

## Continuous Disclosure Policy

### 1. Purpose

The purpose of this policy is to establish procedures to ensure that Larus Energy Ltd (“**Company**”) complies with its continuous disclosure obligations.

### 2. Continuous Disclosure Obligations

2.1 Under Listing Rule 3.1A of the Listing Rules of the Australian Securities Exchange (“**ASX**”), the Company is obliged to immediately announce to the market any information concerning the Company “that a reasonable person would expect to have a material effect on the share price or value” of the Company’s securities (Listing Rule 3.1).

2.2 Disclosure is not required in circumstances where a reasonable person would not expect the information to be disclosed, the information is confidential (and ASX has not formed a contrary view) and any one or more of the following applies:-

- It would be a breach of law to disclose the information;
- The information concerns an incomplete proposal or negotiation;
- The information comprises matters of supposition or is not sufficiently definite to justify disclosure;
- The information is for the purposes of internal management of the Company;
- The information is a trade secret (Listing Rule 3.1A).

2.3 However, the Company is also required to announce where ASX considers that there is or could be a false market in the Company’s securities and asks that the Company releases the information (Listing Rule 3.1B).

2.4 Section 674 of the *Corporations Act 2001* makes it an offence if the Company does not comply with its continuous disclosure obligations. However, the Company may have a defence if it takes all reasonable steps to ensure that it complies with its continuous disclosure obligations.

### 3. Responsibility

3.1 The Board of Directors of the Company shall be responsible for ensuring that the Company complies with its continuous disclosure obligations. The Company Secretary will coordinate the flow of relevant information within the Company and release announcements to ASX. The Company Secretary will ensure that the premature disclosure of corporate information is avoided. Confidential documents will be appropriately marked, and dissemination limited to those who need to know. Access to electronic copies of confidential information will be limited. In appropriate cases, third parties will be required to enter into confidentiality undertakings with the

Company. During any absence the Company Secretary may nominate a responsible person to undertake this task.

- 3.2 All material announcements to ASX should, where possible, be approved by all available Directors. For this purpose, a material announcement is an announcement that would reasonably be expected to have a material effect on the price or value of the Company's securities. It will be the responsibility of the Managing Director for assessing materiality. As a general rule, matters having a negative or positive impact on the Company's Profit and Loss Account or Balance Sheet in excess of \$250,000 will be considered material.
- 3.3 In the event that there is insufficient time to prepare an appropriate announcement, the Managing Director should determine whether or not to seek a trading halt.
- 3.4 Routine announcements (ie. those announcements which a reasonable person would not expect to have a material effect on the price or value of the Company's securities) may be released to ASX without Directors' approval, subject to the Company Secretary satisfying himself as to the accuracy of the announcement. The Company Secretary must distribute copies of routine announcements to the Directors as soon as practicable following release.
- 3.5 All announcements or releases shall be released to the ASX prior to release to other third parties, brokers, analysts or media.
- 3.6 Wherever possible Directors, the Company Secretary and senior management shall inform the Managing Director in advance (and wherever possible in a timely manner) of any information that might require disclosure to enable the Managing Director to ascertain the Company's obligations.
- 3.7 Where any ASX disclosure is required the Managing Director shall instruct the Company Secretary accordingly. If the Managing Director is unavailable, the Company Secretary shall obtain approval for any ASX disclosure from the Chairman or any Director if necessary.
- 3.8 The Company Secretary will be responsible for releasing information to the ASX. On its receipt by the ASX, the Company Secretary will ensure that it is disseminated to the Directors and management promptly and that it be made accessible to the public as soon as possible via the Company's website.

#### **4. Reporting**

- 4.1 The Company Secretary is responsible for ensuring that the Board and senior management are aware of the Company's continuous disclosure obligations. Management should immediately report to the Managing Director and the Company Secretary any information which would or could have a material effect on the price or value of the Company's securities. The Company Secretary will keep a record of all matters notified to him and matters of which he otherwise becomes aware and the action taken with respect to each matter. The Company Secretary will report at each meeting of Directors on all such matters and actions.

Should the Company Secretary become aware of any breaches of these protocols, he should immediately advise the Chairman and in consultation with the Chairman take remedial action. As a general matter, legal advice should be obtained in this event.

- 4.2 All of the senior management's job descriptions will include a statement of this reporting responsibility. This will require each individual to identify and assess information within the Company's day to day operations.
- 4.3 In considering the need for an immediate response, it is recognised that trading in the Company's securities should not be permitted between the time that price sensitive information becomes available and the requisite announcement. Accordingly, if the market is not open, the announcement must be released to the market prior to 10.00am (Sydney time) on the relevant trading day or if this cannot be achieved, the Managing Director should consider requesting a trading halt.

## **5. Market rumours**

- 5.1 The Directors, Company Secretary and the senior management should be conscious of the need to identify and respond to market rumours, leaks and inadvertent disclosures.
- 5.2 All such matters should be immediately reported to the Managing Director and the Company Secretary who should consider whether a release to ASX is required. Even if the leaked or inadvertently disclosed information is not price sensitive, investors should be given equal access to it by posting it on the Company's website.
- 5.3 There should be no response to market speculation and rumours. If there is to be any comment to correct the media and market analysts' projections, it should only occur after consideration has been given as to whether the information needs to be provided in order to correct the errors or is price sensitive and should be disclosed to the ASX. In any event such comment should be limited to correcting errors in factual information or assumptions made by the media and market analysts.

## **6. Investor Briefings**

- 6.1 Information to be disclosed at private investor briefings will be subject to a review in advance by the Managing Director. The Managing Director and the Company Secretary will consider whether the information should be released to ASX or posted on the Company's website in advance of the briefing.
- 6.2 Investor briefings, should where possible, be recorded and transcripts maintained and checked to ensure that there have been no inadvertent disclosures of price sensitive information. Where such disclosures have been made, they should be immediately released to ASX.
- 6.3 Where possible, a review should to be held after any briefing to assess whether there might have been an inadvertent disclosure of price sensitive information. If so the matter is to be referred to the Company Secretary to ascertain whether disclosure to the ASX is required.

## **7. Financial projections and reports**

Only the Managing Director is permitted to comment on market and financial projections and reports but should limit such comments to errors of factual information and underlying assumptions.

#### **8. Website**

All ASX announcements will be posted on the Company's website following release to ASX and confirmation that they may be viewed on ASX announcements platform.

The Company's website shall be periodically reviewed to ensure the accuracy and currency of material disclosed thereon.

Amendments to the Company's website may only be made with the approval of the Managing Director or the Company Secretary.

#### **9. Board meeting agenda**

Board meeting agendas shall contain an agenda item for the Company Secretary to report as referred to in paragraph 4.1 and which seeks confirmation that no director or officer present knows of any other announceable matter.

#### **10. Review of Policy**

The Company Secretary should provide a report to the Board annually, setting out the effectiveness of this policy, and compliance within the Company.

Where issues of concern arise during the reporting period, the Company Secretary is responsible for reporting these to the Board and taking appropriate remedial action.

#### **11. Company Spokesperson**

Persons authorised to speak to analysts or the media on behalf of the Company are:

- Chairman
- Managing Director
- Company Secretary

K Philip  
Chairman  
27 March 2010