

12 May 2015

The Company Announcements Officer
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

By Electronic Lodgment

Dear Sir / Madam

RE: GALILEE ENERGY LIMITED (ASX:GLL)
RE: UPDATED POLICY FOR TRADING IN COMPANY SECURITIES – Listing Rule 12.9

In response to the updated Guidance Note 27 and having made changes to the policy for trading in its Company's securities, Galilee Energy Limited hereby provides to the ASX in accordance with Listing Rule 12.10, a copy of the amended policy effective 8 May 2015.

Yours Faithfully

Galilee Energy Limited



STEPHEN RODGERS
Company Secretary
Email: admin@galilee-energy.com.au

Securities Trading Policy

Galilee Energy Limited (“the Company”) strongly encourages its directors, other key management personnel¹ and employees to become shareholders in the Company. However, when any director or other key management personnel trades in shares of the Company it is important to ensure that these transactions do not reflect badly on either them or the Company. This Policy is designed to ensure that directors and other key management personnel do not deal in shares of the Company at inappropriate times or in inappropriate circumstances.

Additionally, this Policy is intended to minimise the chance that misunderstandings or suspicions arise that the Company’s directors, key management personnel, and other employees are trading in the Company’s securities while in possession of unpublished price-sensitive information.

When buying or selling shares in the Company, directors and other key management personnel must ensure that they do not contravene the insider trading provisions contained in Part 7.10 of the *Corporations Act 2001 (Cwlth)*. “Inside information” is information that is not generally available which could reasonably be expected to have a material effect on the price or value of securities of a body corporate.

Information is taken to have a “material effect” on the price or value of a security if it would be likely to influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy, or sell the securities. Thus, to constitute inside information the information must be both price-sensitive and not generally available.

Directors of the Company and other key management personnel or employees in the course of carrying out their duties can possess information which would be regarded as inside information under the *Corporations Act 2001 (Cwlth)*. The following are examples of information which could be regarded as inside information:

- ❖ proposed strategic business acquisition;
- ❖ financial records not yet released to the market;
- ❖ a proposed takeover not yet announced to the market.

Where either directors, other key management personnel or employees possess inside information, they must not engage in dealings with the securities of the Company and cannot, either directly or indirectly, communicate the inside information to other persons.

Any individuals that come into possession of Inside Information irrespective of how they came into possession of the same, can be liable for insider trading if they recommend the Company’s shares to other persons while they are in possession of price sensitive information which is undisclosed to the general public. They should be aware that they can be liable for insider trading by communicating inside information to other persons, for example their spouse, family or friends. This liability arises notwithstanding the fact that the director, other key management personnel or employee has not dealt with the securities of the Company.

Spouses, family or friends who learn inside information and subsequently act on it before the information becomes public can also be held liable for insider trading.

It is therefore essential that all directors, other key management personnel and employees avoid direct or indirect communication of price sensitive information before it enters the public domain. It is equally essential that directors, key management personal and relevant employees as well as their spouses, dependent children or related family entities refrain from trading in shares of the company whilst they possess such information.

This policy recognises it is illegal for a person to trade in Company Securities when he / she possess unpublished price-sensitive information concerning the Company.

Compliance with this Policy and the guidelines laid out for trading in the Company’s securities does not absolve that individual from complying with the law, which must be the overriding consideration when trading in the Company’s securities.

The responsibility for trading Company’s Securities remains with the individual at all times.



RESTRICTIONS ON DEALINGS WITH COMPANY SHARES

Directors must not deal in the Company's Securities without first seeking and obtaining a written acknowledgement from the Chairman of the Company (or in his absence or where the Chairman is seeking consent the Chair of the Audit Committee) prior to any trade, at which time they must confirm that they are not in possession of any unpublished price-sensitive information.

Key management personnel and employees must not deal in the Company's Securities without first seeking and obtaining a written acknowledgment from the Company Secretary (or in his/her absence the Managing Director), prior to any trade at which time they must confirm that they are not in possession of any unpublished price-sensitive information.

Any director, key management personnel or employee seeking permission to trade in the Company's Securities shall make application for written acknowledgement to do so in the form of the application that the Board may prescribe from time to time at least 24 hours beforehand.

Any written permission granted under this Policy will be valid for a period of 5 business days from the time which the permission is granted or such other period as may be determined by the officer granting the permission. Regardless of whether or not the trade or transaction does not proceed, the Company's representative granting the permission is to be advised.

The Company Secretary is to maintain a register of notifications and acknowledgements given in relation to trading in the Company's securities including copies of the applications in the form of the notice prescribed by the Board from time to time.

CLOSED PERIODS

The Company's policy regarding dealings by directors and other key management personnel in the Company's securities is that directors should never engage in short term trading and are prohibited from entering into transactions in the following circumstances ("closed periods"):

- ❖ when they are in possession of price sensitive information not yet released by the Company to the market; and
- ❖ in any period which is not a dedicated "trading window".

In relation to "price sensitive information", all directors and other key management personnel will be conscious of the fact that as the Company is a listed company, it has an obligation under Chapter 3 of the ASX Listing Rules to make continuous disclosure. Briefly stated, that is an obligation to advise the market as soon as events and developments occur which result in the information that a reasonable person would expect to have a material effect on the price or value of the Company's shares.

The obligation is not absolute and there are a number of exceptions to when "price sensitive information" need not be disclosed such as noted below.

Accordingly, there will be occasions where price sensitive information is in the possession of some or all of the directors and other key management personnel or employees and not yet released to the market, nor required to be released.

In relation to the half-yearly and annual results, it is apparent that the reporting of results will include financial information concerning the Company. That information will be collated by the Company based on management accounts.

It is a fact that at some time before preparation of the audited half yearly and annual results, some or all of the directors, other key management personnel or employees will have access to the financial figures based on the data coming from the management accounts. That being so that material may, in appropriate circumstances, be price sensitive information not yet released, which would probably be a case when any directors or other key management personnel in possession of such information could not deal in the Company securities.

PROHIBITED PERIODS

Notwithstanding the existence of "closed periods", the Company has also established policy in relation to "prohibited periods". Prohibited periods encompass closed periods and any additional periods when directors and other key management personnel are restricted from trading in the Company's securities by directive from the Board at any time when the Company is considering a matter that might be subject to Listing Rule 3.1A (exceptions to the general continuous disclosure rule).

During a prohibited period directors and other key management personnel may, in “exceptional circumstances”, be permitted to trade with prior written clearance.

Exceptional circumstances include:

- ❖ severe financial hardship requiring sale of securities;
- ❖ court order, such as in a family settlement requiring transfer or sale of securities;
- ❖ other circumstances specific to an individual which the Chairman (or, in the case of the Chairman, the chair of the Audit Committee) determines are exceptional.

The procedure for obtaining prior written clearance to trade during a prohibited period requires the director or other key management personnel to submit a written ‘request for approval of exceptional circumstances’ (by letter or email) with suitable explanation and duration for which clearance is sought, and otherwise in accordance the procedure and the form of the application prescribed by the Board as outlined previously in the policy.

Directors are obliged pursuant to section 205G of the Corporations Act to provide the ASX with appropriate notifications of their interests in the Company’s securities and any changes in such interests. Notification is effected by the Company notifying the ASX in accordance with Listing Rule 3.19A.

In addition, any trading by a director during a closed period will require the Company to state on the Appendix 3Y whether the trading occurred during a closed period and whether prior written clearance was provided and if so on what date.

TRADING WINDOWS

Directors and other key management personnel will generally be permitted to engage in trading provided prior written approval to trade is granted in accordance with the terms of the policy at the following times (“trading windows”):

- ❖ for a period of six (6) weeks commencing one (1) business day² after the release of quarterly reports in relation to the first and third quarters, and half yearly and annual results to the market in relation to the second and fourth quarters;
- ❖ where the proposed acquisition of securities is under:
 - (a) a bonus issue made to all shareholders, or
 - (b) a dividend reinvestment or top up plan available to all shareholders, or
 - (c) an employee share plan;
- ❖ where trading results in no change in the beneficial interest in securities.

The Company’s policy also generally prohibits directors and other key management personnel entering into transactions or arrangements which operate to limit the economic risk of their holdings in the Company’s securities and any unvested entitlements under any equity-based compensation schemes.

Dr David King
Chairman

Galilee Energy Limited

8 May 2015

¹ Under the ASX Listing Rules “key management personnel” has the meaning defined in the Accounting Standards (AASB 124 Related Party Disclosures) as ‘those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.’

² A one (1) business day embargo is provided on the basis that under the Corporations Act 2001 (Cwlth), directors and other key management personnel will only be protected following disclosure to the market of price sensitive information, if that information has become generally available. The Corporations Act 2001 (Cwlth) contains no specific definition, but does indicate that information is “generally available” if it has been made known in a manner that would or would be likely to bring it to the attention of persons who commonly buy and sell shares in companies of a kind whose price or value might be affected by the information that has been released.



APPLICATION FOR CONSENT TO TRADE IN THE SECURITIES OF GALILEE ENERGY LIMITED OR A RELATED ENTITY

Name of Applicant:

Details of Securities Transaction

Company Name:

Type of Securities:

Name of Entity Acquiring Securities:

Proposed Number of Securities:

Nature of Applicant's Interest in Acquiring Entity:

Type of Transaction:

I, the Applicant, confirm that as far as I am aware, I am not in possession of any unpublished price-sensitive information in relation to Galilee Energy Limited, its subsidiaries or related companies.

If this should change before the security transaction detailed above is completed, I undertake not to proceed with the same.

..... Signed by the Applicant

..... Dated

Permission to trade in the Company's securities is given on the basis that the transaction is completed by no later than the close of business on _____ .

..... Signed by Chairman / Company Secretary / Managing Director

..... Dated