

BOWEN COKING COAL LIMITED (the COMPANY)

SECURITY TRADING POLICY

Introduction

This document sets out the Company's policy on the dealings in its securities by its Directors, employees and contractors.

The purpose of this policy is to:

- (a) remind Directors, employees and contractors of the prohibition on insider trading under the Corporations Act 2001, and their obligation not to engage in insider trading;
- (b) set out procedures to reduce the risk of insider trading, or the appearance that there may be insider trading, in the Company's securities;
- (c) impose black-out periods at various times during the year, particularly in closed periods leading up to an announcement of results, during which trading of the Company's securities by Directors, employee and contractors is prohibited;
- (d) enable the Company to designate other prohibited periods during which trading in the Company's securities by Directors, employees and contractors is prohibited;
- (e) make provision for the granting of permission in exceptional circumstances only for dealing in the Company's securities during a black-out period, and the procedure for seeking that permission;
- (f) set out certain types of dealings with Company securities that will not be subject to restrictions under this policy;
- (g) prohibit certain other types of dealings in securities.

I. Insider Trading

1. Prohibition

1.1. Insider trading is a criminal offence. A person will be guilty of insider trading if:

- (a) that person possesses information in relation to a company which is not generally available to the market, and if it were generally available to the market, would be likely to affect the price or value of that company's securities (i.e. information that is "price sensitive"); and
- (b) that person:
 - (i) buys or sells securities in the company;
 - (ii) procures someone else to buy or sell securities in the company; or

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- (iii) passes on that information to a third party where that person knows, or ought reasonably to know, that the third party would be likely to deal in the securities or procure someone else to deal in the securities of the company.

- 1.2. Any such conduct by a person in possession of inside information will be in breach of the law, regardless of whether such trading takes place outside a black-out period or otherwise in accordance with this policy.
- 1.3. All persons bound by this policy should ensure that all transactions in the Company's securities comply with the Corporations Act 2001 and its related regulations (particularly the insider trading provisions in sections 1042A to 1043O).

2. Examples

- 2.1. Price sensitive information means information relating to the Company that would, if the information were publicly known, be likely to:
 - (a) have a material effect on the price or value of the Company's securities; or
 - (b) influence persons who invest in securities in deciding whether or not to buy or sell the Company's securities.
- 2.2. The following are examples of price sensitive information which, if made available to the market, would be likely to affect the price of the Company's securities:
 - (a) the Company is considering the acquisition of another company;
 - (b) financial results confirming (or falling short of) the market's expectations;
 - (c) material results from assaying of mineral exploration results.

3. Dealing by Third Parties

- 3.1. A person does not need to be a Director or employee of the Company to be guilty of insider trading in relation to securities in the Company. The prohibition extends to dealings by anyone, including Directors' or employees' nominees, agents or other associates, such as family members, family trusts and family companies, as well as customers and suppliers.

4. Contractors and External Advisors

- 4.1. Contractors employed by the Company shall be informed of this policy when they are appointed and are required to adhere to the policy so long as they are contracted by the Company. Breach of the policy may lead to termination of contract arrangements.
- 4.2. The Company's employees dealing with external advisers need to ensure that the advisers are aware of the insider trading rules and, where these dealings cover material matters, that the issue of insider trading is covered in confidentiality documents.



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5. Meaning of Securities

- 5.1. The rules cover shares in the Company, derivatives related to the Company's shares (whether issued by the company or not), and to any traded company options. It also applies to the exercise of options, including employee options.

6. Dealings in securities of other companies

- 6.1. Directors, employees, and contractors, where they possess inside information, should also not deal in securities of other companies with which the Company might have, or be about to enter into, an association, for example, as a joint venture or farm-in partner.

II. Guidelines for Trading in the Company's Securities

7. Black-out periods

- 7.1. Directors, employees and contractors are to be subject to additional restrictions on trading in Company Securities during certain times of the year. In addition to the overriding prohibition on trading in Company securities when a person is in possession of inside information, Directors, employees and contractors must not trade in the Company Securities during a black-out period unless the approval practices below are followed.

- 7.2. Directors, employees and contractors are not permitted to deal in securities of the Company without obtaining the prior written approval of the Chairman in the during black-out periods, being the closed periods as set out in section 7.3 and any additional prohibited periods as set out in section 7.5.

- 7.3. The following are fixed closed periods:

- (a) within the period of 7 days prior to the release of quarterly reports;
- (b) within the period of 14 days prior to the release of annual and half yearly results; and
- (c) within the period of 14 days prior to the Annual General Meeting,

A closed period may be extended by the Board.

- 7.4. Directors and executives are also excluded from dealing in securities within the period from receipt of the Board Pack until the Directors' Meeting.

- 7.5. A prohibited period may be imposed by the Chairman or the Managing Director at any time, including when there is price sensitive information that has not been disclosed because of an ASX Listing Rule exception. Notice of the commencement and ending of a prohibited period will be given.

- 7.6. Directors, employees, and contractors may deal in securities of the Company in the following circumstances:



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- (a) it is not during a closed period or a prohibited period as contemplated by sections 7.3, 7.4 and 7.5, and they have satisfied themselves that they are not in possession of any price sensitive information that is not generally available to the public; or
- (b) they have contacted the Chairman (or, in his absence, the Managing Director) and notified him of their intention to do so and provided all relevant information with this notification, and the Chairman or Managing Director has given his prior written approval to the proposed dealing. The Chairman may refuse to give permission for the dealing on any grounds and is not required to give reasons.

7.7. Directors, employees, and contractors should wait at least 1 day after the relevant release of information before dealing in securities so that the market has had time to absorb the information.

7.8. Where the Chairman wishes to deal with his securities outside of a closed period or a prohibited period as contemplated by section 7.5, he must obtain the prior written approval of the Board before doing so.

7.9. These obligations operate at all times and apply to dealings in the Company's securities by family members and other associates of Directors, employees and contractors, as well as to personal dealings by Directors and employees.

7.10. Directors, employees, and contractors must not communicate price sensitive information to a person who may deal in securities of the Company. In addition, Directors, employees, and contractors should not recommend or otherwise suggest to any person (including a spouse, relative, friend, trustee of a family trust, or directors of a family company) the buying or selling of securities in the Company.

8. Other prohibited dealings

8.1. Directors, employees and contractors must not at any time engage in short-term trading in Company securities. Short term trading encompasses any buying of the Company's securities with the intention of selling any of them within 3 months, or the selling of any of the Company's securities with the intention of buying the Company's securities within 3 months



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(other than in connection with acquisitions or sales of Company securities issued under any equity based incentive scheme.)

- 8.2. Some hedging transactions in relation to entitlements under equity incentive schemes are also prohibited (see section 10 below).

9. Dealings not subject to restrictions under this policy

- 9.1. This policy does not apply to dealing that does not result in a change in beneficial control of the relevant securities; e.g., transferring a personal holding of the Company's shares to a pension fund or superannuation fund.

- 9.2. This policy does not apply to:

- (a) any issue of securities by the Company pursuant to a prospectus or like disclosure under the Corporations Act;
- (b) elections to take up entitlements under a rights issue or other offer;
- (c) allowing entitlements under a rights offer to lapse;
- (d) sale of entitlements to fund the taking up of the balance of entitlements under a rights offer;
- (e) acceptances of a takeover offer.

- 9.3. The issue or grant of securities under equity-based incentive plans may be permitted during a black-out period if such issue could not reasonably be made at another time and would not otherwise be prohibited under this policy. However, the exercise of options or other rights granted under an equity-based incentive scheme will be subject to the policy.

10. Hedging invested entitlements

- 10.1 (a) Entitlements under the Company's equity-based incentive plans (if any) are subject to the satisfaction of various time and/or performance hurdles to ensure alignment of employee rewards with the Company's objectives and performance. Transactions that "hedge" the value of entitlements could distort the proper functioning of these hurdles, and reduce the intended alignment with shareholder interests.
- (b) Directors and executives participating in an equity-based executive incentive plan, are prohibited from entering into any transaction that would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested entitlement in the Company's securities.
- 10.2 Notwithstanding the restriction imposed by paragraph 10.1 (b) above, Directors may enter into hedging transactions in respect of the Company's securities held by them outside any equity-based incentive plan, or once the securities have been vested.



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- 10.3 However, Directors should ensure that entry into any hedging transaction occurs outside the Company's black-out periods and otherwise complies with this policy.

11 Dealing in Exceptional Circumstances

- 11.1 In exceptional circumstances, the Chairman (or, in his absence, the Managing Director) may grant an exemption to the requirement that a Director, employee, or contractor may only deal in the Company's securities outside black-out periods, on the condition that the Director, employee, or contractor can demonstrate to the Chairman that he is not in possession of any price-sensitive information that is not generally available to the public.
- 11.2 For example, the Chairman may approve such dealings as:
- a person exercising options in employee incentive schemes, redemption of securities, or certain other option exercises, or
 - if the person is facing extreme financial hardship.
- 11.3 An exemption will not be granted by the Chairman if he considers there is information that is not generally available, but if it were, would be likely to materially affect the price of Company Securities.
- 11.4 An exemption granted in accordance with the procedure above will be valid for one week from the date of grant of the exemption.
- 11.5 The procedure set out in section 11 is in addition to the requirements of section 7.

12 Consequences of Breach of the Security Trading Policy

- 12.1 The Company will regard breach of insider trading law or this policy as serious misconduct.
- 12.2 Breach of this policy by any of the Company's Directors, employees, or contractors, or their respective family members, in circumstances which result in insider trading, could expose that person to criminal and/or civil liability.

13 ASX Notification by Directors

- 13.1 ASX Listing Rules oblige the Company to notify ASX within 5 days after any dealings in Company's securities (either personally or through a third party) that result in a change in the relevant interests of the Director in Company's securities or in contracts that give the Director rights to acquire Company securities. Accordingly, Directors must notify the Company Secretary immediately on acquiring or disposing of a relevant interest in any securities in the Company or in any such contract. The details must be provided as soon as reasonably practicable after the date of the change, and in any event no later than the three business days after the change, in order to allow for the Company's compliance with ASX Listing Rule obligations. It is the individual responsibility of Directors to ensure they comply with this requirement.



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