



Securities dealing policy

1. Scope of this Policy

This Policy applies to all directors, senior management, employees, contractors, consultants and advisors (together "**Designated Persons**") of Nexus Energy Limited ("**Nexus**") and its subsidiaries.

In this Policy, "**Company Securities**" includes:

- (a) shares in Nexus;
- (b) other securities issued by Nexus such as debentures and options; and
- (c) derivatives and other financial products issued by third parties in relation to Nexus' shares, debentures and options.

To "**deal**" in the Company's Securities includes:

- (a) subscribing for, purchasing or selling Company Securities or entering into an agreement to do any of those things;
- (b) advising, procuring or encouraging another person (including a family member, friend, associate, colleague, family company or family trust) to trade in Company Securities; and
- (c) entering into agreements or transactions which operate to limit the economic risk of a person's holdings in Company Securities.

2. Purpose of this Policy

This Policy sets out the circumstances in which Designated Persons may deal in Company Securities with the objective that no Designated Person will contravene the requirements of the Corporations Act.

The purpose of this Policy is to:

- (a) ensure that Designated Persons adhere to high ethical and legal standards in relation to their personal investment in Company Securities;
- (b) ensure that the personal investments of Designated Persons do not conflict with the interests of Nexus and those of other holders of Company Securities;
- (c) preserve market confidence in the integrity of dealings in Company Securities; and
- (d) ensure the reputation of Nexus is maintained.

This Policy is not designed to prohibit Designated Persons from investing in Company Securities but does recognise that there may be times when Designated Persons cannot or should not invest in Company Securities. This Policy provides guidance to Designated Persons as to the times when Designated Persons may deal in Company Securities.

3. Outline of Corporations Act Requirements

A person is in possession of "inside information" in relation to Nexus in circumstances where:

- (a) the person possesses information that 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 Company Securities; and
- (b) the person knows, or ought reasonably to know, that the information is not generally available and, if it were generally available, a reasonable person would expect it to have a material effect on the price or value of Company Securities.

A reasonable person would be taken to expect information to have a material effect on the price or value of Company Securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to deal in Company Securities in any way. It does not matter how the Designated Person has come to have the inside information.

If a Designated Person possesses inside information in relation to Nexus, the person must not:

- (a) deal in Company Securities in any way; or
- (b) directly or indirectly communicate the information, or cause the information to be communicated, to another person if the person knows, or ought reasonably to know, that the other person would, or would be likely to, deal in Company Securities in any way or procure a third person to deal in Company Securities in any way.

Designated Persons may obtain inside information in relation to another company. For example in the course of negotiating a transaction with Nexus, another company might provide confidential information about itself. The prohibition on insider trading is not restricted to information affecting Company Securities. Designated Persons in possession of the inside information in respect of other companies must not deal in securities of those other companies.

A Designated Person who deals in Company Securities while in possession of inside information will be liable to both civil and criminal penalties. Insider trading is prohibited at any time and in relation to the securities of any company. It is prohibited irrespective of whether or not it falls within a Closed Period and whether or not it is Excluded Trading for the purposes of this policy. Nothing in this Policy authorises insider trading.

4. Examples of "inside information"

Examples of information which may be considered to be "inside information" include the details relating to the items listed below (this is not an exhaustive list):

- (a) drilling results, exploration results, production figures and the like;
- (b) prospective financial information;
- (c) proposed transactions;
- (d) unpublished announcements;
- (e) proposed changes in capital structure, including share issues, rights issues and the redemption of securities;
- (f) impending mergers, acquisitions, reconstructions, takeovers, etc;
- (g) significant litigation and disputes;
- (h) significant changes in operations or proposed changes in the general character or nature of the business of Nexus or its subsidiaries;

- (i) cashflow information;
- (j) major or material purchases or sales of assets; and
- (k) proposed or new significant contracts.

5. Company's Policy on Dealing of Company Securities

5.1 No Short Term Trading

Notwithstanding the following, Designated Persons should not engage in short term trading of Company Securities. In general, the purchase of Company Securities with a view to resale within a 12 month period and the sale of Company Securities with a view to repurchase within a 12 month period would be considered to be transactions of a "short term" nature. However, the sale of shares immediately after they have been acquired through the conversion of a security (eg. exercise of an option) will not be regarded as short term trading.

5.2 Restrictions on times for trading

Subject to the Corporations Act, the rules of any Employee Share Option Plan and this Policy, Designated Persons may trade in Company Securities at any time other than during a prescribed "Closed Period" provided the Designated Person is not at the time of dealing in possession of any inside information or involved in short term or speculative dealing.

5.3 Margin Loans

Designated Persons or Restricted Persons (as defined below) must not enter into margin loan agreements that provide lenders with right over their interests in Company Securities.

5.4 Closed Periods

Directors, senior management and employees ("Restricted Persons") are not permitted to deal in Company Securities during the following Closed Periods:

- (a) four weeks up to and including the day on which the Nexus half-yearly results are announced to the ASX; and
- (b) four weeks up to and including the day on which the Nexus full year results are announced to the ASX; and
- (c) any other period determined by the Board from time to time.

5.5 Dealing During Closed Periods Under Exceptional Circumstances

A Restricted Person, who is not in possession of inside information, may trade in Company Securities during a Closed Period where:

- (a) the Restricted Person is in severe financial hardship; or
- (b) other exceptional circumstances exist; and
- (c) the Restricted Person has received prior written clearance to do so in accordance with Section 5.6 below.

The person seeking clearance to trade must satisfy the Managing Director (or Chair in the case of the Managing Director) and the Company Secretary that they are in severe financial hardship or that their circumstances are otherwise exceptional. A person may be in severe financial hardship if he or she has a pressing financial commitment that cannot be satisfied otherwise than by selling the Company Securities.

Exceptional circumstances may include:

- (a) that the person is required by a court order to transfer or sell Company Securities;
- (b) that the person is bound by court enforceable undertakings; and
- (c) any other circumstances that the relevant officers deem to be exceptional.

5.6 Procedure for Obtaining Clearance to Trade During Closed Period

Prior written clearance must be obtained from the Managing Director (or Chair in the case of the Managing Director) and the Company Secretary prior to trading during a Closed Period under exceptional circumstances.

Once written clearance has been obtained, the trade must take place within two days of obtaining such clearance. The application for clearance should be submitted by letter or email to the Company Secretary.

5.7 Executive Directors and Senior Management

Subject to the provisions of the Corporations Act, this Policy and the provisions of any applicable Employee Share Option Plans, Executive Directors and Senior Management must not deal in Company Securities, including outside Closed Periods, without prior written notification to the Managing Director (or Chair in the case of the Managing Director) and the Company Secretary before commencing the transaction and must subsequently notify the Company Secretary within two business days of any trade that has occurred.

Notification of any trade after it has occurred must include the following information:

- (a) the name of the Director or senior manager;
- (b) the name of any person who dealt on the behalf of the Director or senior manager;
- (c) details of the Director or Senior Management interest in Company Securities the subject of the dealing;
- (d) the date of dealing;
- (e) the number of Company Securities subscribed for, bought or sold;
- (f) the amount paid or received for those securities; and
- (g) the number of Company Securities held by the Director or senior manager (directly or indirectly) before or after the dealing.

All Directors must also notify the Company Secretary immediately with sufficient details of any dealing to enable the Company Secretary to make the necessary notifications to ASIC and ASX as required by the Corporations Act and the ASX Listing Rules within five business days of the dealing.

5.8 Employees (other than Senior Management or Directors), Consultants, Advisors and Contractors (together "Employees")

Subject to the provisions of the Corporations Act, this Policy and the provisions of any applicable Employee Share Option Plans, Employees may deal in Company Securities at any time outside Closed Periods provided that they do not have inside information and are not involved in short term or speculative dealing.

Employees are:

- (a) recommended to consider this policy prior to any dealing; and
- (b) not required to notify the Company if they intend to deal in Company Securities or after they have dealt in Company Securities.

5.9 Exercise of Options, Participation in Director and Employee Share Option Plans

Subject to the insider trading provisions of the Corporations Act 2001 (Cth), Directors and employees of Nexus may at any time:

- (a) acquire ordinary shares in Nexus by conversion of securities giving a right of conversion to ordinary shares;
- (b) acquire Company Securities under a bonus issue made to all holders of securities of the same class;
- (c) acquire Company Securities under a dividend reinvestment or top-up plan that is available to all holders of securities of the same class;
- (d) acquire, or agree to acquire, options under a Company share option plan; and
- (e) exercise options acquired under a Company share option plan (but may not sell all or part of the shares received upon exercise of the options other than in accordance with these procedures).

5.10 Excluded Trading

The Listing Rules contemplate and the Company recognises that there may be trading that is appropriately excluded from the operation of this Policy. The following forms of trading are to be excluded from the Company's trading policy:

- (a) where the trade results in no change in the beneficial interest of the securities;
- (b) transfers of Company Securities already held into a superannuation fund or other saving scheme in which the Restricted Person is a beneficiary;
- (c) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in Company Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (d) where a Restricted Person is a trustee, trading in Company Securities by that trust provided the Restricted Person is not a beneficiary of the trust and any decision to trade during a Closed Period is taken by the other trustees or by the investment managers independently of the Restricted Person;
- (e) undertaking to accept, or the acceptance of, a takeover offer;
- (f) 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;
- (g) the exercise (but not the sale of securities following exercise) of an option or a 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 Company Security, falls during a Closed Period and the Company has been in an exceptionally long Closed Period or the Company has had a number of consecutive Closed Periods and the Restricted Person could not reasonably have been expected to exercise it at a time when free to do so; and

The above forms of trading will still be subject to the insider trading provisions.

6. Consequences of Breach

Strict compliance with this Policy is mandatory for all persons covered under this Policy. Breaches of this Policy may damage Nexus' reputation in the investment community and undermine confidence in the market for Company Securities. Accordingly, breaches will be taken very seriously by Nexus and will be subject to disciplinary action, including possible termination of a person's employment or appointment.

7. Questions / further information

If you have any questions or need further information on how to comply with this Policy, please contact the Company Secretary on +61 3 9660 2500.