



22 July 2016

Updated Securities Trading Policy

88 Energy Limited ("88 Energy", "the Company") (ASX, AIM: 88E) today released an updated Securities Trading Policy to the market as required by ASX Listing Rule 12.10.

The Securities Trading Policy for 88 Energy has been amended to comply with the Market Abuse Regulation and the revised AIM Rules which came into force on 3 July 2016.

This policy supersedes the pre-existing Securities Trading Policy released by the Company on 26 May 2015.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Dave Wall', with a horizontal line extending to the right.

Dave Wall
Managing Director
88 Energy Ltd

About 88 Energy: 88 Energy has a 78% working interest and operatorship in ~271,000 acres onshore the prolific North Slope of Alaska ("Project Icwine"). The North Slope is the host for the 15 billion barrel Prudhoe Bay oilfield complex, the largest conventional oil pool in North America. The Company, with its Joint Venture partner Burgundy Xploration, has identified three highly prospective play types that are likely to exist on the Project Icwine acreage – two conventional and one unconventional. The large resource potential of Project Icwine was independently verified by leading international petroleum resource consultant DeGolyer and MacNaughton. In addition to the interpreted high prospectivity, the project is strategically located on a year-round operational access road and only 35 miles south of Pump Station 1 where Prudhoe Bay feeds into the TransAlaska Pipeline System. The Company is currently acquiring seismic to take advantage of the globally unique fiscal system in Alaska, which allows for up to 75% of 1H2016 exploration expenditure to be rebated in cash. The Company recently completed its maiden well at the project, Icwine#1, with excellent results from analysis of core obtained in the HRZ shale. A follow-up well with a horizontal section and multi stage frac, Icwine#2H, is planned for 1Q2017.

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SECURITIES TRADING POLICY

1. INTRODUCTION

These guidelines set out the policy on dealing in securities in the Company. The definitions set out in Appendix A apply to this policy. This policy applies to:

- all Company PDMRs;
- all Key Management Personnel; and
- all Closely Associated Persons,

(“**Company Personnel**”).

Company Personnel are encouraged to be long-term holders of the Company’s securities. However, it is important that care is taken in the timing of any dealing in such securities.

The purpose of these guidelines is to assist Company Personnel to avoid conduct known as 'insider trading', or 'insider dealing'. In some respects, the Company’s policy extends beyond the strict requirements of the *Corporations Act 2001* (Cth), the EU Market Abuse Regulations (*Regulation EU 596/2014*) (“**MAR**”) and the AIM Rules for Companies.

1. WHAT TYPES OF TRANSACTIONS ARE COVERED BY THIS POLICY?

This policy applies to dealing of any securities of the Company and its subsidiaries on issue from time to time. This includes:

- (a) Company shares;
- (b) Any other securities which may be issued by the Company, such as options or debt instruments; and
- (c) Derivatives (such as exchange-traded options and warrants) and other financial products or financial instruments issued by third parties in relation to, linked to or derived from Company shares, debentures or options,

(“**Company Securities**”).

2. WHAT IS INSIDER TRADING?

2.1 Prohibition

Conduct which constitutes insider trading or insider dealing is a criminal offence. It may also result in civil liability. In broad terms, a person will be guilty of insider dealing if:

- (a) that person possesses inside information and knows or ought to know that such information is inside information; and
- (b) that person:
 - (i) directly or indirectly buys or sells Company Securities for their own account or for the account of a third party; or
 - (ii) cancels or amends an order concerning Company Securities or where the order was placed before that person possessed the inside information; or
 - (iii) recommends on the basis of the inside information that another person (x) deals in Company Securities or induces that person to deal, or (y) cancels or amends an order concerning Company Securities or induces that person to so cancel or amend; or
 - (iv) passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to deal in the securities or procure someone else to deal in the Company Securities.

A person will also be guilty of insider dealing if they use a recommendation or inducement (as set out at paragraph (b)(iii) above) and they know or ought to know that such recommendation or inducement is based on inside information.

2.2 Examples of inside information

To illustrate the prohibition described above, the following is a non-exhaustive list of possible examples of inside information or price sensitive information:

- (a) the Company considering a major acquisition;
- (b) the threat of major litigation against the Company;
- (c) the Company's revenue and profit or loss results materially exceeding (or falling short of) the market's expectations;
- (d) a material change in debt, liquidity or cash flow;

- (e) a significant new development proposal (e.g. new product or technology);
- (f) the grant or loss or a major contract;
- (g) a management or business restructuring proposal;
- (h) a share issue proposal;
- (i) an agreement or option to acquire an interest in an oil and gas exploration or production licence, or to enter into a joint venture or farm-in or farm-out arrangement in relation to an oil and gas exploration or production licence; and
- (j) significant discoveries, exploration results, or changes in reserve/resource estimates from mining tenements in which the Company has an interest.

2.3 Dealing through third parties

The insider trading prohibition extends to dealings by individuals through nominees, agents or other associates, such as family members, family trusts and family companies (referred to as “**Associates**” in these guidelines).

2.4 Inside information however obtained

It does not matter how or where the person obtains the inside information – it does not have to be obtained from the Company to constitute inside information.

3. GUIDELINES FOR TRADING IN THE COMPANY’S SECURITIES

3.1 General rule

Company Personnel **must not deal** in, or procure others to deal in Company Securities at **any** time if he or she is in possession of inside information or price sensitive information.

Further, Company Personnel **must not deal**, except in exceptional circumstances or where the characteristics of the trading involved satisfies particular characteristics (and in either case strictly in accordance with paragraph 4.4), in Company Securities during the following periods:

- (a) Two months prior to, and 48 hours after the release of the Company’s Annual Financial Report;
- (b) Two months prior to, and 48 hours after the release of the Consolidated Interim Financial Report of the Company; and

- (c) One month prior to, and 48 hours after the release of the Company's quarterly reports,

(together the **Closed Periods**).

3.2 **No short-term dealing in Company Securities**

Company Personnel should never engage in short-term or speculative dealing of Company Securities except for the exercise of options where the shares will be sold shortly thereafter, and only in compliance with paragraph 5.

3.3 **Securities in other companies**

Any dealing in securities of other companies with which the Company is or may be transacting or interacting is prohibited where an individual possesses inside information. For example, where an individual is aware that the Company is about to sign a major agreement with another company, they must not deal in securities in either the Company or the other company.

3.4 **Additional dealings requiring clearance**

- (a) For the avoidance of doubt, and notwithstanding the definition of 'dealing' set out in this policy, the following dealings are subject to the provisions of this policy:
- (i) acquisition of ordinary shares in the Company by conversion of securities giving a right of conversion to ordinary shares;
 - (ii) acquisition of Company Securities under a bonus issue made to all holders of securities of the same class;
 - (iii) acquisition of Company Securities under a dividend reinvestment, or top-up plan that is available to all holders or securities of the same class;
 - (iv) acquisition of, or agreement to acquire or the exercise of options under an employee incentive scheme (as that term is defined in the ASX Listing Rules);
 - (v) the withdrawal of ordinary shares in the Company held on behalf of the Company Personnel in an employee incentive scheme (as that term is defined in the ASX Listing Rules) where the withdrawal is permitted by the rules of that scheme;
 - (vi) acquisition of ordinary shares in the Company as a result of the exercise of options held under an employee option scheme;

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- (vii) the transfer of Company Securities already held into a superannuation fund or other saving scheme in which the restricted person is a beneficiary;
 - (viii) making an investment in, or trade 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;
 - (ix) where any Company Personnel is a trustee, the trade in Company Securities by that trust, provided the restricted person 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 that Company Personnel;
 - (x) the undertaking to accept, or accept, a takeover offer;
 - (xi) 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 of directors of the Company (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;
 - (xii) disposal of Company Securities resulting from a secured lender exercising their rights, for example, under a margin lending arrangement;
 - (xiii) the exercise of (but not the sale or disposal of Company Securities following exercise) an option or a right under an employee incentive scheme, or convert 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 or the Company has had a number of consecutive prohibited periods and that Company Personnel could not reasonably have been expected to exercise it at a time when free to do so; or
 - (xiv) trading under a non-discretionary trading plan for which prior written clearance has been provided to the relevant Company Personnel in accordance with procedures set out in this policy.
- (b) Although it may seem unlikely that any of the dealings set out in paragraph 3.4(a) would occur at a time which is during a Closed Period or when any

Company Personnel is in possession of inside information, any Company Personnel must first obtain clearance from the Managing Director (or, where the Company Personnel is the Managing Director, all other members of the Board) prior to entering into any such dealings, and the Managing Director or the Board (as the case may be) shall consult with the Company's nominated adviser and the Company's legal advisers.

- (c) In respect of any share or option plans adopted by the Company, it should be noted that it is not permissible to provide the exercise price of options by selling the shares acquired on the exercise of these options unless the sale of those shares occurs outside the periods specified in paragraph 3.1.
- (d) Were any dealing set out in paragraph 3.4(a) to occur by any Company Personnel at a time when that Company Personnel possesses inside information, then such dealing in Company securities would be a breach of insider trading laws, even where that Company Personnel's decision to deal was not influenced by the inside information possessed by that Company Personnel, and that Company Personnel may not have made a profit on the sale. Where Company Securities are provided to a lender as security by way of mortgage or charge, a sale or disposal that occurs under that mortgage or charge as a consequence of default would not breach insider trading laws.

3.5 Notification of periods when Company Personnel are prohibited from dealing

The Company Secretary will endeavour to notify all Company Personnel of the times when they are prohibited from dealing in Company Securities as set out in paragraph 3.1.

4. CLEARANCE AND NOTIFICATION REQUIREMENTS

4.1 Clearance requirements

- (a) Company Personnel **must not deal** in any Company Securities without the relevant Company Personnel:
 - (i) notifying the Company (by notice to the Company Secretary (or, where the Company Personnel is the Company Secretary, all other members of the Board)) of their intention to deal; and
 - (ii) receiving clearance to deal from the Managing Director (or, where the Company Personnel is the Managing Director, all other members of the Board) prior to such dealing.
- (b) When seeking clearance from the Managing Director or the Board (as the case may be), the Company Personnel must in their request for clearance,

to the extent possible at the time of the clearance request, specify the relevant information as set out in Appendix B of this policy.

- (c) The Managing Director or the Board (as the case may be) shall give the Company Personnel a response to their request for clearance to deal within 5 business days of the request being made.

4.2 Notification of dealing

Any Company Personnel who deals or exercises rights in relation to Company Securities **must** the day of the dealing occurring or exercise of rights:

- (a) notify the Company by notice to the Company Secretary (or, where the Company Personnel is the Company Secretary, all other members of the Board) at the Company's registered office or at ss@grangeconsulting.com.au using the notification form attached at Appendix B; and
- (b) notify the Financial Conduct Authority by notice to majorshareholdings@fca.org.uk using the form prescribed for such use by the Financial Conduct Authority available at <https://www.the-fca.org.uk/markets/ukla/regulatory-disclosures/mar-implementation>

Further, notwithstanding this paragraph 4.2, the relevant Company Personnel does not need to submit such a notification unless the total value of the dealing means that a total amount of EUR 5,000 has been reached within a calendar year. For the avoidance of doubt, the relevant Company Personnel must still obtain clearance to deal, irrespective of whether a notification is required to be made.

Any Company Personnel who are uncertain about their ability to deal, or whether a notification needs to be made, or whether the EUR 5,000 threshold has been met, or in relation to any provision of this paragraph 5.2 should, prior to taking any steps in respect of such dealing, contact the Managing Director (or, where the Company Personnel is the Managing Director, all other members of the Board) who should consult with the Company's nominated adviser and the Company's legal advisers.

4.3 Sales of Company Securities by Company Personnel

Company Personnel need to be mindful of the market perception associated with any sale of Company Securities and possibly the ability of the market to absorb the volume of shares being sold. With this in mind, the management of the sale of any significant volume of Company Securities (ie a volume that would represent a volume in excess of 10% of the total Company Securities held by the seller prior to the sale, or a volume to be sold that would be in excess of 10% of the average daily traded volume of the shares of the Company on the ASX or AIM Market for the preceding 20 trading days) by any Company Personnel needs to be discussed with the Board,

the Company's nominated adviser, the Company's broker and the Company's legal advisers prior to the execution of any sale. These discussions need to be documented in the form of a file note, to be retained by the Company Secretary.

4.4 **Exemption from Closed Periods restrictions due to exceptional circumstance or characteristics of dealing**

Notwithstanding the prohibition on Company Personnel dealing in Company Securities in Closed Periods as stated in paragraph 3.1, the Company may in certain circumstances allow Company Personnel to trade on his/her own account or for the account of a third party during a Closed Period either:

- (a) on a case by case basis due to the existence of exceptional circumstances (as more fully set out in paragraph 4.5); or
- (b) due to the characteristics of the trading involved for transactions made under, or related to, an employee share scheme, qualification or entitlement of shares (as more fully set out in paragraph 5.6), or transaction where the beneficial interest in the relevant security does not change.

The Managing Director (or, where the Company Personnel wishing to deal is the Managing Director, all other members of the Board) must liaise with the Company's nominated adviser and the Company's legal adviser. In case of any doubt as to whether a Closed Period exists or in relation to any provision of this policy, the relevant person should contact the Managing Director (or, where the Company Personnel is the Managing Director, all other members of the Board) who should consult with the Company's nominated adviser and the Company's legal adviser.

4.5 **Exceptional circumstances**

Company Personnel may be permitted to deal in Company Securities during a Closed Period in exceptional circumstances. Circumstances shall be considered to be exceptional when:

- (a) they are extremely urgent, unforeseen and compelling and where their cause is external to the Company Personnel, and the Company Personnel has no control over them;
- (b) the Company shall take into account, amongst other indicators, whether and to the extent to which the Company Personnel:
 - (i) is at the moment of submitting their request facing a legally enforceable financial commitment or claim; or
 - (ii) has to fulfil or is in a situation entered into before the beginning of the Closed Period and requiring the payment of a sum to a third

- (iii) party, including tax liability, and cannot reasonably satisfy a financial commitment or claim by means other than the immediate sale of Company Securities.

Any application for an exemption allowing the sale of Company Securities in a Closed Period based on exceptional circumstances must be made in writing and be accompanied by relevant court and/or supporting legal documentation evidencing the financial commitment or claim (where applicable). The determination of whether such an exemption may apply will be made by the Managing Director (or, where the Company Personnel is the Managing Director, all other members of the Board). The Managing Director or the Board (as the case may be) must liaise with the Company's nominated adviser and legal advisers prior to giving any clearance pursuant to this paragraph 4.5.

Any exemption, if issued by the Managing Director or the Board (as the case may be), will be in writing and shall contain a specified time period during which the dealing in Company Securities can be made. Any Company Personnel who is granted an exemption to deal in accordance with this paragraph 4.5 must, strictly in accordance with the terms of the exemption granted, deal as soon as possible and in any event within 2 business days of clearance being received by them.

4.6 Characteristics of the trading involved

The Managing Director (or, where the Company Personnel wishing to deal in Company Securities, all other members of the Board) may allow the exercise of an option or right under an employee share scheme where:

- (a) the final date for the exercise of such option or right, or conversion of such security, falls during (and is not, pursuant to the terms of any such scheme, extended in such circumstances by reference to) any Closed Period or other period when, under paragraph 4.1, clearance to deal may not be given; and
- (b) the Company Personnel could not reasonably have been expected to exercise their option or other rights at an earlier time when they were free to deal.

Where an exercise or conversion is permitted in accordance with this paragraph 4.6, clearance may not be given for the sale or disposal of securities in the Company acquired pursuant to such exercise or conversion.

5. ASX NOTIFICATION FOR DIRECTORS

The ASX Listing Rules require the Company to notify the ASX within 5 business days after any dealing in Company Securities (either personally or through an Associate) which results in a change in the relevant interests of a Director in Company Securities. MAR requires the Company to ensure that the notification of any dealing

in Company Securities by a PDMR or any Closely Associated Person is made public promptly, and no later than 3 business days after the date of the dealing.

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

6. EFFECT OF COMPLIANCE WITH THIS POLICY

Compliance with these guidelines for trading in the Company's securities does not absolve any individual from complying with the law, which must be the overriding consideration when trading in the Company's securities.

Any known or suspected instances of non-compliance with this policy must be reported to the Company Secretary for investigation and, if appropriate, appropriate disciplinary action.

All Company Personnel should be aware that in addition to any civil or criminal legal penalties, a breach of this policy may result in summary dismissal.