



2 November 2015

Manager Announcements  
Company Announcements Office  
Australian Securities Exchange  
20 Bridge Street  
Sydney, NSW 2000

Via electronic lodgement

### **Revised Securities Trading Policy**

In accordance with ASX Listing Rule 12.10, Pacific Energy Limited advises that it has amended its Securities Trading Policy.

The revised policy incorporates some amendments made in light of ASX's updated Guidance Note 27: Trading Policies.

A copy of the revised Securities Trading Policy, which is effective from 28 October 2015, is attached.

Yours faithfully

**PACIFIC ENERGY LIMITED**

## SECURITIES TRADING POLICY

---

### 1. INTRODUCTION

This policy sets out the requirements and responsibilities of the persons noted under 2. below with respect to dealings in Pacific Energy Limited (**Company**) Securities.

The purpose of this policy is to ensure compliance with the insider trading laws under the Corporations Act 2001 (Cth) and to ensure that Pacific Energy and its representatives are beyond reproach in their dealings in the Company's Securities and Inside Information of Pacific Energy.

**Securities** means shares, debentures, rights, options and any other financial products traded on any stock exchange.

The Company recommends that Employees contact the Company Secretary before trading in the Company's Securities to confirm the appropriateness of any proposed transactions by Employees.

### 2. WHO THIS POLICY APPLIES TO

This Policy applies to each director, officer, employee and contractor of Pacific Energy Limited and its wholly owned subsidiaries (**Employees**).

This policy also applies to 'associates' of Employees. For the purposes of this policy, 'associates' include:

- (a) the Employee's spouse or partner;
- (b) the Employee's dependent children;
- (c) any trustee of a trust or other fiduciary arrangement under which the Employee, the Employee's spouse or partner, or the Employee's dependent children, is or may be a beneficiary;
- (d) any company in which the Employee holds (directly or indirectly) a majority of the shares or otherwise controls (directly or indirectly); and
- (e) any other entity in which the Employee is a director, secretary or executive officer, unless appropriate arrangements are in place within that company or body to ensure that the Employee:
  - (i) take no part in the decision by that other company or body to purchase or sell the Company's Securities; and
  - (ii) have not induced or encouraged that other company or body to purchase or sell the Company's Securities.

### 3. INSIDER TRADING AND GENERAL PROHIBITIONS

#### ➤ Insider Trading Information (Prohibited at all times)

An Employee who trades in Securities while in possession of Inside Information will be liable to potentially serious civil and criminal penalties as governed by the Australian Securities and Investment Commission. These laws also apply to individuals outside of the Company, such as your family, should they become aware of information to which this policy applies.

Breaches of this policy are also a breach of conditions of employment which may lead to disciplinary action, including dismissal.

## **SECURITIES TRADING POLICY (Continued)**

---

An Employee who possesses Inside Information in relation to the Company's Securities or any other entity must not do any of the following things:

- trade in the Securities;
- advise or encourage others to trade in the Securities; or
- communicate the Inside Information to any other person.

The prohibitions apply regardless of how you learn of the information, and regardless of why you are trading.

**Inside Information** means 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 the Company's shares.

**Generally Available Information** is information that:

- is readily observable;
- has been made known in a manner 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 (for example where the information has been brought to the attention of investors by an ASX announcement and a period of at least 24 hours has elapsed since that announcement);
- is derived from information which has been made public; or
- consists of observations, deductions, conclusions or inferences made or drawn from other Generally Available information.

Information is likely to have a **Material Effect** on the price or value of the relevant securities if the information would, or would be likely to, influence persons who commonly acquire Securities in deciding whether or not to acquire or dispose of Securities.

Examples of information that might have a Material Effect on price or value include information relating to:

- financial performance (including the reaching or failure to reach consensus or stated forecast earnings targets);
- major acquisition or sale of assets;
- actual or proposed takeover or merger;
- actual or proposed change to capital structure;
- entering into or terminating a material contract; or
- a material claim or other unexpected liability.

Information about the Company or any other entity which is not Generally Available and might have a Material Effect on price or value is Inside Information. Inside Information need not relate to the Company, it could be information about a customer, supplier, or someone with whom the Company is discussing future strategic opportunities.

The prohibited conduct under the Corporations Act includes trading in Securities of other entities with whom the Company may be dealing, where an Employee possesses Inside Information in relation to another entity.

## **SECURITIES TRADING POLICY (Continued)**

---

Some examples include:

- another company with whom the Company is dealing may provide Inside Information about itself or a third party;
- information concerning the Company or actions which may be taken by the Company (for example, a planned transaction or strategic change) could have a Material Effect on the price or value of Securities in a third party company; or
- where the Employee is aware that the Company is about to sign a major agreement with another company, the Employee should not buy Securities in either the Company or the other company.

Employees also have a duty of confidentiality to the Company. An Employee must not reveal any confidential information concerning the Company, use that information in any way which may cause loss to the Company, or use that information to gain an advantage for themselves or anyone else.

### ➤ **Short term trading - Prohibited at all times**

Short term trading in the Company's Securities is prohibited. Short term trading in the Company's Securities is buying or selling the Securities with the view to sell or buy back the same securities within a six month period. The sale of the Company's Securities immediately after they have been acquired through the conversion of an option will not be regarded as short term trading.

## **4. TRADING RULES FOR DIRECTORS AND PRESCRIBED EMPLOYEES**

**Prescribed Employees** are Employees who, because of their seniority or the nature of their position, are likely to come into contact with Inside Information.

All Group Executives, General Managers in business units that routinely come in contact with key financial, operational and strategic information about the Company and their executive assistants are automatically Prescribed Employees. General Managers may also nominate selected individuals in their business units to be added to the list of Prescribed Employees.

The Company Secretary maintains a Register of Prescribed Employees and will notify Prescribed Employees when they are added to the list. On notification, Prescribed Employees must immediately provide the Company Secretary with the HIN/SRN and other personal information relating to holdings in the Company for their personal accounts and any other accounts that they control.

### ➤ **Blackout Periods – Prohibited trading**

In addition to the general prohibition on trading at any time whilst in possession of Inside Information, Directors and Prescribed Employees are prohibited from trading in the Company's Securities during the following blackout periods:

- the end of the interim period (31 December) and one trading day following the release of the interim results (the last day of February at the latest); and
- the end of the full year period (30 June) and one trading day following the release of the full year results (31 August at the latest).

The Chairman or Managing Director has discretion to impose a restriction on trading during any period, in addition to the fixed blackout periods provided for in this policy.

## **SECURITIES TRADING POLICY (Continued)**

---

In certain exceptional circumstances, Directors and Prescribed Employees may be given clearance to dispose of (but not acquire) Company Securities where they would otherwise be restricted by this policy due to the application of a blackout period, provided they are not in possession of Inside Information.

Exceptional circumstances may arise where, for example, the Director or Prescribed Employee is in severe financial difficulty or the Company Securities are required to be transferred pursuant to a Court order.

The Chairman has sole discretion to decide whether or not exceptional circumstances are satisfied. If the circumstances involve the disposal of Company Securities by the Chairman, the Managing Director or a Non-Executive Director will make the determination.

The Chairman (or Managing Director where applicable) will provide his determination in writing to the Director or Prescribed Employee (which may be by email correspondence). Any clearance given to trade in a Blackout Period will be for a specified duration as determined by the Chairman (or Managing Director where applicable).

### **➤ Trading outside of Blackout Periods**

The recommended time for any Director or Prescribed Employee to trade in the Company's Securities is during the one month period after the:

- Company's AGM;
- ASX release of half yearly results;
- ASX release of full year results;
- Significant transaction ASX release.

Directors and Prescribed Employees must obtain the approval of the Managing Director prior to trading in the Company's Securities outside of a blackout period. In the case of the Managing Director, approval must be obtained from the Chairman. If a trade is to occur, the trade must occur within 5 business days of the approval, or as otherwise specified in the approval.

A Director or Prescribed Employee is permitted to subscribe for shares in the Company during a period when the Company has a current prospectus, cleansing notice or other form of disclosure document on issue.

Employees, other than Prescribed Employees, do not need to obtain approval prior to trading in the Company's Securities, but are required to trade in accordance with the policy.

Directors must also notify the Company Secretary immediately of any trading by themselves or their associates in the Company's Securities.

### **➤ Margin Loans**

Directors and Prescribed Employees may take out margin loans over their shareholdings in the Company. However, Directors and Prescribed Employees must not allow a margin call to be met by the sale of the Company's Securities at a time when they would not be able to sell those securities themselves under this policy.

If you have Inside Information about the Company at the time, you cannot sell the Securities, including outside a Blackout Period, to meet a margin call. Directors and Prescribed Employees are expected to have sufficient resources to meet a margin call by means other than a sale of their shareholding in the Company.

## **SECURITIES TRADING POLICY (Continued)**

---

If a Director or Prescribed Employee has any doubt about their ability to meet a margin call by means other than a sale of their shareholding in the Company, they should take steps to rearrange their affairs to have a facility that does not contain price triggers (for example, an investment loan secured against other assets). If your margin lender sells any of your shareholding in the Company during a Blackout Period, whether on your instructions to do so or not, this will be a breach of this policy.

Directors and Prescribed Employees must inform the Managing Director, Company Secretary and the Board of all margin loans taken out over their shareholdings in the Company.

### **5. DERIVATIVES AND HEDGING**

Employees must not enter into any options, derivatives or other arrangements which operate to limit the economic risk of an unvested holding in the Company's Securities or other unvested entitlements under employee share plans.

This prohibition does not apply to vested holdings in the Company's Securities. The use of derivatives over vested Securities by Directors and Prescribed Employees, like any other trading in the Company's Securities, must comply with the law and with the clearance process described in this policy.

Directors and Prescribed Employees must inform the Managing Director, Company Secretary and the Board of any options, derivatives or other arrangements which operate to limit the economic risk of vested holdings in the Company's Securities.

### **6. EXCLUSIONS**

The following forms of trading activity are excluded from the operation of this Policy but remain subject to the insider trading provisions of the Corporations Act:

- transfers of Company Securities which result in no change in the beneficial ownership of the Securities;
- transactions conducted between an Employee and their spouse, civil partner, child, step-child or other close family member;
- bona-fide gifts of the Company's Securities to an Employee by a third party;
- cancellation of the Company's Securities as a result of failure to vest or other forfeiture of securities received by Employees as part of performance based remuneration;
- transfers of Company Securities already held into a superannuation fund or other savings scheme to which that Employee is a beneficiary;
- investments in or trading by a fund or other scheme where the assets of the fund or other scheme are invested at the discretion of a third party;
- where an Employee is a trustee, trading in the Company's Securities by that trust provided that the 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 Employee;
- undertakings to accept, or the acceptance of a takeover offer;
- the exercise (but not the sale of Company Securities following exercise) of an option or right under an option incentive scheme;
- a disposal of Company Securities that is the result of a secured lender exercising their rights, for example, under a margin lending arrangement; and
- dealing under an offer or invitation made to all or most of the security holders, such as a rights issue, a security purchase plan, a bonus issue, a dividend re-investment plan and equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the board.

## **SECURITIES TRADING POLICY (Continued)**

---

### **7. CONSEQUENCES OF BREACH**

Compliance with this policy is mandatory for all Employees covered under this policy. Breaches of this policy may damage the Company's reputation in the investment community and undermine confidence in the market for the Company's Securities. Accordingly, breaches will be taken very seriously by the Company and will be subject to disciplinary action, including possible termination of Employment or appointment.