

Securities Trading Policy

1 Introduction

Galilee Energy Limited (“the Company”) has adopted this Securities Trading Policy to regulate dealings by Restricted Persons in shares, options and other securities issued by the Company, with the objective that no Restricted Person will contravene the requirements of the Corporations Act or the ASX Listing Rules.

Additionally, this Policy is intended to minimise the chance that misunderstandings or suspicions arise that Restricted Persons are trading in the Company’s securities while in possession of unpublished price-sensitive information.

2 Restricted Persons

In this Policy “Restricted Person” means:

- (a) directors, officers, consultants and other staff;
- (b) key management personal;
- (c) the spouse or child of a person referred to in (a) or (b);
- (d) partners or fellow directors of family partnerships and companies;
- (e) a trust for which a person referred to in (a) – (d) above, acts as trustee or as a director of its trustee company; and
- (f) an investment fund that effectively acts at the direction of a person referred to in (a) – (d) above.

In this policy “key management personal”, “spouse” and “child” has the same meaning as defined in s.9 of the Corporations Act 2001 (Cth).

3 Restrictions on Trading

When dealing in the securities of the Company, Restricted Persons must ensure that they do not contravene the insider trading provisions contained in Part 7.10 of the Corporations Act 2001 (Cwlth). “Inside information” is information that is not generally available to the public which could reasonably be expected to have a material effect on the price or value of securities of a company.

Information is taken to have a “material effect” on the price or value of a security if it would be likely to influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy, or sell the securities. Thus, to constitute inside information the information must be both price-sensitive and not generally available.

Restricted Persons in the course of carrying out their duties are likely to come into possession of information which would be regarded as Inside Information.

The following are examples of information which could be regarded as inside information:

- (a) drilling results, explorations results, production figures or the like;

- (b) proposed strategic business acquisition, merger or other corporate transactions;
- (c) financial records not yet released to the market; or
- (d) a proposed takeover not yet announced to the market.

Where a Restricted Person possesses Inside Information, they must not engage in dealings with the securities of the Company and cannot, either directly or indirectly, communicate the Inside Information to other persons.

Any Restricted Person that comes into possession of Inside Information irrespective of how they came into possession of the same, can be liable for insider trading if they recommend the Company's shares to other persons while they are in possession of price sensitive information which is undisclosed to the general public.

They should be aware that they can be liable for insider trading by communicating inside information to other persons, for example their spouse, family or friends. This liability arises notwithstanding the fact that the Restricted Person has not dealt directly with the securities of the Company.

This policy recognises it is illegal for a person to trade in the securities of the Company when in possession of unpublished price-sensitive information concerning the Company.

Compliance with this Policy does not absolve that individual from complying with the law, which must be the overriding consideration when trading in the Company's securities.

4 Procedure for Dealing in Company Securities

Restricted Persons must not deal in the Company's Securities without first seeking and obtaining a written acknowledgement from either the Chair or Managing Director prior to any trade, at which time they must confirm that they are not in possession of any unpublished price-sensitive information.

A person seeking permission to trade in the Company's Securities shall make application for acknowledgement to do so in the form of the application annexed to this Policy.

Any written permission granted under this Policy will be valid for a period of 5 business days from the time which the permission is granted or such other period as may be determined by the officer granting the permission. Regardless of whether or not the trade or transaction does not proceed, the Company's representative granting the permission is to be advised. Even though a permission to trade may be granted, that authority may be withdrawn at any time by notice to the applicant.

The Company Secretary is to maintain a register of notifications and acknowledgements given in relation to trading in the Company's securities including copies of the applications and consents.

5 Blackout Periods

Specific "Blackout Periods" on trading in the Company's Securities apply to all the Restricted Parties.

The Company's policy regarding dealings by Restricted Parties in the Company's securities is that Restricted Parties should never engage in short term trading and are prohibited from entering into transactions in the following circumstances or periods:

- when they are in possession of price sensitive information not yet released by the Company to the market (irrespective of whether during a Blackout Period);



- during the period 5 business days prior to and 24 hours after the release of the Company's Quarterly financial and activity reports, the Annual and Half Yearly Reports; and
- in any period, which the Board prescribes a period when no trading in the Company's securities by Restricted Parties is to occur.

In relation to "price sensitive information", all directors and other key management personnel will be conscious of the fact that as the Company is a listed company, it has an obligation under Chapter 3 of the ASX Listing Rules to make continuous disclosure. Briefly stated, that is an obligation to advise the market as soon as events and developments occur which result in the information that a reasonable person would expect to have a material effect on the price or value of the Company's shares.

The obligation is not absolute and there are a number of exceptions to when "price sensitive information" need not be disclosed such as noted below.

Accordingly, there will be occasions where price sensitive information is in the possession of some or all of the directors and other key management personnel or employees and not yet released to the market, nor required to be released.

These requirements imposed by this Policy are separate from and additional to, the legal prohibitions contained in the Corporations Act dealing with insider trading and in addition all Restricted Parties are still required to seek prior written approval before dealing in the Company's Securities in accordance with clause 4 of this Policy.

6 Prohibited Periods

Notwithstanding the existence of "Blackout Periods", the Company has also established policy in relation to "prohibited periods". Prohibited periods encompass Blackout Periods and any additional periods when Restricted Persons are restricted from trading in the Company's securities by directive from the Board at any time when the Company is considering a matter that might be subject to Listing Rule 3.1A (exceptions to the general continuous disclosure rule).

7 Exceptions to Restrictions on Trading in Blackout or Prohibited Periods

During either a Blackout or Prohibited Period Restricted Parties may, in "exceptional circumstances", be permitted to trade with prior written clearance.

Exceptional circumstances include:

- severe financial hardship requiring sale of securities;
- court order, such as in a family settlement requiring transfer or sale of securities;
- other circumstances specific to an individual which the Chairman (or, in the case of the Chairman, the chair of the Audit Committee) determines are exceptional.

The procedure for obtaining prior written clearance to trade during a prohibited period requires the director or other key management personnel to submit a written 'request for approval of exceptional circumstances' (by letter or email) with suitable explanation and duration for which clearance is sought, and otherwise in accordance the procedure and the form of the application prescribed by the Board as outlined previously in the policy.



Directors are obliged pursuant to section 205G of the Corporations Act to provide the ASX with appropriate notifications of their interests in the Company's securities and any changes in such interests. Notification is effected by the Company notifying the ASX in accordance with Listing Rule 3.19A.

In addition, any trading by a director during a Prohibited Period will require the Company to state on the Appendix 3Y whether the trading occurred during a closed period and whether prior written clearance was provided and if so on what date.

8. Trading Excluded from Securities Trading Policy

For the purposes of Listing Rule 12.12.3 the following share trading is excluded from the operation of this policy:

- transfers of securities of the Company already held into a superannuation fund or other saving scheme in which the Restricted Person is the beneficiary;
- undertakings to accept, or acceptance of, a takeover offer;
- trading is under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the board. This includes decisions relating to whether or not to take up the entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- participation in the Company's employee and executive share and option plans in accordance with the Rules or terms of the relevant plan or options.
- The exercise (but not the sale of securities following exercise) of an option or a right under an employee incentive scheme where the final date for the exercise of the option or right falls during a Prohibited Period.

9. Margin Lending and Hedging arrangements

Restricted Parties must notify the Company Secretary immediately of any arrangement involving:

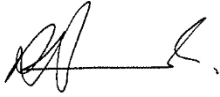
- a) Margin lending, other securities lending or the granting a charge, lien or other encumbrance over the Company's Securities; or
- b) Hedging or otherwise entering into a contract with the purpose of securing a profit or avoiding a loss by reference to movements in the price of the Company's Securities, where the Securities subject to such arrangements represent 2% or more of the Company's issued capital.

On receiving such notification, the Company Secretary will inform the Board.

Directors and Senior Executives are prohibited from entering into margin loans, hedging or any other arrangement that would have the effect of limiting their exposure to risk in relation to an element of their remuneration that:



- a) Has not vested in that Director or Senior Executive; or
- b) Has vested in that Director or Senior Executive but remains subject to a holding lock.



Mr Raymond Shorrocks
Chairman
12 November 2018

Application for consent to trade in the securities of Galilee Energy Limited

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|---|--|
| Name of Applicant: | |
| Name of Entity Acquiring Securities: | |
| Nature of Applicant's Interest in Acquiring Entity: | |
| Proposed Number of Securities: | |
| Type of Transaction On-market/Off-market: | |
| Acquisition/Disposal of Securities: | |

I, the Applicant, confirm that as far as I am aware, I am not in possession of any unpublished price-sensitive information in relation to Galilee Energy Limited, its subsidiaries or related companies.

If this should change before the security transaction detailed above is completed, I undertake not to proceed with the same.

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Signed by the Applicant

Date

Approval granted

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Signed by

Position

Date

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Signature