

This Policy provides a general summary of the law relating to insider trading and sets out the Company's Policy on Directors, officers and employees dealing in securities of the Company (and the securities of other companies in circumstances where insider trading laws may also apply).

If you do not understand this Policy, or how it applies to you, you should raise the matter with your manager or the legal department before trading in any securities which may be affected by this Policy or the law.

This Policy is only a summary of the relevant provisions contained in the Corporations Act and should not be relied upon as legal advice.

In general terms, this Policy has four key foundations:

For Directors, officers and employees:

- No short-term trading
- No transacting while in possession of inside information

For Directors:

- Prior notification of any intended transaction must be given
- The Company Secretary must keep a register of all securities held by Directors, including transactions effecting the same.

THE INSIDER TRADING PROHIBITION

GENERAL

If you have "inside information" relating to the Company, it is illegal for you to:

- apply for, acquire, or dispose of, securities in the Company; or
- procure another person to apply for, acquire, or dispose of, securities in the Company; or
- directly or indirectly, communicate the information, or cause the information to be communicated, to another person if you know, or ought to reasonably know, that the other person would or would be likely to apply for, acquire, or dispose of, securities in the Company.

It is the responsibility of each Director and employee to ensure that they do not do any of the things prohibited under the insider trading laws and to immediately inform the CEO and Chairman if they suspect any contravention has, or is likely to occur. The consequences for breach of these laws may be severe (see below).

WHAT IS "INSIDE INFORMATION"?

Inside information means information which:

- is not generally available; and
- if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of the securities of the Company.

Examples of information which may constitute inside information include, but are not limited to:

- Tap's financial performance and forecasts;
- drilling results, production results and reserve statements;
- bonus or new share issues;
- a material acquisition or sale of assets by Tap;
- an actual or proposed takeover or merger; and
- a proposed dividend or change in dividend Policy.

WHEN IS INFORMATION GENERALLY AVAILABLE?

Information is "generally available" if:

- (a) it consists of readily observable matter; or
- (b) if both of the following apply:
 - (i) it has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in securities of a kind whose price might be affected by the information; and

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- (ii) since it was made known, a reasonable period for it to be disseminated among such persons has elapsed; or
- (c) it consists of deductions, conclusions or inferences made or drawn from either or both of the following:
 - (i) information referred to in paragraph (a) above; and/or
 - (ii) information made known as mentioned in paragraph (b)(i) above.

CONSEQUENCES FOR BREACH OF THE INSIDER TRADING PROHIBITION

Breach of the insider trading prohibition by you or family members could expose you or them to criminal and civil liabilities. Breach of insider trading prohibition or this Policy will also be regarded by the Company as serious misconduct which may lead to disciplinary action and/or dismissal.

DEALING IN SECURITIES OF OTHER COMPANIES

If you have “inside information” relating to a company other than Tap, the insider trading prohibition also applies to dealing in the securities of that company. In the course of performing your duties as an employee of Tap, you may obtain inside information relating to another company in a variety of circumstances including, but not limited to:

- another company may provide inside information about itself to Tap in the course of a proposed transaction;
- another company with whom Tap is dealing may provide inside information about a third company; or
- information concerning Tap, or actions which may be taken by Tap, could have a material effect on another company.

Trading by persons included under this Policy in the securities of other companies in which Tap has a substantial investment interest (5% or more of a company’s issued capital) or companies in which Tap is undertaking a joint venture with are subject to the same approval procedures as for Tap securities.

POLICY

DIRECTORS, OFFICERS AND EMPLOYEES

- No short-term trading

Tap employees must not partake in short-term trading of the Company’s securities. For this purpose, “short-term trading” is considered buying and selling securities within a 30 day period.

Whilst it is appropriate that Directors, officers and employees hold securities in the Company, such persons wishing to trade (buy or sell) such securities must have regard to the legal constraints and to the spirit of this Policy.

- No dealing while in possession of inside information

No Director, officer or employee shall buy or sell securities of the Company while in possession of inside information (refer to the section meaning of “inside information” in this Policy).

DIRECTORS

Directors must always advise the Chairman prior to any proposed transaction in the Company’s securities, and in the case of the Chairman, he must advise the Managing Director.

Directors will normally be permitted to trade in the Company’s securities provided that:

- the Director is not in possession or deemed to be in possession of inside information;
- the trading is not for short-term gain; and
- the trading is not likely to be seen by the public, press, other shareholders or ASX to be unfair or inappropriate.

DISCLOSURE OF DIRECTORS’ INTERESTS

The Company shall comply with the disclosure requirements contained in ASX Listing Rule 3.19A in relation to the disclosure of notifiable interests of Directors in the Company.

For the purposes of ASX Listing Rule 3.19B, the Company shall enter into an agreement with each of its Directors to ensure that each Director discloses to the Company the notifiable interests of that Director in accordance with the requirements of the ASX Listing Rules.

REGISTER OF INTERESTS

The Company Secretary will maintain a Register of Directors' Interests which will be included in Board papers immediately after any transaction.

SECURITIES COVERED

This Policy applies to all securities issued by Tap from time to time including ordinary shares, preference shares, debentures, options, convertible notes, etc.

This Policy does not apply to acquisition of Tap shares via new issues or dividend re-investment plans where the issues are available pro rata to all shareholders. It also does not apply to the grant of options under the incentive plans (but will apply to the exercise of those options or sale of shares issued upon the exercise of options).

FAMILIES AND TRUSTS

Persons included under this Policy must not trade through their family or through a trust, partnership or company in which they have influence or control, in circumstances where they would be prohibited trading in their own name.

TRUSTEES

A person who is included under this Policy and who is a trustee or joint trustee of a deceased estate should advise his co-trustees or trust beneficiaries (as the case may be) of his relationship with Tap and the consequential restrictions on his ability to deal in the securities of the Company or advise in relation to the same.

Approved by the Board of Tap Oil Limited.



Neale Taylor
Chairman
for and on behalf of the Board
of Directors



Date