

AUSTRALASIA CONSOLIDATED LIMITED

SECURITIES TRADING POLICY

INTRODUCTION AND PURPOSE

The *Corporations Act* contains provisions which prohibit a person in possession of material, non-public information relating to a Company from dealing in any way with shares, options or other securities issued by that Company or issued or created over the Company's securities by third parties (Securities).

This Policy applies to all Directors, senior executives, employees, contractors and consultants (collectively, Personnel) of Australasia Consolidated Limited and its subsidiary companies ("Australasia" or "the Company").

The Australasia Consolidated Limited Securities Trading Policy (Policy) sets guidelines designed to protect the Company and Personnel from intentionally or unintentionally breaching these Laws.

This Policy statement is only a summary of complex legal provisions, and should therefore only be used as a guideline, not as legal advice.

Adherence with the requirements of the Policy is mandatory for all Personnel.

DEALINGS IN SECURITIES

The insider trading prohibition

If Personnel have "price-sensitive information" relating to the Company which has not been published or which is not otherwise "generally available", it is illegal to:

- buy, sell or otherwise deal in the Company's Securities;
- advise, procure or encourage another person (for example, a family member, a friend, a family Company or trust) to buy or sell the Company's Securities; or
- pass on information to any other person, if it is known or ought reasonably to be known that the person may use the information to buy or sell (or procure another person to buy or sell) the Company's Securities.

It is the responsibility of Personnel to ensure that they do not do any of the things prohibited by the insider trading law. The consequences for breach of this law is set out below.

What is "price sensitive information"?

Price-sensitive information means information relating to the Company that would, if the information were publicly known, be likely to:

- have a material effect on the price or value of the Company's Securities; or
- influence persons who commonly invest in securities in deciding whether or not to buy or sell the Company's Securities.

Examples of possible price-sensitive information include, but are not limited to:

- the financial performance of the Company against its budget;
- entry into or termination of a material contract (such as a major joint venture);
- a material acquisition or sale of assets by the Company;
- an actual or proposed takeover or merger;
- analytical results;

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- drilling results;
- an actual or proposed change to the Company's capital structure;
- a proposed dividend or a change in dividend policy; or
- a material claim against the Company or other unexpected liability.

When is the information "generally available"?

Information is generally available if:

- it consists of readily observable matter;
- it has been made known in a manner that is likely to bring the information to the attention of people who commonly invest in securities of a kind whose price or value might be affected by the information, and since it was made known, a reasonable period for it to be disseminated among such persons has elapsed;
- it is derived from information which has been made public; or
- it consists of observations, deductions, conclusions or inferences made or drawn from other generally available information.

Consequences for breach of the insider trading prohibition

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

Personnel should also be aware that the Company's key regulators, ASIC and ASX, take an active interest in the manner in which the Company ensures that the Policy is adhered to and consider the Policy to be a key element of the Company's corporate governance framework. Personnel should also familiarize themselves with the Company's Code of Conduct which is available on the Company's website.

Key management personnel dealing in the Company's securities

Black-out Periods

Key management personnel are the Directors and Senior Executives (being the direct reports to person(s) performing the chief executive function/Chief Executive Officer, and those persons' direct reports), and their families and related entities.

Key management personnel are routinely in possession of Material Non-Public Information (which, if generally available would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the Company's Securities). As such, they are prohibited from dealing in the Company's Securities during Black-out Periods unless exceptional circumstances as set out in this Policy apply.

The Company's Black-out periods are:

- the Closed Period, being the period of time between the end of a reporting quarter and the release of the Company's quarterly activities and cash flow statements; and
- other periods as determined and announced by the Board including:
 - the period 72 hours before and 24 hours after the release of price sensitive information; and
 - periods during which it is considered that certain information is generally known within the Company but is not known to the market.

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Notification of Dealing in the Company's Securities

The following rules apply to dealing in the Company's securities by key management personnel:

1. Subject to the insider trading prohibition, you may be given prior written clearance to deal in the Company's securities provided:
 - (a) you obtain the prior written consent of the Chairman (or the Chief Executive Officer, as applicable) prior to any trade (Refer to Annexure 1 – "Securities Trading Request Notice");
 - (b) you confirm that you are not in possession of any inside information;
 - (c) the dealing does not occur during a blackout period (refer to above), unless under exceptional circumstances;
 - (d) the dealing must occur within 3 trading days after approval is notified to you by the Company Secretary;
 - (e) you are not involved in short term or speculative dealing; and
 - (f) you are not hedging the risk of any fluctuation in value of any unvested entitlement in the Company's securities;
2. If you subsequently deal in those securities – you must confirm the dealing in writing to the Company Secretary within two business days after the dealing. The confirmation must include:
 - (a) your name;
 - (b) the name of any person who dealt on your behalf;
 - (c) details of your relevant interest (direct or indirect) in the Company's securities the subject of the dealing;
 - (d) the date of the dealing;
 - (e) the number of the Company's securities subscribed for, bought or sold;
 - (f) the amount paid or received for those securities;
 - (g) the number of the Company's securities held by you (directly or indirectly) before and after the dealing including, where the securities are held indirectly, the names of the holder of securities on the Company's share register and the name of any underlying beneficiary; and
 - (h) sufficient information to enable the Company to comply with the requirements to notify a change of interests to ASX if applicable.

The Company Secretary will ensure relevant Director disclosures are made to the ASX and will notify the Board of all trades by the Directors as soon as reasonably practicable.

Trading under exceptional circumstances

Key management personnel not in possession of inside information in relation to the company, may be given clearance to sell or otherwise dispose of securities during a Closed Period where a person is in severe financial hardship or there are other exceptional circumstances.

Severe financial hardship will occur if the person has a pressing financial commitment that cannot be satisfied other than by selling the relevant securities.

Other exceptional circumstances may include compliance with a court a court order or some other legal or regulatory requirement compelling the sale of the securities.

The Chairman (or the Chief Executive Officer, as applicable) is the person designated for determining whether severe financial hardship or other exceptional circumstances exist. If permission to trade in these circumstances is granted, the dealing must occur within 3 trading days after approval is notified by the Company Secretary.

All applications to trade under this heading must be made using the Securities Trading Request Notice" (Annexure 1) and set out the circumstances in sufficient detail to enable the Chairman (or the Chief Executive Officer, as applicable) to make a proper decision.

Trading not subject to the Policy

Some types of trading in the Company's securities will be permitted notwithstanding the restriction contained in this Policy. Trading that may be excluded from the operation of the Policy includes:

- trading that results in no change in beneficial interest in the securities;
- where trading occurs via investments in a scheme or other arrangement where the investment decisions are made by a third party;
- where the person restricted from trading has no control or influence with respect to trading decisions;
- where trading occurs under an offer to all or most of the Company's shareholders e.g. a takeover offer or rights issue;
- the disposal of securities where a secured lender exercises its rights e.g. under a margin lending arrangement; or
- the exercise of a convertible security.

Personnel other than key management personnel

Subject to the insider trading prohibition, Personnel who are not key management personnel may deal in the Company's securities at any time provided they notify the Company Secretary in writing before commencing the transaction and, after the transaction has occurred, provide confirmation of the trading. Employees are strongly advised to limit dealing in the Company's securities in accordance with the restrictions imposed on key management personnel above. In any event, personnel must not deal in the Company's securities at any time if they are in possession of any inside information relating to those securities.

Hedging Transactions

No employee of the Company is permitted to enter into transactions with securities (or any derivative thereof) which limit the economic risk of any unvested entitlements awarded under any equity-based remuneration scheme, or otherwise awarded, or which will be offered by the Company in the future.

Dealings in Shares of Other Companies

If Personnel have "price sensitive information" relating to a Company other than Australasia which is not "generally available" the same insider trading rules outlined above apply to buying and selling shares in that Company. In the course of performing duties on behalf of Australasia, Personnel may obtain price sensitive information relating to another Company in a variety of circumstances. Examples include, but are not limited to the following:

- another Company may provide price sensitive information about itself to Australasia in the course of a proposed transaction;
- another Company with whom Australasia is dealing may provide price sensitive information about a third Company; or
- information concerning Australasia or actions which may be taken by Australasia (ie. a planned transaction or strategic change) could reasonably have an effect on a third party Company.

Apart from the application of the insider trading rules to shares in other companies, Personnel are also bound by a duty of confidentiality in relation to information obtained in the course of their duties in respect of third parties.

Contact person

All queries in relation to the operation of the Policy should be directed to the Company Secretary at first instance.

Annexure 1

Securities Trading Request Notice

(TO BE SUBMITTED THROUGH THE COMPANY SECRETARY)

To: The Chairman / Chief Executive Officer

PROPOSED DEALING IN THE SECURITIES OF AUSTRALASIA CONSOLIDATED LIMITED

This notice seeks approval for the key management personnel named below to trade in the securities of Australasia Consolidated Limited (**Company**) in accordance with the Company's Securities Trading Policy.

I confirm that:

- I am not in possession of, or aware of, any information that may be considered "inside information";
- I will advise the Company Secretary within 2 business days after the dealing of the details of the trade as outlined in the Company's Security Trading Policy;
- I am not involved in any short term or speculative trading in the Company's securities;
- I am not hedging the risk of any fluctuation in value of any unvested entitlement in the Company's securities; and
- I will not be dealing in the securities during any blackout period unless I am making an application to deal under exceptional circumstances, as follows (set out reasons below or attach additional page) :

I acknowledge that this approval to trade is only valid for three (3) clear business days from the date indicated below, unless otherwise revoked earlier by notice in writing.

Estimated number of shares/options* to be bought/sold*
(*Delete as appropriate.)

_____	_____	_____
Name of Personnel	Signature of Personnel	Date

Approved:

_____	_____	_____
Chairman / CEO	Company Secretary	Date

Australasia Board Approval: December 2010