



Indago Energy Limited

CONTINUOUS DISCLOSURE POLICY

1. OVERVIEW

1.1 Compliance with ASX Listing Rules

Indago Energy (Indago) is listed on the Australian Securities Exchange Limited (ASX) and must comply with the *Corporations Act* and the ASX Listing Rules (Listing Rules).

1.2 Continuous Disclosure of Material Information

One of the most significant obligations imposed by the *Corporations Act* and the Listing Rules is the continuous disclosure of material information to the market via the ASX. This is a mandatory obligation.

1.3 Purpose

The purpose of this Policy is to:

- i. ensure that all Directors, employees contractors and consultants (Employees) are aware of the continuous disclosure obligations of Indago; and
- ii. implement a procedure for the central collection, assessment and if required, release to the ASX, of material information.

2. THE LAW

2.1 Compliance with the Law

Section 674 of the *Corporations Act* requires that Indago complies with the provisions of the Listing Rules relating to the continuous disclosure of material information to the ASX. The *Corporations Act* states that if Indago has information that the continuous disclosure provisions of the Listing Rules require Indago to notify the ASX and that information is:

- i. not generally available; and
- ii. information that a reasonable person would expect, if it were generally available, to have a material effect on the price or value of Indago shares,

Indago must notify the ASX of that information in accordance with the Listing Rules.

2.2 Material Effect of Information on Indago Shares

Section 677 of the *Corporations Act* states that:

*“A reasonable person would be taken to expect information to have a material effect on the price or value of securities (Indago shares) if the information **would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to acquire or dispose of, the securities.**”*

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Indago Energy Limited

2.3 Breach – Offences, Infringement Notices and Liabilities

A breach of section 674 of the *Corporations Act* is both a criminal and civil offence.

Furthermore, under section 1317DAC of the *Corporations Act*, the Australian Securities & Investments Commission may issue an Infringement Notice for an alleged contravention of the Act.

A person who is involved in any contravention by Indago of its continuous disclosure obligations also commits a civil offence. However, a person will not be liable if the person can prove that they:

- i. took all steps (if any) that were reasonable in the circumstances to ensure that Indago complied with its continuous disclosure obligations; and
- ii. after doing so, believed on reasonable grounds that Indago was complying with its obligations.

A third party who incurs a loss as a result of a breach of Indago continuous disclosure obligations may commence action against Indago or any Employee who was involved in the breach.

3. THE ASX LISTING RULES

3.1 ASX Policy

The ASX's Policy is that:

"Timely disclosure must be made of information which may affect security (share) values or influence investment decisions, and information in which security (share) holders, investors and ASX have a legitimate interest."

3.2 Continuous Disclosure Obligation to Release Material Information

To support this Policy, ASX Listing Rule 3.1 contains the continuous disclosure obligation which applies to Indago and all other listed entities. The Rule provides:

"Once an entity (Indago) is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's (Indago) securities (shares), the entity (Indago) must immediately tell ASX that information."

As in the *Corporations Act*, the Listing Rules provide that a reasonable person would be taken to expect information to have a material effect on the price or value of securities (Indago Shares) if the information **would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, or buy or sell, the securities.**

"Immediately" should be taken to mean within hours of becoming aware of the information.

In this Policy, such information will be referred to as **"Material Information"**.



Indago Energy Limited

3.3 Possession of Material Information

Listing Rule 19.12 also provides:

*“An entity becomes **aware** of information if a director or executive officer has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity.”*

An **“Executive Officer”** is any manager of Indago who is concerned with, or takes part in, the management of Indago.

3.4 Restricted Exemptions

Listing Rule 3.1A contains a restricted exemption for any of the following reasons:

- i. a “reasonable person” would not expect the information to be disclosed;
- ii. the information is confidential (and ASX has not formed the view that the information has ceased to be confidential);
- iii. it would be a breach of law to disclose the information;
- iv. the information concerns an incomplete proposal or negotiation;
- v. the information is insufficiently definite to warrant disclosure;
- vi. the information is generated for Indago’s internal management purposes only; or
- vii. the information is a trade secret.

Decisions on whether any of these exemptions may apply to Material Information will be made by the Company Secretary.

3.5 False Market

Listing Rule 3.1B provides that where:

*“ASX considers that there is or is likely to be a **false market** in an entity’s (Indago) securities (shares) and asks the entity (Indago) to give it information to correct or prevent a false market, the entity (Indago) must give ASX the information needed to correct or prevent the false market.”*

There is likely to be a **false market** in Indago shares in a number of circumstances including:

- i. where Indago has Material Information that has not been released to the market because it falls under the exemption in Listing Rule 3.1A; and
- ii. there is reasonably specific rumour or media comment in relation to Indago that has not been confirmed or clarified by an announcement to the market (via the ASX); and
- iii. there is evidence that the rumour or comment is having, or ASX forms the view that the rumour or comment is likely to have, an impact on the price of Indago shares.

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4. POLICY

4.1 Overview

The Managing Director is primarily responsible for ensuring that this Policy is implemented and enforced and that all required Material Information is disclosed to the ASX as required by the *Corporations Act* and the Listing Rules.

4.2 Employee Responsibilities

All Employees of Indago, its subsidiaries or associated companies must immediately disclose full details of any Material Information that comes to their attention to the Managing Director. If an Employee is unsure whether specific information would be Material Information, the Employee must immediately disclose full details of the information to the Managing Director.

4.3 Directors' and Executive Officers' Responsibilities

The Listing Rules require disclosure of Material Information that has, or ought reasonably to have come into the possession of a Director or Executive Officer. As such, all Directors and Executive Officers must keep up to date with all matters within their operations which may become material.

4.4 Managing Director's Responsibilities

The Managing Director is responsible for reviewing all information forwarded pursuant to this Policy and, where necessary, for making a recommendation to the Chairman on whether it is Material Information that must be disclosed to the ASX and/or falls within the exemption referred to in paragraph 3.4 (see section 6 below).

4.5 Compliance with Policy

The Board may require Indago's external auditors to audit and report on compliance with this Policy.



Indago Energy Limited

5. TYPES OF INFORMATION THAT MAY REQUIRE DISCLOSURE

5.1 Types of Information

For assistance in determining if information is Material Information, the following types of information may be material and therefore may be required to be disclosed:

- i. spudding of wells and results of drilling and/or production testing;
- ii. the financial results of Indago Group;
- iii. projections of future earnings or losses;
- iv. material changes in Indago's financial forecasts;
- v. a declaration of a dividend;
- vi. the making of a share, option or debt issue and the under or over subscription of that issue;
- vii. acquisitions, mergers, sales, joint ventures or takeovers;
- viii. information about Indago's business direction, investments or asset purchases or sales;
- ix. regulatory decisions or industrial actions that may affect Indago's operations;
- x. the occurrence of an environmentally related incident;
- xi. the threat, commencement or settlement of any material litigation or claim;
- xii. an agreement between Indago (or a related party or subsidiary) and a Director (or related party of the Director);
- xiii. a change in accounting policy adopted by Indago;
- xiv. a proposal to change Indago auditors;
- xv. changes in senior management; and
- xvi. the health or capacity of any Director.

5.2 Other Matters

Clearly, there are many other matters which may give rise to Material Information. Employees with any questions on whether particular information is material must contact the Company Secretary.

5.3 Providing Public Information

As a listed company, Employees must ensure that only public information is provided when answering questions asked by third parties, including the media and analysts. Media statements or draft analyst reports will only be commented on or corrected by a Director of Indago and should only be commented on or corrected if doing so involves the provision of publicly available information.

6. OBLIGATIONS OF THE CHAIRMAN AND MANAGING DIRECTOR

6.1 Obligations

As required by Section 4 of this Policy, full details of all actual or possible Material Information must be immediately sent to the Managing Director.



Indago Energy Limited

6.2 Managing Director's Responsibilities

The Managing Director has overall administrative responsibility for reviewing all information forwarded pursuant to this Policy and where necessary, for making a recommendation to the Chairman on whether it is Material Information that must be disclosed to the ASX and/or falls within the exemption referred to in paragraph 3.4.

6.3 Procedures

The Managing Director must:

- i. review all information forwarded pursuant to this Policy and decide what information may be Material Information which must be disclosed to the ASX.
- ii. provide advice to the Chairman;
- iii. following review and input by all Directors of any draft announcement, wherever possible, and approval of disclosure by the Chairman, release the information to the ASX; and
- v. maintain a record of all Material Information disclosed to the ASX.

6.4 Determining Material and Non-Material Information

Upon notification of any Material Information, the Managing Director will immediately review the information and form an opinion on whether the information must be disclosed to the ASX. There are three alternatives:

1. The Managing Director believes the information is material and must be disclosed to the ASX. The Managing Director must immediately discuss the matter with the Chairman. Wherever possible and practicable all Directors will review and provide input to any draft announcement. Following approval by the Chairman, the Managing Director must arrange for a letter to be sent to the ASX disclosing the information. A copy of the letter is to be immediately distributed to Directors.
2. The Managing Director believes the information is either not material or does not have to be disclosed because it is covered by the exemption in Listing Rule 3.1A.

If this is possibly contentious, the Managing Director must discuss the decision with the Chairman and then prepare a file note containing the reasons for the decision which must be placed on the ASX File.

3. The Managing Director is not certain whether the information is material or falls within the exemption. The Managing Director must immediately discuss the matter with the Chairman. If no decision on disclosure can be made with certainty, the matter must be immediately referred to external counsel for advice.

7. QUESTIONS

Any questions relating to the interpretation or enforcement of this Policy should be forwarded to the Managing Director.