

Securities Trading Procedure



1 INTRODUCTION

The Company's Board of Directors has adopted this trading policy on buying and selling shares ("Securities") of the Company which applies to all directors, senior management, other employees and Prescribed Contractors and Consultants of the Company and its subsidiaries ("Designated Persons"). It is important to remember that although this trading policy only applies to the persons specified above, the insider trading prohibitions set out in the Corporations Act 2001 (Cth) ("Corporations Act") and discussed in Part 3 below, apply to all Employees and also members of each Employee's family).

2 DEFINED TERMS

In this policy:

ASX means ASX Limited.

Board means the Board of Directors of the Company.

Designated Persons are the directors, senior management, other employees and Prescribed Contractors and Consultants of the Company and its subsidiaries.

Designated Persons & Associates are the directors, senior management, other employees and Prescribed Contractors and Consultants of the Company and its subsidiaries and include those persons' "closely related parties" as defined in section 9 of the Corporations Act.

Prescribed Contractors & Consultants are a class of contractor or consultant from time to time prescribed by the Company Secretary and as notified to that contractor or consultant from time to time.

Securities includes shares in the Company and derivatives or other financial products such as options, warrants or futures issued over shares in the Company traded on ASX or any other market.

3 INSIDER TRADING

3.1 If a person has information about securities and the person knows, or ought reasonably to know, that the information is "inside information", it is likely to be illegal for the person to:

- (a) deal in the securities;
- (b) procure another person to deal in the securities; or
- (c) give the information to another person who the person knows, or ought reasonably to know, is likely to:
 - (i) deal in the securities; or
 - (ii) procure someone else to deal in the securities.

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It does not matter how or in what capacity you become aware of the Inside Information. It does not have to be obtained from the Company to constitute Inside Information.

3.2 What is Inside Information?

Inside Information is information relating to the Company which is not generally available but would, if the information were generally available, be likely to have a material effect on the price or value of the Company's Securities ("**Inside Information**"). Information can include matters of speculation or supposition and matters relating to intentions or likely intentions of a person.

Information is regarded as being likely to have a material effect if it would, or would be likely to, influence persons who commonly invest in securities or other traded financial products in deciding whether or not to deal in the Company's Securities.

Examples of Inside Information could be:

- (a) changes in the Company's actual or anticipated financial condition or business performance;
- (b) changes in the capital structure of the Company, including proposals to raise additional equity or borrowings;
- (c) changes to the Board of Directors or significant changes in senior management;
- (d) likely or actual entry into or loss of a material contract;
- (e) material acquisitions or sales of assets or businesses by the Company;
- (f) a material claim against the Company or other unexpected liability.

3.3 When is information generally available?

Information is generally available if:

- (a) it consists of readily observable matter or deductions;
- (b) it has been brought to the attention of investors through an announcement to ASX or otherwise brought to the attention of investors in securities, and a reasonable period has elapsed since it was announced or brought to investors' attention; or
- (c) it consists of deductions, conclusions or inferences made or drawn from information referred to in paragraphs (a) or (b) above.

3.4 What are the consequences if you breach the insider trading prohibitions? Breach of the insider trading laws may subject you to:

- (a) criminal liability - penalties include heavy fines and imprisonment; and
- (b) civil liability - you can be sued by another party or the Company for any loss suffered as a result of illegal trading activities.

Breach of the law or this trading policy or both will also be regarded by the Company as serious misconduct which will lead to disciplinary action, which may include dismissal.

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4 THE COMPANY'S TRADING POLICY

4.1 What does this trading policy apply to?

This trading policy applies to all information relating to the Company's Securities.

4.2 General prohibitions

If you possess Inside Information concerning the Company's Securities, you must not:

- (a) deal in the Company's Securities or enter into an agreement to do so;
- (b) procure another person to do anything specified in paragraph (a); or
- (c) pass on that information to anyone who is likely to engage in the activities specified in paragraphs (a) or (b) above.

These general prohibitions are overriding obligations and apply at all times, despite all other terms of this trading policy.

4.3 Trading windows

Subject to paragraph 4.2, all Toro Energy Limited Designated Persons & Associates may only deal in the Company's Securities during the following "trading windows":

- (a) for a period of up to 4 weeks after the release of the Company's half yearly results announcement to the ASX;
- (b) for a period of up to 4 weeks after the release of the Company's annual results announcement to the ASX;
- (c) for a period of up to 4 weeks after the close of the Company's annual general meeting;
- (d) for a period of up to 14 days after the release of the Company's quarterly activities report;
- (e) at any time a prospectus or similar disclosure document has been lodged with ASIC and is open for acceptances; and
- (f) at such other times as the Board of Directors of the Company declares trading permissible in a written note to Designated Persons.

Dealing in the Company's Securities by Designated Persons & Associates is prohibited for 24 hours after the commencement of a trading window and at any time outside a trading window listed above.

4.4 Company share and option plans

If Designated Persons & Associates participate, or are eligible to participate, in a Company employee share, option or other equity plan ("Plan"):

- (a) applications to participate in the relevant Plan; and
- (b) acquisitions of the Company's Securities (as applicable) under the relevant Plan,

may be made at any time whether or not within the trading windows.

Variations of instructions in relation to levels of participation in the relevant Plan should not be made where the Designated Person & Associate is in possession of Inside Information.

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4.5 Short-term trading

A Designated Person must not engage in short-term trading in the Company's Securities unless approval of that trading has been given by the Notification Officer pursuant to clause 4.11. "Short-term trading" means the acquisition by a person of Securities and the disposal of those Securities within a 2 calendar month period.

4.6 Short-selling

A Designated Person must not engage in short-selling of the Company's Securities unless approval of that trading has been given by the Notification Officer pursuant to clause 4.11.

4.7 Margin lending

A Designated Person must not enter into a margin lending arrangement in relation to the Company's Securities unless approval of such arrangement has been given by the Notification Officer in the manner referred to in clause 4.11.

4.8 Hedging transactions

A Designated Person, whose remuneration includes an element of Company's Securities that have not vested or have vested but are subject to a holding lock, must not enter into any hedging or other arrangement if the arrangement would have the effect of limiting the exposure of that Designated Person to risk relating to those Securities.

4.9 Prior notification

If Designated Persons propose to deal in the Company's Securities (which includes entering into an agreement to deal) during a trading window they must first:

- (a) complete and forward a "Notification Form to Deal in the Company's Securities" in the form of Part A of Schedule 1 to the "Notification Officer(s)" (as defined in Schedule 2); and
- (b) receive confirmation in the form of Part B of Schedule 1 signed by the Notification Officer(s) in their discretion to allow them to deal in the Company's Securities.

The Designated Person must declare in the notification that the proposed dealing in the Company's Securities will not occur while the Designated Person has Inside Information.

Notification of any dealing in the Company's Securities under this paragraph and the completion of Part B of the Notification Form to Deal in the Company's Securities does not constitute approval of the dealing by or on behalf of the Company.

4.10 Confirmation

In addition to providing advance notice under paragraph 4.5, Designated Persons must confirm in writing to the relevant Notification Officer(s) when the dealing in the Company's Securities has occurred, the number of Securities affected and the relevant parties to the dealing. That confirmation must be given within 2 business days after the dealing occurred.

4.11 Dealing with permission

If a Designated Person wishes to deal in the Company's securities outside a trading window and there are exceptional circumstances then the Designated Person must give notification to the Notification Officer in the manner referred to in clause 4.9 and in that notification clearly set out the exceptional circumstances and request approval to deal in the Company's securities outside a trading window.

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If a Designated Person is required by clauses 4.5, 4.6 or 4.7 to obtain approval, then when giving the clause 4.9 notification to the Notification Officer and seeking approval, the Designated Person must set out the relevant reasons for the proposed dealing.

Approval under this clause 4.11 may be given or not given by the Notification Officer in their discretion. The Notification Officer will not be required to give reasons for the exercise of their discretion.

Any such approval must be obtained in advance. It cannot be given after the event.

Trading in the Company's Securities with approval under this clause 4.11 must take place within the period specified in the notice of approval but if no period is specified, then within 14 days of the giving of the notice of approval to the Designated Person.

4.12 Extension of trading policy

The Board of Directors may also from time to time extend this trading policy by specifying that Staff are also restricted from dealing in the Securities of other specified companies with which the Company may have a close relationship.

5 EMPLOYMENT AND MONITORING OF COMPLIANCE

A copy of the Company's trading policy will be distributed to all employees and directors (present and future).

The Company maintains a watch list that monitors Key Management Personnel trading. A reconciliation of movements in the watch list against the Notification register is performed quarterly.

6 FURTHER INFORMATION

If you require any further information or assistance, or are uncertain about the application of the law or this trading policy in any situation, please contact the Company Secretary on (08) 9214 2100. You may wish to seek your own professional legal advice before dealing the Company's Securities.

7 REFERENCE DOCUMENTATION

Schedule 1- Notification form to deal in the Company's Securities Schedule 2- Notification Officers

8 APPROVED AND ADOPTED

This policy was approved and adopted by the Board:-

Date: ...28 May 2015.....

Signed 

Fiona Harris, Chairman of the Board of Directors of
Toro Energy Limited

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**SCHEDULE 1 - NOTIFICATION FORM TO DEAL IN THE
COMPANY'S SECURITIES**

Part A - For completion by Designated Person

Name of Designated Person	
Description of Securities (ie number of Securities)	
Nature of agreement/dealing (sale/purchase/subscription)	
Reasons for proposed dealing	
Proposed date of transaction (ie completion date)	

I confirm that:

- (a) I am not in possession of any unpublished information which, if generally available, might materially affect the price or value of the Company's Securities; and
- (b) the transaction in the Company's Securities described above does not contravene the Trading Policy of the Company dated 28 May 2015.

Signed:

Dated:

Part B - For completion by Notification Officer

I confirm that I am not aware of any circumstances pursuant to which the Designated Person named above is or is likely to be in possession of the unpublished information which, if generally available, might materially affect the price or value of the Company's Securities.

Name:

Signature:

Dated:

The completed form is to be sent to the Company Secretary or other applicable Notification Officer(s).

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SCHEDULE 2 - NOTIFICATION OFFICERS

In this policy the relevant Notification Officer(s) for each of the Designated Persons is as set out in the table below:-

Designated Person	Notification Officer(s)
Chairman	Chairman of the Audit, Risk and Compliance Committee
Managing Director or Chief Executive Officer	Chairman
Non-executive Directors	Chairman
Company Secretary	Managing Director
All other Designated Persons <i>(incl. Prescribed Contractors & Consultants)</i>	Managing Director

APPROVED:



FIONA HARRIS
CHAIRMAN

28 May 2015

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