



Code of Conduct

Approved by the Board on 22 June 2017

22 June 2017

Dear Colleague

The Company's success is dependent on the knowledge, experience and talent of our employees, the strength of our management team, the quality of our business strategy and our compliance with the highest standards of corporate conduct, ethics and governance.

The Board of Directors believes it is important to provide a clear set of values that emphasise a culture encompassing strong corporate governance, sound business practices and good ethical conduct.

The Code of Conduct has been adopted for the guidance and benefit of all people employed, contracted by, associated with, or acting on behalf of the Company.

The key values underpinning the Code of Conduct are as follows:

- our actions must be governed by the highest standards of integrity and fairness;
- our decisions must be made in accordance with the spirit and letter of applicable law;
- our business must be conducted honestly and ethically, with our best skills and judgment, and for the benefit of employees, shareholders and the Company alike.

You are required to read and be familiar with the Code of Conduct. We will all adhere to the values and standards in the Code of Conduct. By doing so we can be proud of our individual and collective achievements, and ensure that the Company maintains a reputation for the highest standards of business conduct, professionalism and integrity.

Yours sincerely



Andrew Purcell
Chairman



Peter Stickland
CEO & Managing Director

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1 Purpose of the Code

The corporate goal of Melbana Energy Limited (the **Company**) is to build an energy business providing lasting growth in shareholder value, while remaining committed to the highest level of integrity and ethical standards in all business practices. Employees must conduct themselves in a manner consistent with current community and Company standards and in compliance with all relevant legislation.

The Code of Conduct outlines how the Company expects its representatives to behave and conduct business in the workplace on a range of issues. It includes legal compliance and guidelines on appropriate ethical standards.

The objective of the Code of Conduct is to:

- provide a benchmark for professional behaviour throughout the Company;
- support the Company's business reputation and corporate image within the community; and
- make directors and employees aware of the consequences if they breach the policy.

We will regularly monitor our policies under this Code of Conduct to ensure our commitments remain relevant, effective and consistent with our stakeholders' expectations.

We will annually seek the commitment of employees to the Code of Conduct.

2 Who the Code applies to

All employees including temporary employees, contractors and company directors must comply with the Code of Conduct.

The Code of Conduct applies to all business activities with suppliers, contractors, customers, shareholders and employees in Australia and overseas.

3 What to do if you suspect the Code has been breached

(a) Reporting channels

You are encouraged to report any situation which you believe breaches or potentially breaches the Code of Conduct, policies or the law.

You can report such behaviour to the:

- Managing Director; or
- Chief Financial Officer/Company Secretary; or
- Country Manager for overseas operations for investigation and follow-up.

You may provide a report anonymously.

(b) Whistleblower protection

The Company is committed to ensuring that you are not disadvantaged or discriminated against for reporting unacceptable behaviour in good faith.

You have the Company's commitment that, whenever possible, your privacy will be protected where you make a report under the Code of Conduct.

(c) Investigations

Preliminary investigations of reported breaches are administered by Chief Financial Officer/Company Secretary or Country Manager.

If a breach of the Code of Conduct is found to have occurred, a formal follow-up process is administered by Managing Director.

4 Consequences of breaching the Code

The Company recognises that breaches of the Code of Conduct may occur from time to time. We expect that any breach will be inadvertent and without intent, however it should be clearly understood that any breach may result in disciplinary action or other penalties including, in extreme circumstances, dismissal or termination of the contract or engagement.

Your obligations

1 Compliance with laws and regulations

You should be aware of, and comply with, your duties and obligations under all laws and regulations relating to your work.

We encourage you to actively understand the laws which affect or relate to the Company's operations. We operate outside Australia in countries with different laws, customs and business practices. We recognise these but do not

compromise the principles incorporated in this Code of Conduct. Honesty is valued in all cultures.

2 Fair trading and dealing

The Company aims to maintain the highest standard of ethical behaviour in conducting business and to behave with integrity in all dealings with customers, shareholders, government, employees, suppliers and the community.

When dealing with others, you must:

- perform your duties in a professional manner;
- act with the utmost integrity and objectivity; and
- strive at all times to enhance the Company's reputation and performance.

If you have a question or wish to report a breach of fair dealing requirements, please contact the Chief Financial Officer/Company Secretary or Country Manager.

3 Conflicts of interest

You are responsible for notifying the Company of any conflicts of interest (actual or potential). If you are concerned that you may have a conflict of interest you should disclose that interest and discuss the matter with the Chief Financial Officer/Company Secretary or Country Manager.

(a) What is a conflict of interest?

A conflict of interest exists where loyalties are divided.

You may have a conflict of interest if, in the course of your employment or engagement with the Company:

- any of your decisions lead to an improper gain or benefit to you or your associate; or
- your personal interests, the interests of an associate, or relative, or obligation to some other person or entity, conflict with your obligation to the Company.

(b) Improper personal benefits

Conflicts of interest can arise when you or a member of your family receive improper personal benefits as a result of your position. You and your relatives should not give unreasonable gifts to, or receive unreasonable gifts from, the Company's customers or suppliers or others with whom the Company interacts.

We encourage you not to accept a gift (of any kind or value) in circumstances where your business judgment might appear to have been compromised, or where you or the Company would be embarrassed if the gift was made public.

(c) **Financial interests in other businesses**

You should avoid having a significant ownership interest or personal financial interest in any other enterprise if that interest compromises or appears to compromise your loyalty to the Company.

You must disclose all personal financial interests that you or members of your family have in organisations which have established, or are attempting to establish, a business relationship with the Company or which compete with the Company.

(d) **Corporate opportunities**

You must not take advantage of property, information, or other opportunities arising from your position in the Company.

(e) **Outside memberships, directorships, employment and public office**

The Company supports involvement of its employees in community activities and professional organisations. However, outside employment or activity must not conflict with an employee's ability to properly perform their work for the Company, nor create a conflict (or the appearance of a conflict) of interest.

4 Improper use or theft of Company property, assets and email

4.1 Use of Company property

You are responsible for protecting any Company property and assets that are under your control and you should safeguard them from loss, theft and unauthorised use.

Company property and assets includes cash, securities, business plans, third party information, confidential information, office equipment and supplies, and intellectual property (including computer programs, software, models and any inventions, discoveries and improvements made by an employee during his or her employment with the Company).

You must not:

- use Company assets for any unlawful purpose or unauthorised personal benefit;
- remove Company property and documents from official premises without a good and proper reason; and
- make improper disclosure, including inadvertent or careless disclosure, of competitive business strategies and plans, special methods of operation and other information that is of competitive value to the Company. You are encouraged to use common sense and observe standards of good taste regarding content and language when creating documents that may be retained by the Company or a third party.

4.2 Specific obligations regarding confidential information

Employees must not disclose or use in any manner, without the Company's consent, confidential information about the Company, its customers or its affairs that they acquire during employment with the Company, unless the information is already legitimately public knowledge.

4.3 Use of information technology

The Company provides access to electronic communications and information technology systems to facilitate business communication and intends that employees use those systems first and foremost for business purposes.

The Company's electronic communications systems should not be used to access or transmit material that violates this or any other Company policy, or any laws or regulations.

Limited personal non-business use of the Company's electronic communications systems is permitted

5 Privacy

The Company respects your privacy and the privacy of others. It takes its privacy obligations seriously and will take all reasonable steps:

- to comply with the privacy laws of Australia and, where applicable, the jurisdiction of its overseas business units; and
- to protect the privacy of the personal information that the Company holds.

6 Public communications and disclosures

You are responsible for the integrity of the information, reports and records under your control and you are expected to exercise the highest standard of care in preparing materials for public communications.

Those documents and materials should:

- comply with any applicable legal requirements;
- fairly and accurately reflect the transactions or occurrences to which they relate;
- not contain any false or intentionally misleading information, nor intentionally misclassify information; and
- be in reasonable detail and recorded in the proper account and in the proper accounting period.

Ensure that you are aware of the requirements of the Disclosure Policy and, if it applies to you, you must act in accordance with the policy.

7 Employment practices

(a) Equal opportunity and anti-discrimination

Everyone is entitled to be treated with respect, regardless of individual differences.

The Company is committed to:

equal employment opportunity; and

- a workplace free from any kind of discrimination, harassment or intimidation of employees.

The Company will promptly investigate all allegations of harassment, bullying, victimisation or discrimination and will take appropriate corrective action. Retaliation against individuals for raising claims of harassment or discrimination will not be tolerated.

(b) Bribes, inducements and commissions

You must not pay or receive any bribes, facilitation payments, inducements or commissions (this includes any item intended to improperly obtain favourable treatment or avoid unfavourable circumstances).

You must not give or receive any unreasonable gifts (see section 3 of this Part B – 'Conflicts of interest') or otherwise act in an unethical way. Remember that agreeing not to act may have the same ramifications as acting in an unethical way.

8 Share trading in Melbana securities

You should familiarise yourself with the Company's Policy for *Dealing in Securities* and ensure you act in accordance with the Policy in conducting any dealing in the Company's securities. The policy is disclosed on the company website:

<http://www.melbana.com/irm/company/showpage.aspx?CategoryId=190&CPID=262&InstanceVersionNumber=0>