



PELICAN RESOURCES LIMITED

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Securities Trading Policy

1. Introduction

- 1.1 This document summarises the law relating to insider trading and sets out the Company's trading policy on buying and selling securities of Pelican Resources Limited (***Pelican*** or the ***Company***), including shares, options and derivatives (***Securities***).
- 1.2 This trading policy imposes constraints on people who work for the Company when dealing in Securities. It also imposes disclosure requirements on directors and senior executives.
- 1.3 A copy of this trading policy will be provided to all directors (executive and non-executive), officers, senior executives, senior management and employees (full time, part time and casual) of the Company (***Personnel***) as part of the Company's induction procedures. A copy can also be found on the Company's website.

2. Objectives

The objectives of this trading policy are to:

- (a) minimise the risk of people who work for the Company contravening the laws against insider trading;
- (b) assist in maintaining market confidence in the integrity of dealings in the Securities; and
- (c) ensure the Company is able to meet its reporting obligations under the ASX Listing Rules.

3. Who does the trading policy apply to?

- 3.1 The Company's board of directors has adopted this trading policy which applies to all Personnel.
- 3.2 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 below, apply to **all** persons (including members of your family).

4. Further advice

If you do not understand the summary of the law relating to insider trading set out below or this trading policy, or if you are confused as to whether the law applies to you, please contact the Company Secretary. You may wish to seek your own professional legal advice before dealing in the Company's Securities.

5. Prohibited Trading

5.1 If you have Inside Information (as defined in paragraph 6.1 below) relating to the Company it is illegal for you to:

- (a) deal in (that is, apply for, acquire or dispose of) the Company's Securities or enter into an agreement to do so;
- (b) procure another person to apply for, acquire or dispose of the Company's Securities or enter into an agreement to do so; or
- (c) directly or indirectly communicate, or cause to be communicated, that information to any other person if you know, or ought reasonably to know, that the person would or would be likely to use the information to engage in the activities specified in paragraphs (a) or (b) above.

5.2 These prohibitions apply equally to the application for, grant, exercise or transfer of an option over the Company's Securities.

5.3 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.

5.4 You cannot avoid the insider trading prohibition by arranging for a member of your family or a friend to deal in the Company's Securities nor may you give "tips" concerning Inside Information relating to the Company to others, including customers.

5.5 In addition to the insider trading and other restrictions in this trading policy, Personnel also owe a duty of confidentiality to the Company and must not reveal any confidential information concerning the Company or use that information in any way which may injure or cause loss to Pelican Resources Limited, or use that information to gain an advantage for themselves.

6. What is Inside Information?

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

6.2 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.

6.3 Examples of Inside Information could be:

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

7. When is information generally available?

7.1 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 Limited (**ASX**) or otherwise similarly brought to the attention of investors who commonly invest 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.

7.2 Examples of possible readily observable matters are:

- (a) a change in legislation which will affect the Company's ability to make certain types of investments; or
- (b) a severe downturn in global securities markets.

8. What are the consequences if you breach the insider trading provisions?

8.1 Strict compliance with this policy is mandatory for all Personnel.

8.2 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.

8.3 Breaches of this policy may damage the Company's reputation in the investment community and undermine confidence in the market for Securities. Accordingly, breaches will be taken very seriously by the Company and will be subject to disciplinary action, including possible termination of a person's employment or

appointment.

9. The Company's Trading Policy

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

9.2 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.

9.3 Subject to paragraph 9.2, the following persons may not deal in the Company's Securities during the following "closed periods":

- (a) Directors, officers, senior executives, senior management, employees and such other persons that the Chairman nominates (each a **Designated Person**) may not deal in the Company's Securities:
 - (i) within the period of one (1) week prior to the release of annual or half yearly results and within one (1) business day following the release of annual or half yearly results to ASX; or
 - (iii) within the period of one (1) week prior to the issue of a prospectus and within one (1) business day following the issue of a prospectus;

9.4 Subject always to the prohibitions in paragraph 9.2 and 9.3, a Designated Person may deal in the Company's Securities at any time.

9.5 The Company's Chairman may allow dealing in the Company's Securities during the "closed periods" described in paragraph 9.3 if the Designated Person satisfies the Company's Chairman (including providing any supporting documentation required by the Company's Chairman) that the circumstances surrounding the proposed dealing are exceptional (which is subject to the absolute discretion of the Company's Chairman but may include severe financial hardship or the operation of a court order as described in *ASX Guidance Note 27 – Trading Policies*).

9.6 If the Company's Chairman considers that the circumstances are exceptional, he or she may approve the dealing in the Company's Securities by providing a written clearance letter approving such dealing for a prescribed period (not to exceed thirty days) following which time, the dealing in the Company's Securities will again be prohibited (if the closed period is still applicable). If the approval is sought by the Company's Chairman, then the written clearance letter must be signed by at least two of the other directors of the Company and paragraph 9.5 will apply as if the references to the Company's Chairman were references to the two other directors of the Company.

10. Other Prohibitions

- 10.1 Designated Persons are not permitted to deal at any time in financial products such as options, warrants, futures or other financial products issued or created over or in respect of the Company's Securities by third parties such as banks and other institutions. An exception may apply where the Company's Securities form a component of a listed portfolio or index product.
- 10.2 Designated Persons are not permitted to enter into transactions in products associated with the Company's Securities which operate to limit the economic risk of their security holding in the Company over unvested entitlements (eg hedging arrangements).

11. Exclusions from Trading Policy

For the avoidance of doubt, dealings of Securities by Designated Persons are permitted where such dealings concern:

- (a) transfers of Securities already held in a superannuation fund or other saving scheme in which the Designated Person is a beneficiary;
- (b) an investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the Securities) where the assets of the fund or other scheme are invested at the discretion of a third party;
- (c) where a Designated Person is a trustee, trading in the Securities by that trust provided the Designated Person 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 Designated Person;
- (d) an undertaking to accept, or the acceptance of, a takeover offer;
- (e) trading under an offer or invitation made to all or most of the Company's security holders, such as, a rights issue, a security purchase plan, a dividend 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 Company's board. This includes decisions relating to whether or not to take up entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue;
- (f) the exercise (but not the sale of Securities following exercise) of an option or a right under a director or employee incentive scheme of the Company, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a close period and the Company has had a number of consecutive closed periods and the Designated Person could not reasonably have expected to exercise it at a time when free to do so.

12. Review and publication of this Policy

- 12.1 The Company's board of directors will review this trading policy from time to time. This policy may be amended by resolution of the board.

- 12.2 A copy of the Company's trading policy will be available on the Company's website. It is the responsibility of each member of Personnel to comply with this policy.

13. 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.

30 December 2010