

29 December 2011

## REVISED SECURITIES TRADING POLICY

Entek Energy Limited ("Company") has adopted a revised Securities Trading Policy. A copy of the revised policy follows and is also available on the Company's website.

Yours faithfully



Andrew Gastevich  
Chief Financial Officer

### Australian Securities Exchange

Code: ETE

### Ordinary shares

510,657,387

### Board of Directors

Graham Douglas Riley  
(Non-Executive Chairman)  
Trent Benjamin Spry  
(Executive Director)  
Alexander Forcke  
(Non-Executive Director)  
Andrew Padman  
(Non-Executive Director)

### Key Projects and Interests

Green River Basin, USA (GRB)  
Gulf of Mexico, USA (GoM)

Entek is focused on a strategy of acquiring and exploring potentially high impact oil and gas opportunities in proven and producing areas. Entek has acquired a significant portfolio of acreage in the offshore shallow waters of the Outer Continental Shelf of the Gulf of Mexico. The Company has a total of 5 blocks in the Gulf of Mexico prospective for oil with a combined gross prospective resource of over 30 MMBOE some of which (VR342 and VK818) have been proven by recent and previous drilling. Onshore in the Green River Basin the Company's interest covers approximately 86,000 gross acres of highly prospective leasehold that includes existing producing coal bed methane wells, infrastructure and long life conventional and shale resource reserves. The primary focus of the Company onshore is the appraisal of its Niobrara Oil Resource Play.

### Entek Contacts

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## ENTEK ENERGY LIMITED

ABN 43 108 403 425

### Security Trading Policy - effective 29 December 2011

#### 1. General Principles

The principles behind the Company's policy on trading (buying, selling or other dealing in) Company securities (including shares, options, or any other equity, debt or derivative instruments, including instruments to limit the risk of other securities held) are:

- Key Management Personnel<sup>1</sup> and their Associated Parties<sup>2</sup> ("**Insiders**") must not trade in the Company's securities, nor place themselves in a position where it may reasonably be perceived that they have been trading in the Company's securities other than in compliance with this policy.
- This policy is designed to seek to ensure that:
  - Insiders do not breach the insider trading laws under the Corporations Act 2001 (Cth);
  - Insiders do not trade Company securities while they may be in possession of market price sensitive information which has not been released to the ASX announcements platform by the Company (including due to exceptions that may apply to the need to release that information); and
  - perceptions cannot arise that Insiders may be taking advantage of their position in the Company or its subsidiaries (or that of a person with whom they are associated), even if such perceptions are wrong or unsubstantiated.
- This policy has been established to meet regulatory requirements and generally accepted principles and standards of conduct.

#### 2. Insider Trading Prohibition

Key Management Personnel who wish to trade in Company securities must first have regard to the statutory provisions of the Corporations Act dealing with insider trading.

Insider trading is the practice of dealing in a company's securities (which includes shares and options) by a person in possession of information not generally available, but if it were generally available would, or would be likely to influence a person's decision to transact in the company's securities. It may also include the passing on of this information to another or procuring another person to deal in the securities. **Legally, insider trading is an offence which carries severe penalties, including imprisonment.**

In summary, Insiders must not, whether in their own capacity or as an agent for another, subscribe for, purchase or sell, or enter into an agreement to subscribe for, purchase or sell, any securities in the Company, or procure another person to do so:

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<sup>1</sup> In this policy references to "Key Management Personnel" or "Key Management Person" is as defined in AASB Standard 124 Related Party Disclosure, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

<sup>2</sup> "Associated Persons" means close family of the Key Management Person; a company or trust over which the Key Management Person has control or is a beneficiary; or a business or other associate of any of the foregoing.

1. if that Insider information that a reasonable person would expect to have a material effect on the price or value of the securities or influence a person's decision to buy or sell the securities in the Company if the information was generally available;
2. if the Insider knows or ought reasonably to know, that:
  - (a) the information is not generally available and;
  - (b) if it were generally available, it might have a material effect on the price or value of the securities or influence a person's decision to buy or sell the securities in the Company.

Further, Insiders must not either directly or indirectly pass on this kind of information to another person if they know, or ought reasonably to know, that this other person is likely to deal in the securities of the Company or procure another person to do so.

### 3. Blackout Periods

In addition to the prohibitions on insider trading set out in the Corporations Act, the Company requires that Insiders must not trade in the Company's securities in the periods between:

- (a) two weeks prior to the release of the Company's half yearly results;
- (b) two weeks prior to the release of the Company's full year results;
- (c) one week prior to the release of the Company's quarterly results;
- (d) two weeks prior to any general meeting of shareholders held by the company;
- (e) for a period of 24 hours following the release to the ASX of any announcement deemed by the ASX to be price sensitive; and
- (f) during drilling operations, after drill out of intermediate casing of any exploration or appraisal well and 24 hours immediately following the announcement of the statement of drilling results.

("Blackout Periods"), unless the circumstances are exceptional and the procedure for prior written clearance described below has been met.

In addition to the prohibitions on insider trading set out in the Corporations Act, the Company requires that Insiders must not trade in the Company's securities within any period imposed by the Company from time to time, because the Company is considering matters that would require disclosure to the market but for Listing Rule 3.1A ("**Additional Period**"), unless the circumstances are exceptional and the procedure for prior written clearance described below has been met. This prohibition is in addition to the Blackout Periods. The Blackout Periods, and the Additional Period are together referred to as a "Prohibited Period" in this policy.

Please note that even if it is outside of a Prohibited Period, Insiders must not trade in the Company's securities if they are in possession of inside information.

#### **Exceptional Circumstances when trading may be permitted subject to prior written clearance.**

A person may trade in the Company's securities inside a Prohibited Period, subject to obtaining prior written clearance in accordance with the procedure described below, in the following exceptional circumstances:

- (1) if the person granting the prior written clearance is satisfied that the person seeking the clearance does not possess unpublished price sensitive information about the Company and the person seeking clearance is in severe financial hardship;

- (2) if the person granting the prior written clearance is satisfied that the person seeking the clearance does not possess unpublished price sensitive information about the Company and there are other circumstances deemed to be exceptional by the person granting the prior written clearance; or
- (3) where trading is the person granting the prior written clearance is satisfied that the person seeking the clearance does not possess unpublished price sensitive information about the Company and there are other circumstances deemed to be exceptional by the person granting the prior written clearance; or required for compliance with a court order or court enforceable undertakings or for some other legal or regulatory requirement.

#### 4. Procedure for Obtaining Clearance Prior to Trading

Insiders must not trade in the Company's securities at any time, including in the exceptional circumstances referred to above unless the Insider obtains prior written clearance from the Chair, or in his absence, the Chief Executive Officer and, in the case of the Chair, from the Chief Executive Officer (each an "**Approving Officer**")

A request for prior written clearance under this policy should be made in writing using the form attached to this policy entitled 'Request for Prior Written Clearance to Trade in Company Securities' and given to the Approving Officer and the Company Secretary. The request may be submitted by email.

Any written clearance granted under this policy will be valid for the period of 10 business days from the time which it is given or such other period as may be determined by the Approving Officer. The expiry time of the clearance will be stated in the clearance granted. Written clearance under this policy may be given by email.

#### 5. Trading Which is Not Subject to This Policy

The following trading by Insiders is excluded from this policy:

- (1) transfers of securities already held into a superannuation fund or other saving scheme in which the Insider is a beneficiary;
- (2) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the Company's securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (3) where the Insider is a trustee, trading in the Company's securities by that trust provided the director, officer or employee is not a beneficiary of the trust and any decision to trade during a Prohibited Period is taken by the other trustees or by the investment managers independently of the Insider;
- (4) undertakings to accept, or the acceptance of, a takeover offer;
- (5) trading 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;
- (6) a disposal of securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement;

- (7) the exercise (but not the sale of securities following exercise) of an option or right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Prohibited Period and the Company has been in an exceptionally long Prohibited Period or the Company has had a number of consecutive Prohibited Periods and the Insider could not reasonably have been expected to exercise it at a time when free to do so; or
- (8) trading under a non-discretionary trading plan for which prior written clearance has been provided in accordance with procedures set out in the trading policy and where:
  - (a) the Insider did not enter into the plan or amend the plan during a Prohibited Period; and;
  - (b) the trading plan does not permit the Insider to exercise any influence or discretion over how, when, or whether to trade.

Please note that even if the trading is excluded from this Policy, Insiders must not trade in the Company's securities if they are in possession of inside information.

## **6. Trading in Derivative Products**

The prohibitions on trading in the Company's securities imposed by the Company and set out in this policy extend to trading in financial products issued or created over or in respect of the Company's securities.

## **7. Long Term Trading**

The Company wishes to encourage Key Management Personnel to adopt a long term attitude to investment in the Company's securities. Therefore, Key Management Personnel must not engage in short term or speculative trading of the Company's securities.

## **8. Prohibited Transactions**

Insiders must not enter into transactions or arrangements which operate to limit the economic risk of their security holding in the Company without first seeking and obtaining prior written clearance from the appropriate Approving Officer.

Insiders must not enter into agreements that provide lenders with rights over their interests in securities in the Company without first seeking and obtaining prior written clearance from the appropriate Approving Officer.

Insiders must not put in place a non-discretionary trading plan in respect of their securities in the Company without first seeking and obtaining prior written clearance from the appropriate Approving Officer. Insiders must not cancel any such trading plan during a Prohibited Period, unless the circumstances are exceptional and the procedure for prior written clearance has been met.

Insiders are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity based remuneration schemes

## 9. Notification

Directors must disclose details of changes in securities of the Company they hold (directly or indirectly) to the Company Secretary as soon as reasonably possible after the date of the contract to buy and sell the securities ("**Contract Date**") but in any event:

- (1) no later than 3 business days after the Contract Date; or
- (2) if they begin to have or cease to have a substantial shareholding or there is a change in their substantial holding, the business day after the Contract Date.

The Company Secretary is to maintain a register of notifications and clearances given in relation to trading in the Company's securities. The Company Secretary must report all notifications and clearances of dealings in the Company's securities to the next Board meeting of the Company. The Company Secretary must also forward a copy of any correspondence in relation to complying with this policy to the Chair and to the Chief Executive Officer.

Directors are reminded that it is their obligation under section 205G of the Corporations Act to notify the market operator within 14 days after any change in a director's interest.

## 10. Breaches

Breach of the insider trading prohibition could expose directors, officers and employees to criminal and civil liability. Breach of insider trading law or this policy will be regarded by the Company as serious misconduct which may lead to disciplinary action and/or dismissal.

This policy does not contain an exhaustive analysis of the restrictions imposed on, and the very serious legal ramifications of, insider trading. Insiders who wish to obtain further advice in this matter, are encouraged to contact the Company Secretary.

This policy also applies to the Company's related entities.

## 11. ASX Listing Rule Requirements

It is a requirement for admission to the official list of ASX, and an on-going requirement for listing, that the Company has a policy for trading in company securities

The Company will give a copy of this policy to ASX for release to the market. The Company will also give any amended version of this policy to ASX when it makes a change to: the periods within which directors, officers and employees are prohibited from trading in the Company's securities; the trading that is excluded from the operation of the policy; or the exceptional circumstances in which Insiders may be permitted to trade during a Prohibited Period, within five business days of the amendments taking effect. The Company will also give this policy to ASX immediately on request by ASX.