not deal in MPE Securities when they are in possession of price sensitive information which is not generally available to the public (“Inside Information”). Information is price sensitive where, if it were made available to the public, a reasonable person would expect it to have a material effect on the price or value of the MPE Securities.

The insider trading prohibition applies to prevent Executives and their Associates from dealing in MPE Securities (or the securities of other companies) while they are in possession of Inside Information. It also exists to prevent them from communicating Inside Information to Associates or to another person who may deal in MPE Securities. Insider trading is a criminal offence.

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**Dealing in MPE Securities**

Executives and Associates may deal in the MPE Securities except as otherwise provided for in this Trading Policy and during the following black-out periods (or closed periods):-

- \* during a period where the Company or its joint venture partners are drilling;
- \* a period of 14 days before the release of the Company's half-year results or full-year results;
- \* a period of 14 days before the release of the Company's Quarterly Activities and Quarterly Cash Flow Reports;
- \* a period commencing on the day after the issue of a prospectus offering MPE Securities (or a document containing equivalent information) and ending on the day after the offer closes; and
- \* a period commencing on the day after the issue of a rights issue offering MPE Securities and ending on the day after the offer closes.

The policy further obliges each Executive to discuss with the Chairman (or in the case of the Chairman himself), with a non-executive director of the Company, any trade in the securities of the Company contemplated by that Executive or the Chairman.

**Short Term Dealing**

Executives must not engage in short term dealing in MPE Securities being frequent and regular trading activity.

**Dealing in Securities other than MPE Securities**

Executives may deal in Securities other than MPE Securities but only if they are not prohibited as a result of being in possession of Inside Information

**Application of Rules to Associates**

Executives must take reasonable steps to advise Associates of the periods that trading in MPE Securities is prohibited and periods during which they can deal with the MPE Securities. Associates must also advise the Executives when they have dealt in MPE Securities and the Executive must inform the Company.

An Executive must immediately inform the Company Secretary if he becomes aware of any instance of dealing in the MPE Securities by an Associate during a prohibited period.

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**Exceptional Circumstances**

In exceptional circumstances (for example severe financial hardship or property settlements) the Chairman may permit an Executive to deal in the MPE Securities during a prohibited period.

The Executive must obtain written approval from the Chairman prior to dealing with the MPE Securities and may be required to provide appropriate evidence of the circumstances. Approval cannot be given after the event.

Should the Chairman wish to deal in the MPE Securities in exceptional circumstances he must obtain written approval from the Managing Director and may be required to provide appropriate evidence of the circumstances. Approval cannot be given after the event.

Approval cannot be given, even under exceptional circumstances, when the Chairman or an Executive is in possession of Inside Information.

**Provision of Information**

An Executive is required to advise the Company Secretary of any dealing in the MPE Securities in timeframes that ensure compliance with the disclosure requirements of the Corporations Act (2001) and ASX Listing Rules.