

1. Purpose

- 1.1 The purpose of the Continuous Disclosure Policy is to:
- (a) ensure that the Company, as a minimum, complies with its continuous disclosure obligations under the Corporations Act and the Australian Securities Exchange (ASX) Listing Rules and as much as possible seeks to achieve and exceed best practice;
 - (b) provide shareholders and the market with timely, direct and equal access to information issued by the Company; and
 - (c) promote investor confidence in the integrity of the Company and its securities.

2. Legal requirements and best practice

Legal requirements

- 2.1 The Company is a public company listed on the ASX. It is subject to continuous disclosure requirements under the Corporations Act and the Listing Rules (which are given legislative force under section 674 of the Corporations Act), in addition to the periodic and specific disclosure requirements.

The Rule

- 2.2 The primary continuous disclosure obligation is contained in Listing Rule 3.1, which states that:

"Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information."

The Exception

- 2.3 LR 3.1A contains the only exception to LR 3.1 and provides:

"Listing Rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following 5 situations applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed."

ASX may request information to correct false market

- 2.4 Listing Rule 3.1B provides that if the ASX considers that there is, or is likely to be, a false market in an entity's securities and asks the entity to give it information to correct or prevent the false market, the entity must immediately give ASX that information.

Disclosure to ASX first

- 2.5 Listing Rule 15.7 further requires that an entity must not release information that is for release to the market to any person until it has given the information to the ASX and has received an acknowledgement that ASX has released the information to the market.

Material price sensitive information

- 2.6 Section 677 of the Corporations Act states that, a reasonable person would be taken to expect information to have a "material effect on the price or value" of securities if the information "*would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of*" those securities.

Best practice guidelines

- 2.7 In addition to the legal requirements, there are guidelines published by various bodies which, though not (or not yet) mandatory, set out various views of best practice in the area of continuous disclosure.
- 2.8 The most important of these guidelines are:
- (a) ASX Corporate Governance Council "Corporate Governance Principles and Recommendations", in particular Recommendations 5.1 and 5.2;
 - (b) Guidance Note 8: Continuous Disclosure: Listing Rule 3.1-3.1B Australian Securities and Investments Commission (**ASIC**) Guidance Rules "Better disclosure for investors"; and
 - (c) ASIC guidance and discussion paper "Heard it on the grapevine".

This Policy

- 2.9 This Policy contains all continuous disclosure requirements under the Listing Rules and the Corporations Act, and incorporates best practice guidelines.

3. Disclosure principle

- 3.1 The Company will as soon as reasonably possible notify the ASX of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities, unless exempted by the Listing Rules.
- 3.2 The Company's securities include:
- (a) fully paid ordinary shares; and
 - (b) options issued to directors, employees and consultants, or their nominees.

4. Material price sensitive information

- 4.1 Any information concerning the Company which would, or would be likely to, influence investors in deciding whether to acquire or sell the Company's securities ("material price
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sensitive information") must be disclosed to the ASX in accordance with this Policy.

4.2 The Company Secretary is responsible for determining what information is to be disclosed. Where there is doubt as to whether certain information should be disclosed, the Company Secretary will discuss the issue with senior executives, and if necessary, seek external advice.

4.3

4.4 The following provides a guide as to the type of information that is likely to require disclosure. This is not an exhaustive list. The determination of whether certain information is material price sensitive information which is subject to continuous disclosure necessarily involves the use of judgment. There will inevitably be situations where the issue is less than clear. If you come across information which potentially falls within the category of material price sensitive information, you should treat it as if it is material price sensitive information and leave the question for the Company Secretary to resolve.

4.5 Matters which generally require disclosure include:

- (a) changes in the Board of Directors, senior executives or auditors. In the case of the appointment of a new Managing Director/Chief Executive Officer, disclosure of the key terms and conditions of the relevant contract entered into and any material variation to such an agreement (apart from the exceptions given in Listing Rule 3.16) will be necessary;
- (b) a change in the Company's accounting policy;
- (c) events regarding the Company's shares, securities, financing or any default on any securities, e.g. under or over subscriptions to an issue of securities, share repurchase program. A proposed issue of securities is separately notifiable to ASX under listing rule 3.10.3;
- (d) giving or receiving a notice of intention to make a takeover offer;
- (e) a transaction for which the consideration payable or receivable is a significant proportion of the written down value of the Company's consolidated assets (an amount of 5% or more would normally be significant but a smaller amount may qualify in a particular case);
- (f) mergers, acquisitions/divestments, joint ventures or changes in assets;
- (g) significant developments in regard to new projects or ventures;
- (h) major new contracts, orders, or changes in suppliers or customers;
- (i) industry issues that may have a material impact on the Company;
- (j) natural disasters or accidents that have particular relevance to the businesses of the Company or its suppliers;
- (k) the appointment of a receiver, manager, liquidator or administrator in respect of any loan, trade credit, trade debt, borrowing or securities held by the Company or any of its subsidiaries; or
- (l) a copy of a document lodged with an overseas stock exchange or regulator containing market sensitive information not previously disclosed to the ASX.
- (m) a transaction that will lead to a significant change in the nature or scale of the

entity's activities (see also Listing Rule 11.1 and Guidance Note 12 Significant Changes to Activities);

- (n) a material mineral or hydro-carbon discovery;
- (o) a material acquisition or disposal;
- (p) the granting or withdrawal of a material licence;
- (q) becoming a plaintiff or defendant in a material law suit;
- (r) the fact that the entity's earnings will be materially different from market expectations;
- (s) the commission of an event of default under, or other event entitling a financier to terminate, a material financing facility; and
- (t) any rating applied by a rating agency to an entity or its securities and any change to such a rating

5. Roles and responsibilities – at a glance

- 5.1 This Policy will be administered by several key personnel within the Company. However, employees at every level have a role to play to ensure that the Company achieves the objectives of this Policy.
- 5.2 The responsibilities under this Policy are divided as follows:
- (a) **Board of Directors** - the Board of Directors will be responsible for signing off on any subsequent amendments recommended by the Company Secretary. The Board of Directors may be involved in the review of significant ASX announcements;
 - (b) **Company Secretary** - responsible for the overall administration of this Policy and all communications with the ASX (see below);
 - (c) **Authorised Spokespersons** - the only Company employees authorised to speak on behalf of the Company to external parties (see below);
 - (d) **Other employees** - report any material price sensitive information to the Company Secretary of their business unit. Observe the Company's "no comments" policy.

6. Company Secretary

- 6.1 The Company Secretary is responsible for the overall administration of this Policy, and in particular, is responsible for:
- (a) ensuring that the Company is compliant with its continuous disclosure obligations;
 - (b) all communications with the ASX;
 - (c) reviewing proposed external announcements, and consulting with appropriate members of the Board of Directors, senior executives and/or external advisers as

- necessary;
- (d) implementing reporting processes and determining divisional guidelines (financial or qualitative) for materiality of information;
 - (e) reporting on continuous disclosure issues with the Board of Directors;
 - (f) keeping a record of all ASX and other announcements that the Company has made;
 - (g) monitoring the effectiveness of this Policy, including the understanding by Company employees in general of the principles and spirit of continuous disclosure; and
 - (h) regularly reviewing this Policy for legislative changes or development of best practice, and communicating any amendments to the Company's employees.

7. Authorised spokespersons

- 7.1 The authorised spokespersons of the Company are the Managing Director/Chief Executive Officer, Company Secretary and Chair and other persons authorised by the Company Secretary from time to time. They are the only Company employees or representatives who may speak to the media or other external parties in relation to matters subject to this Policy.
- 7.2 Authorised spokespersons should be briefed by the Company Secretary about prior disclosures by the Company before speaking with external parties. When communicating with external parties, an authorised spokesperson:
- (a) should ensure all comments relate to information within the public domain and/or are not material, as the disclosure of confidential information, even if inadvertent, may result in the information no longer falling within the exception to Listing Rule 3.1 and therefore becoming disclosable to the ASX as soon as reasonably possible;
 - (b) may clarify information that the Company has released to the ASX but must not comment on material price sensitive information that has not previously been released;
 - (c) should limit any comments to his or her area of expertise as much as possible; and
 - (d) should report to the Company Secretary after the external communication is made, to determine if any confidential information has been disclosed and whether as a consequence any disclosure to the ASX is necessary.

8. Company announcements – the procedures

- 8.1 The management of the Company's external announcements depends largely on an effective system of internal reporting and announcement preparation.
- 8.2 The following procedures will apply in relation to all external announcements:
- (a) **Identification and notification of material price sensitive information** - as soon as an employee becomes aware of material price sensitive information which has not been previously released by the Company, he or she should as soon as reasonably

possible notify:

- (i) in the case of Directors and senior management, -the Company Secretary; or
- (ii) in the case of all other employees - the person directly in charge of their role of whom they report to, who will in turn notify the Company Secretary.

"Continuous disclosure issues" will be a permanent item on the agenda for every Board meeting, and Board Committee meetings.

- (b) **Review of material price sensitive information** - after receiving any material price sensitive information, the Company Secretary will review the information (in consultation with senior executives and/or external advisers if necessary), to determine whether the information is required to be disclosed;
- (c) **Prepare external announcement** - if the information is required to be disclosed, the Company Secretary will cause a draft announcement to be prepared. Such announcements should be factual, relevant, and expressed in an objective and clear manner. The use of emotive or intemperate language should be avoided;
- (d) **Obtain sign off** - The draft Company announcement must be signed off by the Managing Director / Chief Executive Officer or in his or her absence the Chair; and
- (e) **Lodge announcement** - the Company Secretary or Assistant Company Secretary or in their absence the Managing Director/Chief Executive Officer is to lodge the announcement with ASX electronically.

8.3 In light of the Company's obligation to disclose any material price sensitive information "as soon as it becomes aware" of the information, the above steps, where required, should be taken as a matter of urgency.

9. Joint announcements

9.1 In situations where the Company needs to issue a joint announcement with a joint venture or project partner, the Company will seek to give the partner the opportunity to review the announcement prior to its release, provided that it does not compromise the Company's ability to comply with its disclosure obligation.

10. Timing

10.1 The Company must not release material price sensitive information publicly until it has disclosed it to the ASX and received confirmation of its release by the ASX.

10.2 If information is to be released by the Company in Sydney and simultaneously in another geographical location (for example, by a foreign joint venture partner), the Company Secretary will consult with the relevant parties to determine how the requirements of the Listing Rules will impact on the timing of the disclosure.

11. Disseminating announcements

- 11.1 After receiving the ASX's confirmation that an announcement has been released to the market, the Company will disseminate the information as soon as possible by posting the announcement on the Company's website (within 24 hours after receiving the ASX's confirmation).
- 11.2 The Company's website will contain relevant information on the Company such as:
- (a) Company profile;
 - (b) ASX announcements;
 - (c) Quarterly Activity Reports;
 - (d) Annual reports and other financial results;
 - (e) speeches and other information provided to analysts and investor groups; and
 - (f) AGM information.
- 11.3 Either the Company Secretary/Assistant Company Secretary or legal counsel must review the relevant information prior to it being posted on the website. The website will be reviewed continuously to ensure that it is up-to-date, complete and accurate.

12. Media and market speculation

- 12.1 The Company has a general "no comments" policy in relation to market speculation and rumours, which must be observed by employees and contractors at all times. However, the Company may issue an announcement in response to market speculation or rumour where it is necessary to comply with the continuous disclosure obligations, for example, for the purpose of correcting factual errors or responding to a formal request from the ASX for information.
- 12.2 The Company will not provide the media with exclusive interviews or information that potentially contains any material price sensitive information prior to disclosing that information to the ASX. It will also not provide any information to the media "off the record".
- 12.3 The Company will not disclose any information that is potentially material price sensitive information publicly under an embargo arrangement prior to release to the ASX. The only exception to this policy may be the provision, in limited circumstances, of a copy of an announcement under strict lock-up arrangements for the purpose of facilitating dissemination of the information following release to the ASX.
- 12.4 Employees and contractors who are approached by the media or any external parties for information should observe the "no comments" policy and notify the Company Secretary as soon as possible.

13. Briefings / meetings / conference calls with analysts or investors

- 13.1 As part of the Company's management of investor relations and to enhance stockbroking analysts' understanding of its background and technical information, it conducts briefings with analysts or investors from time to time, including:

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- (a) one-on-one discussions (for the purpose of this Policy, this includes any communications between the Company and an analyst/investor);
 - (b) group briefings; and
 - (c) conference calls,
- (collectively referred to as "briefings").
- 13.2 The Company's policy for conducting these briefings is not to disclose any information which is, or potentially is, material price sensitive information, that has not been announced to the ASX and the market generally. Where price sensitive information is to be provided at the briefing the Company will make an announcement prior to the briefing to inform the market.
- 13.3 In addition, the following protocols will be followed in relation to such briefings:
- (a) any written material to be used at a briefing must be provided in advance to the either the Managing Director/CEO or Company Secretary to determine whether it contains any information that has not previously been disclosed;
 - (b) if a question raised during the briefing can only be answered by disclosing material price sensitive information which was not previously disclosed to the ASX, the Company employee must decline to answer the question, but take the question on notice;
 - (c) following the briefing, if an employee or contractor present at a briefing considers that any material price sensitive information that was not previously disclosed, was disclosed during the briefing, he or she must as soon as reasonably possible notify either the Managing Director/CEO or Company Secretary;
 - (d) following the briefing, the Company will post all previously unreleased material used or made available for the briefing on the Company's website.

14. Broker sponsored investor conferences

- 14.1 The Company or its executives are from time to time invited to participate or present at broker sponsored investor conferences. The policy and protocols for the Company's briefings apply to such conferences.

15. Responding to analyst reports or forecasts

- 15.1 Stockbroking analysts frequently prepare reports on securities of listed entities, including the Company, which contain performance and financial forecasts. The Company acknowledges the importance of analyst reports in facilitating the operation of the market in an informed and efficient manner.
- 15.2 However, the Company is independent, and will do all things necessary to be seen as independent, to analysts. The Company will not endorse any such reports, and will restrict its comments to factual matters and information which has been previously disclosed to the ASX and the market generally.
- 15.3 In particular, the Company:

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- (a) will not generally comment on analyst forecasts or disclose its own earnings projections, however, it may comment on analyst reports by:
 - (i) acknowledging the report's range of estimates; and
 - (ii) correcting factual errors or assumptions where the relevant information has already been disclosed;
 - (b) will not include any analyst reports in its own corporate information, or post any analyst reports (including hyperlinks) on its website without the consent of the party that prepared them;
 - (c) will include a disclaimer that the Company is not responsible for, and does not endorse, the analyst report, in any response made to an analyst; and
 - (d) may consider issuing a profit warning/statement if it becomes apparent that in general the market's earnings projections on it materially differ from its own estimates.

15.4 If a draft report has been sent to the Company for comments, it should be forwarded as soon as reasonably possible to either the Managing Director/CEO or Company Secretary.

16. Chat rooms

16.1 Company employees, contractor or associated parties must not participate in chat room discussions on the internet where the subject matter relates to the Company.

17. Responding to unexpected questions

17.1 Company employees and executives are often faced with unexpected questions from external parties - for example, pre-arranged briefings sometimes move outside the scope of intended discussion, or Company executives may be asked for information in situations other than formal briefings.

17.2 When faced with an unexpected question, respond only with information which has previously been disclosed to the market. If answering the question requires the disclosure of information that has not been previously disclosed, or if in doubt as to whether or not certain information has already been disclosed, decline to answer the question. Take the question on notice so that the formal process of releasing information can operate.

18. Inadvertent disclosure of information

18.1 Disclosure of material price sensitive information to an external party prior to disclosure to the ASX constitutes a breach of Listing Rule 15.7. To prevent a breach of Listing Rule 15.7 and to minimise the consequences should such a breach occur, the following procedures apply:

18.2 A review should be done following any communications with an external party. If a Company employee becomes aware that:

- (a) there may have been inadvertent disclosure of material price sensitive information (which has not 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 as soon as reasonably possible notify the Company Secretary. In such a situation, the Company will need to as soon as reasonably possible issue a formal ASX announcement.

18.3 Where the confidential information disclosed during external communications is not price sensitive, the Company will still ensure equal access to that information by posting it on its website.

19. Trading halts

19.1 In certain circumstances, the Company may need to request a trading halt from the ASX to maintain the efficient trading of its securities. The Company Secretary, Managing Director/Chief Executive Officer or Chair will make all decisions in relation to trading halts and are the only personnel authorised to request a trading halt on behalf of the Company.

20. Contractors, consultants and advisers

20.1 The Company will require contractors, consultants and professional advisers engaged by the Company or any of its subsidiaries to adhere to this Policy. The Company may ask such contractors, consultants and professional advisers to sign a confidentiality agreement and acknowledge that they have read and understood the terms of this Policy.

21. Breach of Policy

21.1 The Company takes continuous disclosure very seriously. Non-compliance with continuous disclosure obligations may constitute a breach of the Corporations Act and or the Listing Rules. This may result in fines for the Company, personal liabilities for Directors and other officers, and damage to the Company's reputation.

21.2 Breaches of this Policy may result in disciplinary action against the employee including dismissal in serious cases.

22. General

22.1 Any reference in this Policy to the “**Company**” is a reference to Tlou Energy Limited ACN 136 739 967 and any reference to the “**Group**” is a reference to the Company and its subsidiaries.

22.2 Any reference to the “**Board of Directors**” is a reference to the Board of the Company and any reference to “**Directors**” is a reference to the Directors of the Board of the Company.

22.3 All Directors, senior executives, employees, consultants, contractors and professional advisors must familiarise themselves with and comply with this Policy.

22.4 The Company will review this Policy regularly to take into account any legislative changes and best practices relating to the Policy. Any amendment to this Policy must be authorised by the Board of Directors. The Company Secretary will communicate any amendments to all relevant parties.

22.5 Any queries regarding the application of this Policy should be referred to the Company Secretary.



**Tlou Energy Limited (the Company)
CONTINUOUS DISCLOSURE POLICY**

APPROVAL

This Policy was adopted by the board on 1 August 2013

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Chair of Tlou Energy Limited