

INTRODUCTION

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1. CONTINUOUS DISCLOSURE LAWS

Under continuous disclosure laws, Australis Oil & Gas Limited (**Company**) must immediately notify the Australian Securities Exchange (**ASX**) of Price Sensitive Information (unless an exception applies).

Failure to notify **ASX** can be a serious criminal offence, exposing the **Company**, its managers and directors to imprisonment, fines and damages.

For the purposes of this policy, “**Australis Personnel**” has the meaning given to it in the **Company**’s Securities Trading Policy.

2. CONTINUOUS DISCLOSURE PRINCIPLE

ASX listing rule (LR) 3.1 requires the **Company** to immediately notify the **ASX** if it has, or becomes aware of, any information concerning the **Company** that a reasonable person would expect to have a material effect on the price or value of the **Company**’s securities were that information to be generally available. This is known as the continuous disclosure obligation. The **Company** is also required by section 674 of the Corporations Act 2001 (Cth) (**Corporations Act**) to comply with this obligation. In this context, **ASX** has confirmed in Guidance Note 8 that “immediately” means “promptly and without delay”.

LR 15.7 requires that the **Company** must not release information that is for release to the market to any person until it has first given the information to the **ASX** and has received acknowledgment that the **ASX** has released the information to the market.

The continuous disclosure obligation does not apply if the exception to the obligation outlined in section 3 of this policy applies.

Any material price sensitive information must be disclosed to the **ASX** in accordance with this policy.

3. EXCEPTIONS TO THE CONTINUOUS DISCLOSURE PRINCIPLE

3.1 Availability of the exception

Disclosure under LR 3.1 is not required if each of the following is satisfied in relation to the information:

- (a) the information is confidential and the **ASX** has not formed the view that the information has ceased to be confidential; and
- (b) one or more of the following applies:
 - (i) it would be a breach of a law to disclose the information;
 - (ii) the information concerns an incomplete proposal or negotiation;
 - (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
 - (iv) the information is generated for the internal management purposes of the **Company**; or
 - (v) the information is a trade secret; and
- (c) a reasonable person would not expect the information to be disclosed.

All three elements set out above must be satisfied before the exception to the continuous disclosure obligation applies. Should any of these elements no longer be satisfied, the **Company** must immediately disclose the information to the **ASX** in accordance with this policy.

3.2 A false market may cause the exception to be lost

LR 3.1B provides that if the **ASX** considers that there is, or is likely to be, a false market in the **Company's** securities, and requests information from the **Company** to correct or prevent the false market, the **Company** must give the **ASX** the information needed to correct or prevent the false market.

4. DISCLOSURE COMMITTEE

4.1 Composition

The **Company's** board of directors (**Board**) has established a disclosure committee (**Committee**) comprising of:

- (a) the Chair of the Board; or
- (b) the **Company's** CEO (**Media Officer**);
- (c) the **Company's** Finance Director; and
- (d) the **Company's** secretary (who, for administrative convenience only, is primarily responsible for overseeing and coordinating all communication with the **ASX**, investors, analysts, brokers, the media and the public) (**Disclosure Officer**).

4.2 Quorum

A quorum of the **Committee** is two members, provided that at least one of those members is the **Chair** of the **Company** or an independent non-executive director.

4.3 Responsibilities

The **Committee's** responsibilities include:

- (a) determining what information will be disclosed by the **Company** to the **ASX**;
- (b) implementing procedures to ensure that, if required:
 - (i) disclosures to the **ASX** can be made immediately; and
 - (ii) trading halt requests can be lodged with the **ASX** immediately;
 - (iii) preparing (or overseeing the preparation of) external announcements (other than categories of routine announcements that the **Committee** determines may be prepared and released without its prior review, if any); and
 - (iv) reviewing and approving proposed external announcements for release to **ASX**, or, if the **CEO** or the **Committee** considers appropriate as outlined below, to the **Board**.

The **Committee** must consult with the **Board**, senior management and external advisers as it considers necessary, including where there is doubt as to whether certain information should be disclosed.

If the **CEO** or the **Committee** considers that an announcement is of such a nature that it ought to be reviewed and approved by the **Board**, then the **Company Secretary** must:

- (a) take all steps necessary to convene a **Board** meeting as soon as practicable to consider the announcement;
- (b) take such other steps as the **Committee** determines are necessary to comply with the **Company's** continuous disclosure obligations, including, if necessary, liaising with **ASX** to request a trading halt or suspension from trading until the **Board** is able to meet.

Where a continuous disclosure obligation arises, disclosure should not be delayed to accommodate the availability of members of the **Committee** or, if applicable, the **Board**. If either the **Committee** (or, in the case of announcements to be approved by the **Board**) is unavailable to make a disclosure decision, the Disclosure Officer must take such other steps as he or she determines is necessary to comply with the **Company's** continuous disclosure obligations, including, if necessary, liaising with **ASX** to request a trading halt or suspension from trading until the **Committee** or the **Board** is able to meet.

5. REPORTING OBLIGATIONS

The Disclosure Officer is responsible for ensuring that all **Board** decisions that must be disclosed to the **ASX** are dealt with by an appropriate company announcement.

All **Company Persons** are required to immediately advise a member of the **Committee** of any information that they believe may be price sensitive or any issues which could develop into price sensitive information. If a **Company Person** has doubt as to whether information concerning the **Company** is price sensitive, the **Company Person** must report that information to a member of the **Committee**. He or she must not disclose that information to anyone outside the **Company** before the **ASX** is notified.

If any **Australis Personnel** becomes aware that:

- (a) there may have been inadvertent disclosure of material price sensitive information (which has not yet been disclosed to the **ASX**) during any communication with external parties; or
- (b) confidential **Company** information may have been leaked (whatever its source),

he or she should immediately notify a member of the **Committee**. The **Committee** will determine the appropriate next steps.

6. DISCLOSURE

If the **Committee** or **Board** (as applicable) approves the disclosure of information, the Disclosure Officer must immediately lodge that information with the **ASX** in the manner prescribed by the **ASX** Listing Rules.

The **Company** must not release information that is for release to the market to any person unless under embargo until it has given the information to the **ASX** and has received acknowledgment that the **ASX** has released the information to the market.

This policy and all information disclosed to the **ASX** in compliance with this policy will be promptly posted on the **Company's** corporate website following receipt of such an acknowledgement from the **ASX** and verification by the Disclosure Officer.

7. TRADING HALT

In exceptional circumstances, it may be necessary for the **Company** to request a trading halt to maintain fair, orderly and informed trading in the **Company's** securities and to manage disclosure issues (for example, if confidential price sensitive information is prematurely or inadvertently disclosed and an immediate release cannot be made).

The **Committee** is responsible for all decisions in relation to trading halts except as otherwise set out in this Policy.

8. FALSE MARKETS

In the event that the **Board** or any member of the **Committee** is aware that the **Company** is relying on an exception to its continuous disclosure obligations, they must notify each other member of the **Committee** and the **Committee** may request the Disclosure Officer (or such other person as the **Committee** thinks fit) to monitor:

- (a) the market price of the **Company's** shares;
- (b) major national and local newspapers;
- (c) if the **Company** (or any advisors of the **Company** working on the particular transaction) has access to them, major news wire services such as Reuters and Bloomberg;
- (d) any investor blogs, chat-sites or other social media that the **Company** is aware of that regularly post comments about the **Company**; and
- (e) enquiries from analysts or journalists,

for signs that the information to be covered in the announcement may have leaked and, if it detects any such signs, to initiate discussions with **ASX** as soon as practicable.

The **Company's** general policy is to respond to market rumours or speculation by stating that “the **Company** does not respond to market rumours or speculation”. However, if the **Company** receives a request from the **ASX** for information to correct or prevent a false market, the Disclosure Officer must (in consultation with the **Committee** and external advisers, if necessary) immediately provide that information to the **ASX**.

9. TALKING WITH BROKERS, ANALYSTS, SHAREHOLDERS AND THE MEDIA

The **Company** shall appoint a Media Officer(s) from time to time. Only a Media Officer or a delegated person shall be authorised to speak with the media brokers, analysts, shareholders and, only information which has been publicly disclosed can be discussed.

Prior to any discussions with the media, Media Officer(s) shall ensure that the Disclosure Committee is aware of and has approved the information that is proposed to be provided by the Media Officer.

Prior to any discussions with brokers, analysts and shareholders an employee or officer shall ensure the Media Officer is aware and can confirm what information is to be presented, including written presentations.

10. EARNINGS EXPECTATIONS AND FORECASTS

Comments on expected earnings are confined to the **Company's** quarterly, half and annual financial reports, the annual general meeting of the **Company** (which would be communicated to the **ASX** at the time of meeting) and forecasts in a bidder's statement or prospectus. Any material change in a disclosed earnings expectation must be immediately announced to the **ASX** before being communicated to anyone outside the **Company**.

The Finance Director is responsible for monitoring analyst reports and consensus broker forecasts for the **Company** to determine whether to raise with the **Committee** and the **Board** whether an announcement to the **ASX** may be necessary to correct factual inaccuracies or historical matters. If the Finance Director becomes aware of any such inaccuracies or a material divergence between an analyst's or consensus forecast and the **Company's** own forecasts, he or she shall liaise with the **Committee** so that the necessity for an announcement to the **ASX** and/or trading halt can be considered.

Any correction of factual inaccuracies by the **Company** does not imply an endorsement of the content of the report or forecast.

11. CONSEQUENCES OF NON-COMPLIANCE

In the event of a breach of any of the provisions of this Policy, the person who becomes aware of the breach must immediately notify the Disclosure Officer. The Disclosure Officer must then take such steps as are required to remedy the breach as soon as possible (including making an appropriate announcement to the market and notifying the **Board** and the **Committee** as outlined in this Policy).

A person involved in a company's contravention of the continuous disclosure provisions can be held **personally liable** for the contravention. In addition, other penalties as prescribed under the applicable laws may be incurred to the **Company**. For these reasons, it is important that you take your responsibilities in relation to continuous disclosure seriously.

12. DEFINITIONS

For the purpose of this Policy 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 employees, directors, officers, contractors and consultants at all levels

ASX means the Australian Securities Exchange

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 chair of the **Board**.

Committee means the **Disclosure Committee**.

Company Secretary means the secretary of the **Company** from time to time;

Corporations Act means the *Corporations Act 2001* (Cth);

Disclosure Committee has the meaning given in section 4 of this Policy.

Price Sensitive Information means information which has not been generally disclosed and which a reasonable person would expect to have a material or significant effect on the price or value of the Company's Securities.

13. FURTHER INFORMATION

For further information, clarification or questions regarding compliance with this policy please contact the **Company Secretary**.

Approved by the Board: 15 June 2016

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