



## Cue Energy Resources Limited

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10th Floor  
20 Bond Street  
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DATE : 30 December 2010

PAGES (including this page): 6

FROM : Andrew Knox

RE : **Securities Trading Policy**

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Attached please find Cue Energy Resources Limited's release with respect to the above mentioned.

Yours faithfully

A handwritten signature in black ink that reads "Andrew Knox".

Andrew M Knox  
Public Officer

## CUE ENERGY RESOURCES LIMITED (CUE)

### SECURITIES TRADING POLICY

#### 1. The Insider Trading Prohibition

The Corporations Act states that it is a criminal offence for a person who possesses information that is not generally available and knows, or ought reasonably to know, that it is not generally available and that, if it were, it would have a material impact on the price or value of a company's securities to:

- (a) trade in (i.e. apply for, acquire or dispose of) securities issued by the company;
- (b) procure another person (for example, a family member, friend, family company, superannuation fund or trust) to trade in securities issued by the company; or
- (c) communicate the information to a third party where that person knows, or ought reasonably to know, that the third party may use the information to trade in, or procure another person to trade in, securities issued by the company.

A Representative in possession of price sensitive information which is not generally available to the market must not deal in the Company's securities **at any time**.

It is the responsibility of each Representative to ensure that they do not breach the insider trading prohibition. Breaches of the insider trading prohibition are considered serious, may result in civil as well as criminal liability and will result in disciplinary action being taken by the Company.

#### 2. Closed periods

Subject to clauses 1, 3 and 4, persons who are:

- (a) Directors
- (b) the Chief Executive Officer
- (c) the Company Secretary or
- (d) employees of, or consultants or contractors to, the Company or a Related Body Corporate

(each a "**Representative**") are permitted to trade in the Company's securities throughout the year **except** during the following periods (each a "**Closed Period**"):

- (e) the periods between the end of the March, June, September and December quarters and the release of the Company's next quarterly report to ASX so long as the Company is required by the Listing Rules to lodge a quarterly report;

### **3. Excluded trading**

Subject to clauses 1 and 4, a Representative may during a Closed Period:

- (i) acquire ordinary shares in the Company by conversion of securities (not being options) giving a right of conversion to ordinary shares;
- (ii) accept an invitation or offer to acquire securities made to all or most security holders such as a rights issue, a security purchase plan, a bonus issue or a dividend reinvestment plan;
- (iii) acquire or agree to acquire options granted under any operating Cue Employee Option Plan or, in the case of a Director, granted with the prior approval of shareholders in general meeting;
- (iv) exercise options to acquire ordinary shares granted under any operating Cue Employee Option Plan or, in the case of a Director, granted with the prior approval of shareholders in general meeting (but not sell the securities issued following such exercise);
- (v) transfer securities of the Company already held into a superannuation fund or other savings scheme in which the Representative is a beneficiary;
- (vi) transfer securities to a related party, whereby the sum total of direct and indirect holdings has not changed for the Representative
- (vii) make an investment in, or trade in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (viii) where the Representative is a trustee, trade in the securities of the Company by the trust provided the Representative is not a beneficiary of the trust and any decision to trade during a Closed Period is taken by the other trustees or by the investment managers independently of the Representative; or

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;

- (i) undertake to accept, or accept, a takeover offer.

#### **4. Approval and notification requirements**

##### **4.1 Approval**

Directors (other than the Chairman), the Chief Executive Officer and the Company Secretary must obtain written or email approval from the Chairman prior to trading in the Company's securities. The Chairman must obtain written or email approval from the other members of the Board prior to trading in the Company's securities.

Key Management Personnel not covered by the preceding paragraph of this clause 4.1 must obtain written or email approval from the Chairman prior to trading in the Company's securities.

All requests for approval must include the intended volume of securities to be purchased or sold and an estimated time frame for the sale or purchase and a statement of compliance that the intended trade meets with the Securities Trading Policy.

Copies of written approvals must be forwarded to the Company Secretary prior to the approved purchase or sale.

##### **4.2 Notification**

Any Director or employee of the Company or Related Body Corporate who buys, sells or exercises rights in relation to Company securities must notify the Company Secretary in writing of the details of the transaction within two (2) business days of the transaction occurring. This notification requirement does not apply where the Company has previously been notified of the transaction such as, for example, when options have been exercised under any operating Cue Employee Option Plan.

In addition, all Directors will provide details sufficient to the Chairman or his designated authority to enable the completion of a 3Y lodgement to the ASX, within the required period, as outlined in the Listing Rules and the Company guidelines to Directors. The Company shall lodge the 3Y on behalf of the Director, but it is the Director's duty to confirm the accuracy of the 3Y prior to lodgement.

#### **5. Exemption from trading restriction due to severe financial hardship or other exceptional circumstances**

A Representative who is not in possession of inside information in relation to the Company may be given prior written clearance to sell or otherwise dispose of securities during a Closed Period where he or she is in severe financial hardship or there are other exceptional circumstances.

The Representative seeking clearance to trade must satisfy the Chairman or, if he or she is the Chairman, the other members of the Board, that they are in severe financial hardship or that their circumstances are otherwise exceptional and that the proposed sale or disposal of the relevant securities is the only reasonable course of action available.

In this Policy, severe financial hardship means that a person has a pressing financial commitment which cannot be satisfied other than by selling securities of the Company. A taxation liability, including a taxation liability relating to options issued under any operating Cue Employee Option Plan or otherwise, would not normally constitute severe financial hardship. An application for clearance based on severe financial hardship must be made in writing and supported by a statutory declaration by the Representative which sets out all of the relevant facts and financial information and to which is attached copies of all relevant supporting documentation. A clearance, if issued, will be in writing and will specify a period of time during which the sale or other disposal can be made.

Exceptional circumstances may apply if the Representative is required by a court order, or by a court enforceable undertaking (for example, in a bona fide family settlement) to transfer or sell the securities or there is some other overriding legal or regulatory requirement to do so. By their nature, exceptional circumstances cannot always be specified in advance; so there may be other circumstances that may be deemed exceptional by the Chairman or other members of the Board (as the case may be). An application for clearance based on exceptional circumstances must be in writing and accompanied by copies of relevant court and/or other supporting legal or other documentation. A clearance, if issued, will be in writing and will specify a period of time during which the sale or other disposal can be made.

## **6. Trading in derivative products**

Key Management Personnel are prohibited from trading during Closed Periods in financial products issued or created by third parties over or in respect of the Company's securities.

## **7. Definitions**

In this Policy, unless the context requires otherwise:

**ASX** means ASX Limited.

**Board** means the board of directors of the Company.

**Chairman** means the chairman of the Board.

**Chief Executive Officer** means the chief executive officer of the Company.

**Closed Period** is defined in clause 2 of this Policy.

**Company** means Cue Energy Resources Limited ABN **45 066 383 971**.

**Company Secretary** means a company secretary of the Company or Related Body Corporate.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Director** means a director of the Company or Related Body Corporate.

**Key Management Personnel** means those persons having authority and responsibility for planning, directing and controlling the activities of the Company and its Related Bodies Corporate, directly or indirectly, including any Director (whether executive or otherwise).

**Listing Rules** means the official listing rules of ASX.

**Related Body Corporate** has the same meaning as it has in the Corporations Act and

**Representative** is defined in clause 2 of this Policy.