

ASX Announcement
20 October 2020

Revised Securities Trading Policy

Strategic Energy Resources (ASX : SER) (the Company) advises that in accordance with ASX Listing Rule 12.10, the Company has revised its Securities Trading Policy.

A copy of the revised Securities Trading Policy is attached.

– ENDS –

This announcement is authorised by the Strategic Energy Resources Limited Board.

Executive Chairman Stuart Rechner

For further information, please contact Mr Rechner +61 3 9692 7222 or visit website www.strategicenergy.com.au



Securities Trading Policy
Strategic Energy Resources Limited
ACN 051 212 429

1. Definitions

“associate” includes:

- (a) a related body corporate; and
- (b) a Director or Secretary of a related body corporate.

“ASX” means ASX Limited.

“ASX Listing Rules” means the official listing rules and requirements from time to time of the ASX.

“Board” means the board of Directors of the Company as constituted from time to time.

“Chairman” means the Chairman of the Board from time to time.

“Company Secretary” means the company secretary of the Company from time to time.

“Company” means Strategic Energy Resources Limited (SER).

“dealing” or **“trading”** (singular use **“deal”** or **“trade”**) includes:

- (a) any acquisition or disposal of any securities of the Company;
- (b) entering into any agreement to acquire or dispose of any securities of the Company; and
- (c) the grant, acceptance, acquisition, disposal, exercise or discharge of any option or other right or obligation to acquire or dispose of any securities of the Company.

“Designated Officer” means:

- (a) in the case that the Chairperson is the person applying to deal in the securities of the Company, the Company Secretary; or
- (b) in the case of all other Key Management Personnel applying to deal in the securities of the Company, the Chairperson.

“Directors” means the directors of the Company from time to time.

“Generally available”, in relation to information, means any such information which:

- (a) is readily observable;
- (b) has been made known in a manner which is likely to bring it to the attention of persons who commonly invest in securities provided that a reasonable period for that information to be disseminated has elapsed since it was made known; or
- (c) consists of deductions, conclusions or inferences made or drawn from information falling under either paragraphs (a) or (b) above.

“Key Management Personnel” (singular use **“Key Management Person”**) has the meaning given to that term in the ASX Listing Rules, being those persons having authority and responsibility for planning, directing and controlling the activities of the Company and any wholly owned subsidiary of the Company and any entity in which the Company holds equity, directly or indirectly, including any Director.

“SER Person” means all Key Management Personnel, officers and employees of the Company and any wholly owned subsidiary of the Company and any entity in which the Company holds equity, and also any contractor and consultant whose terms of engagement by the Company or any wholly owned subsidiary of the Company and any entity in which the Company holds equity and potential insiders (including such parties as advisors, nominees, agents or other associates such as family members, family trusts and family companies, who have access to or are involved with confidential information) apply this policy to them.

“Prohibited Period” has the meaning given to that term in section 4.

“securities” includes:

- (a) ordinary shares;
- (b) partly paid shares;
- (c) preference shares;
- (d) hybrid securities;
- (e) debentures;
- (f) legal or equitable rights or interests in (a) to (e) above; and
- (g) any derivatives including but not limited to options in respect of any of (a) to (e) above.

2. Introduction

The purpose of this policy is to ensure compliance with the ASX Listing Rules and the *Corporations Act 2001* (Cth), and to ensure that every SER Person and their associates are aware of the legal restrictions that exist on dealing in the Company’s securities while such a person is in possession of price sensitive information concerning the Company.

The policy recognises that it is illegal for a person to deal in the Company’s securities when he or she is in possession of price sensitive information concerning the Company. This is regardless of whether the terms of this policy have been complied with.

This policy shall be distributed to every SER Person and it is the responsibility of each SER Person to comply with this policy. Any non-compliance with this policy will be considered as serious misconduct.

The restrictions set out in this policy are additional to any provisions governing or restricting the trading of securities set out in any agreement between the Company and a SER Person or a person holding securities in the Company or any provisions in the Company’s employee incentive plans (if any). Where the provisions of an agreement between the Company and a SER Person or a person holding securities in the Company conflict with the provisions of this policy, the most restrictive provisions will prevail.

3. Insider Trading Prohibition

A person engages in insider trading if that person deals in securities of a relevant entity while possessing information that:

- (a) is not *generally available*; and
- (b) if it were available, may have a material effect on the price or value of the relevant entity’s securities, and

the person knows, or ought reasonably to know, that the information is not generally available and, if it were, it might have a material effect on the price or value of the entity’s securities. This type of information is commonly referred to as “price sensitive information” or “inside information”.

Directors, officers and employees¹ who wish to trade in SER securities must first have regard to the statutory provisions of the Corporations Act dealing with insider trading. Insider trading may also include the passing on of this information to another or procuring another person to deal in the securities. **Insider trading is an offence which carries severe penalties, including imprisonment.**

In summary, directors, officers and employees of SER 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:

- if that director, officer or employee possesses 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;
- if the director, officer or employee knows or ought reasonably to know, that:
 - the information is not generally available; and
 - 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, directors, officers and employees 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.

4. Closed Periods, Additional Periods and Prohibited Periods

In addition to the prohibitions on insider trading set out in the Corporations Act, SER requires that directors, officers and employees must not trade in the Company's securities during the 'Closed Periods' commencing two weeks prior to the release of the Company's quarterly cash flow reports (Appendix 5B).

There is an exception to this 'Closed Periods' trading if 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, SER requires that directors, officers and employees must not trade in SER securities within any period imposed by SER from time to time, because SER is considering matters that would require disclosure to the market but for Listing Rule 3.1 A ('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 Closed Periods. The Closed 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, directors, officers and employees must not trade in SER's securities if they are in possession of inside information.

¹ In this policy, reference to directors, officers and employees includes all 'Connected Persons' of the directors, officers and employees. 'Connected Persons' means any person over whom the director, officer or employee has significant influence or control. Further, all references to officers includes a reference to 'key management personnel' 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 entity, directly or indirectly, including any director (whether executive or otherwise) of the entity.

5. 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:

- 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
- 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
- where trading is required for compliance with a court order or court enforceable undertakings or for some other legal or regulatory requirement.

6. Procedure for Obtaining Clearance Prior to Trading

Directors, officers and employees must not trade in the Company's securities at any time outside a Prohibited Period unless the director, officer or employee first obtains prior written clearance from the Chairperson. The Chairperson will not unreasonably withhold clearance.

Directors, officers and employees must not trade in the Company's securities during a Prohibited Period, including in the exceptional circumstances referred to above, unless the director, officer or employee obtains prior written clearance from the Chairperson.

Should the Chairperson wish to trade securities, written clearance should be obtained from the Company Secretary or all other members of the Board. Permission will not be unreasonably withheld.

A request for prior written clearance to trade during a Prohibited Period should be made in writing and given to the Company Secretary and the Chairperson. 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 shorter period as may be determined by the person granting the clearance. The expiry time of the clearance will be stated in the clearance granted. Written clearance under this policy may be given by email.

7. Trading which is not subject to this policy

The following trading by directors, officers and employees is excluded from this policy:

- transfers of securities already held into a superannuation fund or other saving scheme in which the director, officer or employee is a beneficiary
- 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
- where the director, officer or employee 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 director, officer or employee

- undertakings to accept, or the acceptance of, a takeover offer
- 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
- 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 director, officer or employee could not reasonably have been expected to exercise it at a time when free to do so, or
- 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 director, officer or employee did not enter into the plan or amend the plan during a Prohibited Period; and
 - (b) the trading plan does not permit the director, officer or employee 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, directors, officers and employees must not trade in SER securities if they are in possession of inside information.

8. Trading in derivative products

The prohibitions on trading in SER 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 SER's securities.

9. Long Term Trading

SER wishes to encourage directors, officers and employees to adopt a long-term attitude to investment in the company's securities. Therefore, directors, officers and employees are strongly discouraged from engaging in short term or speculative trading of SER's securities.

10. Prohibited Transactions

Directors, officers and employees are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity based remuneration schemes.

Requests for prior written clearance for the transactions set out in this section "Prohibited Transactions" should be made in accordance with the procedure set out above for trading during a Prohibited Period.

11. Notification

The ASX Listing Rules require the Company to notify the ASX within 5 business days after any dealing in securities of the Company (either personally or through an Associate) which results in a change in the relevant interests of a Director in the securities of the Company, including a

change to a notifiable interest of a Director including whether the change occurred during a closed period where prior written approval was required and, if so, whether prior written approval was provided in accordance with ASX Listing Rule 3.19A.2.

The Company has made arrangements with each Director to ensure that each Director promptly discloses to the Company Secretary all the information required by the ASX.

Directors are also required to comply with the Corporations Act and must notify under that Act within 2 business days if they begin to have, or cease to have, a 'substantial holding' in the Company or if they already have a 'substantial holding' in the Company and there is a movement of at least 1% in their holding.

Directors are referred to the company's Director's Disclosure Obligations document and Director's Declaration of Interest Form. The Company Secretary is to maintain a register of clearances given in relation to trading in the company's securities. The Company Secretary must report all notifications of dealings in the company's securities to the next Board meeting of SER.

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, if the company has not done so.

12. Margin Loans and Security Arrangements

A SER Person may only enter into a margin loan or other security arrangement in respect of the Company's securities with the prior written approval of the Designated Officer (in its absolute discretion).

Any approval by the Designated Officer may be subject to the condition that the Company be permitted to disclose to the ASX the existence of the margin loan or security arrangement, and where the Company considers appropriate, any relevant terms such as the trigger points or right of the financier to sell unilaterally.

13. Unvested Securities

The Company prohibits any SER Person from entering into transactions in associated products which operate to limit the economic risk of security holdings in the Company over unvested entitlements.

14. 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. Directors, officers and employees who wish to obtain further advice in this matter, are encouraged to contact the Company Secretary.

This policy also applies to SER's related entities.

15. 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.

SER 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 directors, officers and employees may be permitted to trade during a Prohibited Period, within five business days of the amendments taking effect. SER will also give this policy to ASX immediately on request by ASX.

16. Hedging Policy

Hedging refers to using financial products to protect against or limit the risk associated with equity instruments, such as shares, options or securities.

All directors and employees are prohibited from hedging any shares or securities of SER.

17. Further assistance

Any SER Person who is unsure of the nature of the information that they have in their possession and whether they may deal in the Company's securities should contact the Company Secretary before dealing in any securities of the Company.

18. Approved and Adopted

This Policy was approved and adopted by the Board on 19 October 2020.

SCHEDULE - APPLICATION TO TRADE

To: The Company Secretary
Strategic Energy Resources Limited

In accordance with the Company's Security Trading Policy, I request the Designated Officer's approval for the following proposed transaction to be undertaken either by me or by persons associated with me:

Name:	
Name of registered holder transacting (if different):	
Residential address:	
Office or position in the Company:	
Type of transaction (circle):	Sale/ Purchase/ Other (specify)
Description and number of securities that are subject of the proposed transaction:	
To be transacted (circle):	On ASX/ Off-market trade/ Other (specify)
Likely date of the transaction (on or about):	

The following information is only required if you are seeking approval to deal in the Company's securities during a Prohibited Period:

Details of the exceptional circumstances pursuant to which I make this application:	
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I declare and confirm that:

- 1 I have read the Company's Security Trading Policy and my decision to deal in securities of the Company has not been made on the basis of information that:
 - (a) is not generally available, and
 - (b) would be expected by a reasonable person to have a material effect on the price or value of the securities of the Company, if it was generally available.
- 2 The Company is not advising or encouraging me to trade in any securities of the Company and does not provide any securities recommendation; and
- 3 I know of no reason to prohibit me from trading in the Company's securities and certify that the details given in this application are complete, true and correct.

Signed by

Print name: _____

Print date: _____

Designated Officer Consideration

(For Completion by Designated Officer)

I have reviewed the contents of this application and hereby [approve]/[do not approve] the proposed transaction described in the application.

Any approval is conditional on the proposed transaction being completed within 14 days (or 7 days in the case of exceptional circumstances) of the date of this approval and in compliance with the Company's Security Trading Policy.

Signed by the Designated Officer

Print name of the Designated Officer: _____

Print position of the Designated Officer: _____

Print date: _____