



INNAMINCKA
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ANNOUNCEMENT TO ASX

Date: 28 April 2011

To: Australian Securities Exchange
Companies Announcement Office
Electronic Lodgment System

Dear Sir

Amended Securities Trading Policy

Attached is Innamincka Petroleum Limited's Amended Securities Trading Policy, provided in accordance with ASX Listing Rule 12.9.

Yours sincerely
Innamincka Petroleum Limited

Leni Stanley
Company Secretary

SECURITIES DEALING POLICY

1. Purpose

The purpose of this policy is to prevent **Innamincka Petroleum Limited (INP)** and its employees from breaching legislative prohibitions on insider trading by dealing in the Securities of INP or other companies while in possession of inside information.

The policy outlines where INP Employees may deal in INP Securities, or the Securities of other companies.

The definition of Securities includes shares in a company and instruments such as exchange traded options and warrants.

2. Application

This Policy applies to:

- INP's Directors;
- Employees of INP and its related bodies corporate; and
- Contractors and Consultants engaged by INP who, in the course of their engagement with INP, come in possession of inside information about INP or another company.

In this policy, all of these people are referred to as INP Employees.

Additional responsibilities apply to INP Directors, Executive Officers and others identified as Designated Officers.

Aspects of this Policy also extend to associates of INP Employees, such as family members or companies and other entities controlled by INP Employees and their associates.

If you are unsure about how this policy applies to you or to any instrument you wish to deal in, you should seek assistance from the Company Secretary before you deal in the instrument.

3. The Law against Insider Trading

The Corporations Act prohibits a person from dealing, or procuring other persons to deal, in the Securities of a company if the person:

- possesses inside information about the company; and
- knows, or ought to reasonably know, that the information is inside information.

For INP Employees, this prohibition applies to dealing in INP Securities. It can also apply to dealing in Securities of another company where an INP Employee is in possession of inside information about that other company in the course of their employment with INP.

3.1 What is inside information?

Inside information is information about a company that is not generally available to the market and that, if it were to be made generally available to the market, would reasonably be expected to have a material effect on the price or value of Securities issued by the company (ie. information that is "price sensitive").

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Information is generally available if:

- it consists of readily observable matter; or
- it has been publicly disclosed by an announcement to the ASX and a reasonable period for its dissemination among investors has elapsed; or
- it consists of deductions, conclusions or inferences made or drawn from other generally available information.

INP has legal obligations to immediately disclose to the market all information which would reasonably be expected to have a material effect on the price or value of its Securities. However, there are circumstances where information of this kind is not required to be disclosed, particularly if it relates to an incomplete proposal or to matters which are insufficiently definite to warrant disclosure.

Examples of information that might be inside information include information about:

- INP's financial performance, particularly in comparison with forecast results or market expectations;
- a substantial transaction under consideration;
- an actual or proposed change to capital structure, including a share issue or a debt refinancing;
- a material claim or unexpected liability.

3.2 What is dealing in Securities?

You deal in Securities if you acquire or dispose of any economic interest in those Securities. This includes:

- acquiring or disposing of the Securities;
- entering into an agreement to acquire or dispose of the Securities; or
- granting, accepting, acquiring, disposing, exercising, or discharging an option or other right or obligation to acquire or dispose of the Securities.

3.3 Consequences of breaching prohibition against insider trading

Insider trading is a criminal offence and may attract substantial fines or imprisonment. Civil penalties may also apply, including the payment of compensation to any person who has suffered loss or damage because of insider trading.

INP Employees who fail to adhere to the requirements of this Policy may face disciplinary action.

The Australian Securities Exchange (ASX), the Australian Securities and Investments Commission (ASIC), and external governance advisers all monitor INP's compliance with this Policy. Breaches of the Policy by INP Employees can have material adverse consequences for INP's reputation with the ASX and ASIC, and with the investment community at large.

3.4 Employee equity incentive scheme

As a result of an exception under the Corporations Act, the insider trading prohibitions do not apply to prevent an INP Employee (other than a non-executive Director) who is in possession of inside information from applying for INP Securities under an INP employee equity incentive scheme, or acquiring INP Securities under such an application.

This means that the insider trading prohibition will generally **not** apply to the acquisition by such an INP Employee of INP Securities (including the acquisition of shares in INP upon exercise of options to subscribe for shares) under any INP employee equity incentive scheme (e.g. the INP Employee Share Option Plan or the INP Employee Share Plan).

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However, the legal prohibitions **will** still prevent an INP Employee from:

- communicating inside information to any other person; or
- subsequently disposing of the Securities (for example, by selling INP shares on-market) until the inside information has become generally available (e.g. released to the market).

In this context, it should be noted that this Policy imposes additional requirements in relation to the operation of INP's employee equity incentive schemes. They are set out in Section 6.2 below.

4. INP's Policy Positions

4.1 Prohibited Dealing in INP Securities

INP Employees must not deal in INP Securities at any time if they are in possession of inside information about INP.

Subject to Section 6 below, INP Employees also must not deal in INP Securities during any of the following blackout periods:

- the period between 1 July and the close of business on the second day after INP announces its Preliminary Final Results (Appendix 4E);
- the period between 1 January and the close of business on the second day after INP announces its Half Year Results (Appendix 4D);
- the period between 1 April and the close of business on the second day after INP announces its Quarterly Activities Report for the March Quarter;
- the period between 1 October and the close of business on the second day after INP announces its Quarterly Activities Report for the September Quarter;
- the period ending at the close of the third day after INP announces price sensitive information.

4.2 Permitted Dealing in INP Securities

Subject to additional requirements set out below, INP Employees may deal in INP Securities at any other time. These additional requirements relate mainly to INP Employees who are Designated Officers.

4.3 Dealing in Securities of other companies

From time to time, INP will be engaged in activities which might result in inside information about another company becoming available to some INP Employees because of their role or position with INP. For example:

- another company may provide information about itself, or about a third company, to INP in the course of a proposed transaction;
- INP may be considering a transaction which, if implemented, may have an effect on another company and the value of that company's Securities;
- INP may receive information about the financial or operating performance of a company that INP has a joint venture with or an investment in.

INP employees must not deal in Securities of another company if they are in possession of inside information about that other company.

4.4 Short-term or speculative dealing

INP encourages INP Employees to be long-term investors in INP Securities and to act in a way that promotes growth in long-term returns for all holders of INP Securities. Speculation in short-term fluctuations in the value of INP Securities does not promote market confidence in the integrity of INP or INP Employees.

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INP Employees must not deal in INP Securities as a short-term trader or on a speculative basis. INP Employees who acquire INP Securities must not dispose of those Securities, or enter into arrangements (such as margin loans) which could result in those Securities being disposed of, with 6 months of acquisition.

This prohibition does not apply to Securities acquired as a result of the exercise of an option or similar right where the option or right has been held for at least 6 months. This prohibition also does not apply to INP shares acquired by INP Employees under INP's Employee Share and Option Schemes.

4.5 Derivatives

INP may grant INP shares, options or performance rights to INP Employees as part of their remuneration entitlements. These grants will usually be subject to the satisfaction of performance hurdles before they vest in the INP Employee.

The use of Derivatives over unvested INP Securities has the potential to allow INP Employees to realise value from those Securities even if the performance hurdles have not been satisfied. This would undermine the intended alignment between the performance of INP Employees and the interests of INP shareholders.

INP Employees are not permitted to use Derivatives in relation to any unvested INP Securities. For this purpose, a Derivative includes any option, forward contract, swap, futures contract or warrant, or any other arrangement, which itself or in combination with one or more other Derivatives would have the effect of providing an INP Employee with greater benefit than would otherwise have been realised in respect of the unvested INP Securities.

INP Employees may use Derivatives in relation to INP Securities which have vested, provided they have the prior written approval of the Board and any dealing in those Derivatives complies with the other requirements of this Policy.

5. Specific Rules for Designated Officers

5.1 Who is a Designated Officer?

Additional safeguards are necessary to avoid the potential for adverse public perceptions of INP as a result of dealings in INP Securities by INP Employees in senior roles. For the purposes of this Policy, these INP Employees are Designated Officers.

A Designated Officer is an INP Employee who is:

- an INP Director
- a member of INP's Executive Team; or

Other INP Employees may also occupy a position, or perform a role, which may attract public scrutiny of dealings by those INP Employees in INP Securities. The Chief Executive Officer may, from time to time, designate any INP Employee to be a Designated Officer for the purpose of this Policy.

5.2 Dealings in INP Securities by Designated Officers

Any Designated Officer who proposes dealing in INP Securities must, before the dealing occurs, notify the Company Secretary of the proposed dealing in writing (or by email) setting out the full details of the proposed dealing including:

- Name of security holder;
- Proposed date of dealing;

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- Type of proposed transaction (purchase, sale, etc); and
- Number of securities involved.

The Designated Officer must not undertake the proposed dealing until it has been approved in writing (or by email) in accordance with the following protocol:

<u>Dealing to be undertaken by:</u>	<u>Dealing to be approved by:</u>
A non-executive Director or	Chairman of the Board
Company Secretary	Chairman of the Audit Committee
Chairman of the Board	Chairman of the Board
Chief Executive Officer	Chairman of the Board
Chief Financial Officer	Chief Executive Officer
Member of Executive Team	Chief Executive Officer
All other Designated Officers	Chief Executive Officer

An approval to undertake the proposed dealing will be valid for two (2) weeks (but completion of the proposed dealing must not occur during a blackout period and must otherwise comply with the requirements of this Policy).

The requirements for Designated Officers to seek approval before dealing in INP Securities do not apply to:

- the acquisition of Securities under INP's Employees under INP's Employee Share and Option Schemes;
- the acquisition of shares under a Dividend Reinvestment Plan;
- participation in an offer or invitation made to all or most of the security holders, eg. Rights issues and Share Purchase Plans.

5.3 Restrictions applicable to associates of Designated Officers

This Policy extends to associates of Designated Officers in relation to dealing in INP Securities. A Designated Officer's associates include family members or companies and other entities controlled by the Designated Officer. This means that a Designated Officer must take all steps reasonably necessary for the Designated Officer's associates to:

- avoid dealing in INP Securities during a blackout period;
- avoid dealing in INP Securities as a short-term trader or on a speculative basis;
- notify the Company Secretary of, and seek approval for, proposed dealings in INP Securities.

5.4 Margin Loans

Margin loans to support an investment in Securities have the potential to compromise an INP Employee's ability to comply with this Policy or with the legal prohibition against insider trading. This is because the terms of a margin loan may require the sale of Securities during a blackout period (in relation to INP Securities) or at a time when the INP Employee is in possession of inside information about INP or another company in which the INP Employee holds Securities.

INP Employees are prohibited from entering into margin loan arrangements to fund the acquisition of INP Securities or in relation to which INP Securities may be used as a security against repayment of the loan.

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The following requirements will apply to margin loans proposed to be obtained by a Designated Officer to acquire Securities of any other company in relation to which it is reasonably foreseeable that the Designated Officer could come into possession of inside information as a consequence of being an INP Employee.

- The Designated Officer must provide notice of, and obtain approval for, the proposed margin lending arrangements following the process outlined in Section 5.2 above. Approval must be obtained before the margin lending arrangements are entered into.
- Similarly, the Designated Officer must ensure that the terms of the margin lending arrangements do not require, or allow for, Securities of any company to be disposed of at a time when the Designated Officer is in possession of inside information in relation to that company.
- The Designated Officer must promptly inform the Company Secretary in writing (or by email) of any margin call that is made under the margin lending arrangements, and of the terms of that margin call.

5.5 Notification by Directors of Dealing in INP Securities

INP is required to notify the ASX within 5 business days of any dealings by INP Directors in INP Securities. To allow INP to meet its ASX obligations, INP Directors must notify the Company Secretary as soon as practicable (and, in any case, no later than 2 business days) after the dealing occurs.

The Company Secretary will notify the ASX of the Director's dealing in INP Securities using Appendix 3Y as required by the ASX Listing Rules. The Company Secretary will promptly provide all Directors with a copy of each Appendix 3Y sent to the ASX.

6. Exceptional Circumstances

6.1 Exemption to allow dealings during blackout periods

The Company Secretary has the discretion to give approval to an INP Employee to dispose of INP Securities during a blackout period if both of the following conditions are satisfied:

- the INP Employee is experiencing genuine financial hardship or there are other exceptional circumstances; and
- the INP Employee is not actually in possession of inside information about INP.

An INP Employee seeking approval to dispose of INP Securities during a blackout period should do so in accordance with procedures set out in Section 5.2 of this Policy. Full details of why the INP Employee considers that exceptional circumstances exist should be included.

The Company Secretary must maintain a record of all approvals given to sell INP Securities during a blackout period.

The Company Secretary must promptly inform the Board of all instances where approval has been given to an INP employee to sell INP Securities during a blackout period.

6.2 Participation in employee equity incentive schemes

Section 3.4 above summarises the application of the insider trading laws to the operation of INP's Employee equity incentive schemes. INP Employees must comply with those laws in connection with their participation in INP's Employee equity incentive schemes.

Subject to the insider trading laws, this Policy does not prevent an INP Employee from accepting an invitation to participate in an INP Employee equity incentive scheme, regardless of when the offer is made or even if the acceptance falls within a blackout period. In addition, an INP Employee may acquire an INP Security pursuant to an INP Employee equity incentive scheme (including as a result of the

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exercise of an option) during a blackout period. However, any subsequent dealings with the INP Security will be subject to the requirements of this Policy, including the restrictions that apply during blackout periods.

An INP Employee may also transfer a vested INP Security to a family member, a company controlled by the INP Employee or a superannuation fund of which the INP Employee is a beneficiary during a blackout period, if that transfer is permitted by the relevant INP Employee equity incentive scheme.

6.3 Dealings in accordance with shareholder approval

This Policy does not prevent the issue of an INP Security to an INP Employee if the issue is in accordance with an approval that has been given by INP in general meeting.

7. Other Matters

7.1 Date of effect

This Policy has been approved by INP's Board and has effect from 28 April 2011.

7.2 Further Information about this Policy

If you have any questions about the application of this Policy to you, please contact the Company Secretary.

8. 8. Glossary

Terms used in this Policy have the meaning set out below:

INP means Innamincka Petroleum Limited ACN 101 313 777.

INP Board means the board of directors of INP.

INP Employees means each director, officer and employee of INP or its related bodies corporate (within the meaning of section 50 of the Corporations Act), and each contractor and consultant to INP or its related bodies corporate who are contractually bound to comply with this policy.

INP Executive Team means INP Employees who hold a senior management role and who are direct reports to INP Chief Executive Officer.

associate in relation to an INP Employee means:

- a member of the INP Employee's immediate family; and
- a company or other entity controlled by the INP Employee or a member of their immediate family.

blackout period means each of the following periods:

- the period between 1 July and the close of business on the second day after INP announces its Preliminary Final Results (Appendix 4E)/Financial Results;
- the period between 1 January and the close of business on the second day after INP announces its Half Year Results (Appendix 4D);
- the period between 1 April and the close of business on the second day after INP announces its Quarterly Activities Report for the March Quarter;
- the period between 1 October and the close of business on the second day after INP announces its Quarterly Activities Report for the September Quarter;
- the period ending at the close of the third day after INP announces price sensitive information.

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Company Secretary means the Company Secretary of INP from time to time. This is currently Leni Stanley who can be contacted at leni.stanley@sya.com.au or on (07) 3221 6022.

Corporations Act means the *Corporations Act 2001 (Cth)*, as amended.

deal or **dealing** in relation to Securities means to acquire or dispose of any economic interest in those Securities. The term is intended to be interpreted broadly and includes:

- acquiring or disposing of the Securities;
- entering into an agreement to acquire or dispose of the Securities; or
- granting, accepting, acquiring, disposing, exercising, or discharging an option or other right or obligation to acquire or dispose of the Securities.

Derivatives has the meaning given in Section 761D of the Corporations Act and includes options, forward contracts, swaps, future contracts and warrants and any combination of one or more of these things.

Designated Person means an INP Employee who is:

- an INP Director;
- a member of INP's Executive Team; or
- any person designated by the Chief Executive Officer as a Designated Officer in accordance with paragraph 5.1 of this Policy.

inside information in relation to a company means information about the company that is not generally available and that, if it were to be made generally available, would reasonably be expected to have a material effect on the price or value of Securities issued by the company.

Securities include shares, options, rights, debentures, interests in a managed investment scheme, Derivatives, and financial products covered by section 1042A of the Corporations Act.