

Metgasco Share Trading Policy

1. Introduction and Purpose

The ordinary shares of Metgasco Limited are listed on the Australian Securities Exchange (“ASX”). Metgasco is committed to ensuring that the company and its employees do not breach prohibitions on insider trading or create any perception of employees dealing in shares when they should not do so. This policy has been written to:

- provide a brief high level summary of the law on insider trading;
- set out the restrictions on dealing in securities by people who work for or are associated with Metgasco; and
- assist in maintaining market confidence in the integrity of dealings in Metgasco securities.

This policy should be read in conjunction with Metgasco’s Continuous Disclosure Policy which details Metgasco’s obligations to disclose material information to the ASX.

2. Who is covered by this policy

This policy applies to Metgasco:

- executive and non-executive directors;
- full-time, part-time and casual employees; and
- contractors, consultants and advisers who have access to price sensitive information.

This policy applies to all Metgasco securities owned or controlled by a person covered by the policy, whether those securities are held in the name of that person, in a company, through a trust, by a family member or in some other entity or arrangement. Persons covered by this policy must inform their brokers or financial advisers who have discretion to trade on their behalf that they are restricted from trading securities under this policy.

3. Background – Insider Trading

Metgasco is required under the ASX Listing Rules to immediately provide all information which may have a material effect on the price or value of the company’s shares (material information). In some circumstances, employees may come into possession of material information before the company has made that information available to the market or the company may need to rely upon exclusion to the requirement to provide that information to the market. In these circumstances it is important that all employees comply with this policy to ensure that they keep that material information confidential and do not trade in securities before that information is released to the ASX and becomes generally available.

To deal in Metgasco securities at this time would breach the insider trading provisions of the Corporations Act which provide as follows:

A person is prohibited from dealing in, or procuring others to deal in, securities of a relevant entity where:

- the person possesses information that a reasonable person would expect to have a material effect on the price of the securities if the information were generally available; and
- the person knows, or ought to reasonably know that:

- the information is not generally available; and
- if it were generally available, it might have a material effect on the price of the securities.

It is the responsibility of each individual to comply with this policy.

4. Trading restrictions in Metgasco Securities

General freedom to trade

Unless in possession of price sensitive information at the time of trading, persons covered by this policy may generally trade in Metgasco securities, subject to notifying and obtaining the clearance from the Company Secretary before they do so.

No trading while in possession of unreleased price sensitive information

Persons covered by this policy shall not trade in the Company's shares or other securities nor place themselves under suspicion of trading in the Company's securities while in possession of unreleased price sensitive information.

Where doubt exists as to the possession of material information not available to the market, advice should be sought from the Company Secretary.

For avoidance of doubt this policy extends to any derivatives that the Company may have on issue.

No trading during Blackout Period

Blackout periods for trading in Metgasco securities by persons covered by this policy apply at the following times:

- between 30 June up until 24 hours after the date of announcement to the ASX of the Company's annual result;
- between 31 December up until 24 hours after the date of announcement to the ASX of the Company's half year result
- between the end of a quarter up to and within 24 hours after the date of the announcement of the Company's quarterly activities reports; and
- notwithstanding the above, any time while in possession of inside information.

Blackout periods may be advised from time to time by the Company Secretary.

Permission to trade during blackout period

Permission to trade during a blackout period may be obtained where director or employee options vest creating a tax event for the holder. In such circumstances permission to trade during a blackout period must be obtained from the Chairman.

No short term trading

Directors and employees should not engage in short term trading in the company's securities at any time. Trades undertaken by margin lenders to close out margin calls are covered by this policy. Directors and employees should therefore not enter into margin loans which could cause a forced trade by a margin lender during a blackout period or while in possession of inside information.

Short selling

Directors and employees should not engage in short selling of the company's securities at any time.

The short selling of the Company's securities sends a negative message to the market about the level of confidence that a Director or employee has in the prospects of the Company.

Hedging transactions

The Corporations Act prohibits key management personnel of an ASX listed company established in Australia from entering into an arrangement that would have the effect of limiting their exposure to risk relating to an element of their remuneration that either has not vested or has vested but remains subject to a holding lock. With this in mind all participants in the Metgasco equity based remuneration scheme are prohibited from entering into an arrangement that would limit their exposure to price movements in unvested securities or securities still in holding lock that were issued under the Companies equity remuneration plan.

Trading in the securities of other entities

From time to time Metgasco enters into confidential negotiations with another listed entity about a material transaction. Whilst these negotiations are ongoing and have not been announced to the market there is a prohibition in trading in the securities of the other entity.

5. Key Accountabilities

When executive or non-executive directors, full-time, part-time and casual employees trade in the Company's securities there is the potential for embarrassment or adverse publicity if the Company's financial position and operating results differ from the financial community's expectations.

Accordingly, these people:

a) Must not trade in Metgasco securities without first obtaining clearance before commencing the transaction from:

- In the case of a senior manager, or their associates, the Managing Director or the Chief Financial Officer/Company Secretary; or
- In the case of a director, or their associates, the Chairman.
- In the case of the Chairman, the Board.

b) Must not be given clearance to trade in the Company's shares or other securities during:

- Any period when there exists any matter which constitutes unpublished price sensitive information in relation to the Company's securities; or
- Any period when the proposed dealing is in breach of this standard.

Directors to notify of trades

Following a trade of securities by directors, confirmation of price and quantity should be provided to the Company Secretary to ensure that the notification obligations of directors of Metgasco under ASX Listing Rule 3.19A or Corporations Act S 205G are satisfied.