



Equities Trading Policy

This document sets out the policy of the Australian Energy Company Limited with respect to trading in its securities by directors, officers, nominated employees and others in possession of price sensitive information. It is in breach of the Corporations Act 2001 for any person to deal in any securities when in possession of information that, if made public, “a reasonable person would take that information to have a material effect on the price or value” of those securities. Heavy penalties apply. It is additionally important for the reputation of the company that directors and nominated employees do not engage in short-term trading of the company’s securities or trade when the external perception might be that they have particular knowledge about the company’s operations that is not publicly available.

General Policy

- AEC Limited prohibits trading in its securities by directors, officers and senior executives of the company and other nominated employees (Nominated Persons) whilst they are in possession of price sensitive information.
- No Nominated Person may trade in the securities of AEC Limited for short term speculative gain or may they enter into contracts to hedge their exposure to AEC Limited securities
- Prohibitions on trading extend to family members, trusts or companies over which the Nominated Person has any influence or control (Associates)
- All trading by Nominated Persons must be notified to the company as outlined
- Nominated persons should not trade in the securities of companies associated with AEC Limited where price sensitive information may accidentally have been divulged in the course of interactions with AEC Limited

Nominated Persons

This policy applies to the following persons nominated by the board:

- directors and the company secretary
- senior executive staff
- financial officers reporting to the above positions
- confidential secretaries and assistants reporting directly to executive staff
- designated staff of contractors working with AEC Limited
- staff members with access to the results of AEC Limited

The company secretary will maintain a list of these persons and notify them that the policy applies to them.

Associates

Associates of Nominated Persons include:

- controlled entities or third parties
- family trusts
- personal superannuation scheme
- spouse, partner and dependent children

Price Sensitive Information

The following information could be regarded as price sensitive:

- proposed changes in the share capital or structure of the company
- the issue of dividends, bonus or new share issues
- acquisition or disposal of assets or intellectual property
- entering into of new agreements and major contracts
- proposed changes to the Board other than those occurring as a result of normal
- processes under the constitution of AEC Limited
- proposed changes in the general character and nature of the business
- information to be disclosed under the provisions of the Corporations Law.

This list is indicative rather than comprehensive and Nominated Persons are required to hold sensitive company information confidential at all times.

Trading

Until such time as the company lists and formal trading windows are established in concert with the statutory public release of information about the company, directors wishing to trade must have prior written approval of the Chairman and senior executives must have prior written approval of the Managing Director. In the case of the Chairman, such approval will be given by an independent director elected for this purpose by the independent directors. The granting of approval will require the authoriser to be satisfied that the trade complies with the law, is not speculative and would be seen as reasonable by the investment community. Full details will be tabled at the next meeting of the board.

Notification of Trading

Nominated Persons are required to notify AEC Limited in writing before and after any dealing in AEC Limited securities as follows:

- Prior to the dealing the Chief Executive Officer must be notified of the number of securities involved and the anticipated timing of the transaction

- Within two business days after dealing, the Company Secretary is to be notified in writing of the transaction. This notification will include name of shareholder, date of transaction, nature of transaction (sale or purchase), number of securities and price of the securities.

Where the Nominated Person dealing is a Director, the Company Secretary must give notice of the trading to the Australian Stock Exchange within five days of the dealing.

Margin Loans

When the company lists, Nominated Persons will be required to advise the Company Secretary in writing when they enter into margin loans using AEC Limited securities as collateral.

Employee Share Acquisition Plan and Incentive Options Plan

This policy does not apply to any future employee share acquisition plan or the acquisition of shares under any incentive options plan. It does, however, apply to the disposal of AEC Limited securities acquired under an incentive options plan.