

PREFACE

As a company, Australis Oil and Gas Limited (**Australis** or the **Company**), has a number of objectives and deliverables against which we (the Board, management and the Company as a whole) are judged by our shareholders on a regular basis. The key contributor that lies within our collective control, in meeting or exceeding those deliverables is how we function as a team, how we interact with each other and those external to the organisation.

Australis operates in multiple jurisdictions and regulatory environments, it employs staff and contractors from a wide variety of cultures and ethnic backgrounds and we recognise the benefits, challenges and opportunities that these circumstances present.

The Company's corporate culture is one of openness, honesty and integrity. We expect these principles to filter through to all aspects of our business and require that all representatives of the company, regardless of position or seniority, adopt this culture when dealing with colleagues, partners and other external stakeholders.

The Board has constructed a framework of policies and procedures to implement the corporate culture and associated requirements, but in addition has adopted this Code of Conduct (**Code**) to summarise, in a concise format, our expectations of staff and what they can expect from the Company. Whilst the document should not be read in isolation, it is intended to provide all Australis personnel with a broad outline of our expectations and requirements in respect of their behaviour and the 'do's and do not's' of working for Australis.

The **Code** refers to a number of the corporate policies and procedures at various points in the document and where further clarification or detail is needed, the reader is expected to read further.

I hope that you enjoy working with Australis Oil & Gas and find it a richly rewarding and stimulating environment. By following the guidelines within this document I believe that we will go a long way towards achieving those goals and as a result the corporate objectives we have set ourselves.

Ian Lusted
CEO

INTRODUCTION

This Policy sets out the following:

1. Purpose
2. Compliance
3. Values
4. Code rules
 - 4.1 Working at Australis
 - 4.2 Operations
 - 4.3 Use of Australis' information and property
 - 4.4 Dealing with stakeholders
5. Code breaches
6. Reporting breaches of this Code
7. Review and continuous improvement
8. Roles and responsibilities
9. Definitions
10. Further information

1. PURPOSE

The purpose of this **Code** is to provide a framework for how we conduct ourselves in our business and how our activities impact upon our internal and external **stakeholders** and the broader community.

The **Code** is underpinned by Australis' values and sets out the principles and standards of appropriate conduct that Australis expects all directors, officers, employees, contractors or other parties representing Australis to adopt.

This **Code** is supplemented by and references more detailed policies and charters approved by the **Board**, and standards and procedures prepared by management. Australis' policies, charter, standards, guidelines and procedures are available on the Company's internal network and should be referred to by **Australis Personnel** as required.

2. COMPLIANCE

2.1 Who the code applies to

This **Code** applies in all jurisdictions in which Australis operates and applies to all Australis directors, officers, executives, employees and other contracted Australis representatives (hereafter known as **Australis Personnel**).

This **Code** applies at work, work related events and out of hours activities that are connected to your employment or engagement with Australis.

2.2 Third party compliance

Australis Personnel are required to ensure that independent service contractors, consultants, suppliers, joint venture partners and other Australis representatives (hereafter known as **Third Party Representatives**) adhere to this **Code** during the term of their engagement, as it reflects the Company's core values and is integral to the way in which we conduct business.

Australis is responsible for and may be held liable for acts made on its behalf by **Third Party Representatives**. Accordingly Australis has set processes and approval requirements for appointing **Third Party Representative**, including written contractual requirements, background checks and appropriate due diligence. Further details and procedures are set out in Australis' [Anti-Bribery and Anti-Corruption Policy](#).

2.3 Induction and training

All directors, officers, executives and employees are required to confirm in writing that they have received and understood this **Code** as part of their induction.

Australis believes that adherence to this **Code** and the underlying business values are the key tenant of our engagement with **Australis Personnel**. As such it views any deliberate contravention of this **Code** as a breach of contract and will deal with such in an appropriate manner, as set out in section 6 below.

3. VALUES

Australis is committed not only to complying with its legal obligations but also to conducting business and activities ethically and responsibly, with openness, integrity and honesty in accordance with this **Code**.

Australis Personnel shall deal with the Company's customers, suppliers, competitors and each other with honesty, fairness and integrity whilst observing the rule and spirit of the legal and regulatory environment in which the Company operates.

The Company aims:

- to increase shareholder value within an appropriate framework which safeguards the rights and interests of the Company's shareholders; and
- to create a positive and supportive working environment where all **Australis Personnel** adhere to the definition and spirit of the **Code** whilst complying with systems of control and accountability which the Company has in place as part of its corporate governance with openness and integrity.

The Company is to comply with all applicable laws and regulatory requirements wherever it operates. Any non-compliance is to be reported to the **CEO**, or otherwise in accordance with the [Whistleblower Policy](#) as soon as a person becomes aware of such a transgression.

4. CODE RULES

4.1 Working at Australis

4.1.1 Professional behaviour

When carrying out your duties it is expected at all times that you:

- act in the best interests of the Company;
- act honestly and ethically and with high standards of personal integrity;
- comply with the laws and regulations that apply to the Company and its operations;
- not knowingly participate in any illegal or unethical activity;
- not enter into any arrangement or participate in any activity that would conflict with the Company's best interests or that would be likely to negatively affect the Company's reputation;
- not taking advantage of the property or information of the Company or its customers for personal gain or to cause detriment to the entity or its customers;
- not taking advantage of your position or the opportunities arising from them for personal gain;
- show respect for others, be courteous and maintain a professional demeanour;
- exhibit the requisite professional proficiencies necessary for your role and carry out tasks to a high standard;
- comply with and follow company policies and procedures; and
- act in an appropriate business-like manner when representing the Company, or when it is reasonably likely your presence will be associated with the Company, in public forums.

Australis does not tolerate behaviour that can be perceived as bullying, intimidation or any form of harassment.

4.1.2 Personal information and privacy

Australis recognises and respects the rights of **Australis Personnel** with respect to personal information and will comply with the applicable laws and regulations regarding privacy, and the collection, disclosure and use of privileged or confidential information.

4.1.3 Employment practices

The Company will employ the best available candidates, with skills and experience required to fulfill a specified role, when seeking to fill vacant positions. This will be done without regard to gender, age, religion, sexual orientation or ethnic or cultural background.

The Company is committed to adopting and applying appropriate standards to ensure a safe work place and proper occupational health and safety practices commensurate with the nature of the Company's business and activities is maintained.

4.1.4 Drug and alcohol use

The Company strives to provide **Australis Personnel** and **Third Party Representatives** who are on our premises with a safe work environment conducive to maximum productivity.

4.1.5 Risk management

In managing risk, it is the Company's practice to take advantage of potential opportunities while managing potential adverse effects through judicious and targeted risk management.

4.1.6 Travel

You may be required to travel for the purposes of conducting Australis business, including attending training and conferences. Our aim is to ensure that you arrive at your destination safely and comfortably, able to carry out the tasks for which you are travelling.

When a requirement to travel is identified you are required to plan and conduct business travel in accordance with the [Australis Travel Policy](#)

4.2 Operations

4.2.1 Health and safety

Our objective is to operate our business in a responsible and appropriate manner, which respects the health, safety and security of **Australis Personnel**, the members of the communities and the environment in which we operate.

Your health and safety, and the health and safety of your colleagues and others around you is of the highest priority and importance. You are expected to understand, follow and comply with the health and safety requirements for your specific role, applicable health and safety laws and regulations and the [Australis Health, Safety and Environment Policy](#), at all times.

Ultimately, you are responsible for your safety and for those around you. Australis will strive to provide a safe working environment and the tools by which that safety can be maintained, monitored and improved.

You have an obligation under this **Code** and the [Australis Health, Safety and Environment Policy](#) to report incidences of non-compliance or identified risks to health and safety.

Environment / Sustainability

The Company will recognise, consider and respect environmental issues and other community concerns which arise in relation to the Company's activities and, as a minimum standard, comply with all applicable laws and regulatory requirements.

Our expectations for environmental management are set out in the Australis Health, Safety and Environment Policy.

4.3 Use of Australis' information and property

4.3.1 Confidential information

Due to the nature of our business, **Australis Personnel** will often be in receipt of, or be working with, confidential information that has been supplied to the company by third parties, or generated internally.

Australis Personnel must respect the confidentiality of all information of a confidential nature, which is acquired during the normal course of Company business, and not disclose it to any person or make improper use of such confidential information to any person unless specific authorisation is given for disclosure in accordance with Australis' Continuous Disclosure Policy, or disclosure is legally mandated.

Australis Personnel must not pursue, use or take advantage of any corporate opportunity either directly or indirectly, which arises as a result of your access to Australis information, for the purpose of personal gain or to compete with the Company.

Confidential or sensitive information should be securely stored to prevent unauthorized access.

It is considered a serious contravention of this **Code** to deliberately release confidential documents or information to unauthorized persons, the act of which may incur disciplinary action up to and including termination of employment.

4.3.2 Conflicts of interest

As **Australis Personnel** we owe our first loyalty to Australis. Accordingly, **Australis Personnel** must be careful to avoid situations where there is a real or potential conflict of interest between them as individuals and the interest of the Company.

This can at times be difficult to identify, a conflict of interest arises when it is likely that you could be influenced, or it could be perceived that you are influenced by a personal interest in carrying out your duties. Conflicts of interest can arise from many different situations including:

- directorships, employment or affiliations with an outside organisation, irrespective of whether any form of financial benefit or gratitude is provided.
- employment and affiliation of close relatives.
- holding a financial interest in a competitor, customer or supplier of Australis.

In addition, **Australis Personnel** must not engage in any outside business activity with Australis' customers, suppliers or competitors without the prior written consent of the **CEO**.

Directors must comply with the requirement of the Board Charter, and must not accept any additional external appointment without the prior written consent of the **Chair**.

Where a real or potential conflict of interest arises, it is your responsibility to ensure the matter is brought to the attention of:

- the **Chair** in the case of a **Board** member or the **CEO**;
- the **CEO** in the case of a member of management; and
- a manager in the case of an employee,

so that it may be considered and dealt with in an appropriate manner for all concerned.

If you are unsure as to whether a potential conflict of interest exists, it is always better to check. Sometimes it is possible to find ways of dealing with conflicts through disclosure or work practices.

4.3.3 Record keeping, accounting and reporting

Australis is held accountable for our activities to our shareholders. In order for a complete financial description of the activities of the company to be generated by the accounting department, it is important that records are fully maintained.

Australis Personnel will create and maintain an accurate, timely and auditable record of all financial information. Accounting records are to be maintained in reasonable detail and fairly reflect all transactions, asset and liabilities of the Company in compliance with Australis' prevailing accounting standards and the Corporations Act.

The company relies on the honesty of **Australis Personnel** in generating these records, records that distort or disguise the true nature of any transaction or valuation are prohibited and may constitute fraud.

4.3.4 Fraud

With core values of honesty and integrity, it is naturally unacceptable for **Australis Personnel** to perpetrate or facilitate fraud. Australis will not tolerate any fraud or misappropriation of Company assets, property or resources what so ever.

Involvement in any fraudulent activity or theft may result in person liability, disciplinary action and possible criminal action.

4.3.5 Use and protection of company property

Australis will provide you with the tools and equipment necessary to carry out your work. In addition you may take responsibility for operational assets that belong to the company and we trust you to safeguard those assets. They may include financial assets, property, equipment and resources. These assets must not be used for unauthorised personal benefit and you must take appropriate precautions to prevent theft, damage or misuse of Australis' assets.

Property, equipment, resources or other assets must not be altered, destroyed, disposed of or donated without prior approval and authorisation. It is your responsibility to ensure that any changes to the state of Australis' assets and resources under your control are accurately recorded in the appropriate Company registers.

Whilst Australis will allow you to use computers for reasonable personal use, you are prohibited from using Australis' network, computers or devices to access or store pornographic, illegal or any other offensive material.

4.3.6 Intellectual property

During your career with Australis it is likely that you will be provided with, or may even generate, intellectual property. Intellectual property includes the rights relating to scientific discoveries, specialist know-how, trade secrets, trademarks, patents, copyrights and inventions and is valuable to the Company.

Under the terms of standard company contracts, the Company is the owner of intellectual property created by **Australis Personnel** in the course of their employment or contract unless specific prior agreement has been made. **Australis Personnel** must obtain written permission to use any intellectual property from the **CEO** before making any use of that property for purposes other than as required in their role as employee or contractor.

4.4 Dealing with stakeholders

4.4.1 Compliance with laws and regulations

You must comply with all applicable laws and regulatory requirements governing the Company's operations and activities at all times.

Australis may conduct business in various jurisdictions where local laws will differ from your home location. As the representative of Australis in any business capacity overseas you must comply, as a minimum, with the local country's law and regulations.

Any breach of local law could result in potentially serious consequences for the company and the individual concerned, including but not limited to termination of employment or contract by Australis, and fines and/or imprisonment under applicable laws.

4.4.2 Anti-bribery and anti-corruption requirements

Australis prohibits activities involving bribery, corruption, payment of secret commissions and the exercise of improper influence in all dealings with both public officials and to private organisations, in all jurisdictions in which Australis operates.

Most countries, including Australia, have specific laws prohibiting bribery of public officials and commercial associates and other corrupt practices. If acting on Australis' behalf in a foreign jurisdiction extreme care must be taken at all times to avoid any potential circumstances where bribery or corruption may occur or can be perceived to have occurred.

You must not;

- give, offer, promise, accept or solicit payments, gifts, favours, advantages or anything else of value in any form, including the offer or promise of employment or sponsorship, in order to influence individuals to award business opportunities to the Company or to make business decisions in the Company's favour, or to receive some gain or advantage for yourself.
- misuse your position of trust or power, in order to influence individuals to award business opportunities to the Company or to make business decisions in the Company's favour, or to receive some gain or advantage for yourself.
- provide payments or other inducement to a public official to secure or expedite a routine or non-discretionary function that the public official is ordinarily obliged to perform (Facilitation Payments), even if they may appear to be permitted under local laws. You are required to report any solicitation of such Facilitation Payment.
- offer, promise, give or receive any gift, meal or entertainment to or from public officials or commercial associates where it could be construed, or used by others to allege, that Australis is trying to obtain or receive favourable business treatment by providing individuals with personal benefits. Generally, prior approval of the **CEO** is required for all giving or provision of gifts, meals or entertainment.

You are required to fully disclose all details regarding any such gifts, meals or entertainment to the Accounting Department, and provide all relevant documentary support including a valid tax invoice for such items. Further, any gifts or entertainment given to or received from a public official must be recorded in the Public Officials Gifts and Entertainment Register.

If you are unsure then please check with line management before proceeding and always err on the side of caution. A polite refusal should be the default position if unsure.

Further details, guidelines and procedures for dealing with public officials and **Third Party Representatives** are set out in Australis' Anti-Bribery and Anti-Corruption policy.

4.4.3 Dealing with auditors

Auditors provide a unique role to our **stakeholders** by verifying our adherence to policies and procedures. In the spirit of honesty and integrity it is important that you fully co-operate with Australis' external auditors and internal audit practices. You must not directly or indirectly make false or misleading statements to external or internal auditors, or conceal, distort or disguise the true nature of any transaction or information.

4.4.4 Political contributions and sponsorship

Australis does not make donations to any political party, politician or candidate for public office in any jurisdiction, unless the donation has been approved by the **Board**. Caution should be exercised when donating to private charities favoured by government officials, as such donation could be conceived as a bribe.

5. CODE BREACHES

A breach of this **Code** is a serious matter, which can result in disciplinary action, including termination of employment or contract.

Alleged contraventions of this **Code** will be investigated, and if a breach is established may result in disciplinary action being taken.

Any **Australis Personnel** found to have either breached this **Code**, approved an action or condoned the behaviour of another which breaches this **Code**, failed to report a potential breach of this **Code** or mislead investigations into potential breaches of this **Code** will be subject to disciplinary action.

Disciplinary action may include reprimands, formal warnings, demotion or termination of employment or contract.

In addition to this **Code**, Directors and Officers must also comply with their statutory obligations under the applicable legislation. General duties require that directors and officers exercise their powers and discharge their duties:

- with reasonable care and diligence; and
- in good faith in the best interests Australis.

As senior representatives of the company, Directors and Officers should lead by example through the implementation of the corporate core values and this **Code**.

6. REPORTING BREACHES OF THIS CODE

If you suspect or observe any contravention of this **Code**, you have an obligation to report this immediately.

Any breach of compliance with this **Code** is to be reported directly to the **CEO, Chair** or Report and Investigation Officer (if one is appointed), as appropriate. Alternatively, the report may be made in accordance with [the Whistleblower Policy](#).

Reported breaches of this **Code** will be investigated in accordance with [the Whistleblower Policy](#).

Any **Australis Personnel** who in good faith reports a violation shall not suffer detriment, either actual or threatened, harassment, retaliation or adverse employment or engagement consequence. If a director, officer or employee retaliates against someone who has reported a violation in good faith they will be subject to discipline up to and including termination of employment or contract.

7. REVIEW AND CONTINUOUS IMPROVEMENT

The Company will monitor compliance with this **Code** periodically by liaising with the **Board**, management and employees especially in relation to any areas of difficulty which arise from this **Code** and any other ideas or suggestions for improvement of it. Suggestions for improvements or amendments to this **Code** can be made at any time by providing a written note to the **CEO**.

8. ROLES AND RESPONSIBILITY

The **CEO** will provide leadership and oversight with regard to the **Code** and is responsible for day to day management of compliance with and the effectiveness of the **Code**, with the assistance of the Company Secretary as required. It is however the responsibility of all **Australis Personnel** to adhere to both the spirit and the written language of this **Code** of Conduct and the framework of Policies and Procedures that are approved and adopted by the **Board**.

9. DEFINITIONS

For the purpose of this **Code** the following definitions apply:

Australis or Company means Australis Oil & Gas Limited and its subsidiaries and joint ventures in which Australis and/or a subsidiary owns a controlling interest.

Australis Personnel means all Australis directors, officers, executives, employees, agents, independent consultants, contractors and other Australis representatives

Board means the board of Directors of the Company.

CEO means the person acting in the capacity as the chief executive officer of the Company or the consolidated corporate group.

Chair means the chair of the **Board**.

Code means Australis' Code of Conduct.

Report and Investigation Officer means the designated jurisdictional Company official responsible for investigating and resolving all reported complaints and allegations concerning violations of the Company's Code of Conduct. The Report and Investigation Officer for each jurisdiction in which Australis conducts business is the Company Secretary.

Stakeholder means any person, organisation or the community at large who has an interest in the Company or its activities. This includes, but is not limited to, **Australis Personnel**, suppliers, public officials, creditors, shareholders and customers.

Third party representative means a director, officer, employee, agent, contractor or other representative of a commercial business enterprise that is not owned or controlled by Australis. This includes but not limited to, Agents, independent contractors and consultants, suppliers and joint venture partners.

10. FURTHER INFORMATION

For further information, clarification or questions regarding compliance with this **Code** or the policies, charters, standard and procedures it references, please contact the Company Secretary. Australis' policies, charter, standards and procedures are also available electronically on the Australis website.

Approved by the Board: 21 June 2017

Reviewed by the Board: 24 May 2018