



20 December 2010

Company Announcements Office
Australian Securities Exchange Limited

E&A Limited Share Trading Policy

In accordance with ASX Listing Rule 12.9 which takes effect on 1 January 2011, please find attached a copy of E&A Limited's compliant Share Trading Policy.

Yours Sincerely

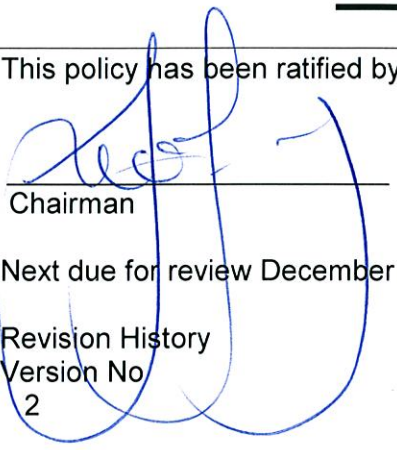
Mark Seatree

COMPANY SECRETARY

E&A Limited
ACN 088 588 425
("Company")

Share Trading Policy

This policy has been ratified by the Board of Directors of E&A Limited.



Chairman

Next due for review December 2011.

Revision History
Version No
2

1. POLICY APPLICATION

- 1.1 The Company has adopted this Policy governing trading in the Company's financial products by all Persons (as defined in the Policy) being the directors of the Company as well as relevant senior employees of the Company who have been notified that this Policy applies to them.
- 1.2 The purpose of this Policy is to raise awareness of insider trading rules, and of the fact that trading must not proceed without prior notification and clearance.

Defined terms are contained in clause 24 of this Policy.

2. INSIDE INFORMATION

- 2.1 Inside information means information which:
- 2.1.1 is price sensitive information;
 - 2.1.2 is not generally available; and
 - 2.1.3 if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of financial products of the Company or a Related Entity.

3. EXAMPLES OF INSIDE INFORMATION

- 3.1 Inside information includes (without limitation):
- 3.1.1 the financial performance of the Company against its budget;
 - 3.1.2 a possible change in the strategic direction of the Company;
 - 3.1.3 a possible acquisition or sale of any assets or Company by the Company;
 - 3.1.4 a possible change in the Company's capital structure;
 - 3.1.5 a proposed dividend;

- 3.1.6 senior management changes; or
- 3.1.7 any possible claim against the Company or other unexpected liability.

4. GENERAL PROHIBITIONS

If a person possesses inside information concerning the financial products of the Company, they must not:

- 4.1 trade in the financial products of the Company or enter into an agreement to do so;
- 4.2 procure another person to do anything specified in paragraph 4.1; and
- 4.3 pass on that information to anyone who is likely to engage in the activities specified in paragraphs 4.1 or 4.2.

These general prohibitions are overriding obligations and apply at all times, despite all other terms of this Policy.

5. TRADING IN FINANCIAL PRODUCTS

In addition to the general prohibitions, to avoid any adverse inference being drawn of unfair dealing, a Person must not trade in the Company's or a Related Entity's financial products during a Proscribed Period.

5.1 Proscribed Period

A Proscribed Period is the period during the month immediately before:

- 5.1.1 the release of the Company's half yearly or yearly results; or
- 5.1.2 the Annual General Meeting when it is customary for the Chairman to provide further information about the Company's current performance.
- 5.1.3 any period when there exists any matter which constitutes inside information in relation to the financial products of the Company or a Related Entity (whether or not the Person has knowledge of such matter) and (in respect of the Company) the proposed trading would (if permitted) take place after the time when it has become reasonably probable that an announcement will be required in relation to that matter; and
- 5.1.4 any period when the Trading Officer otherwise has reason to believe that the proposed trading is in breach of this Policy.

6. CONSENT TO TRADE

- 6.1 Despite any other provision of this Policy, a Person must not trade in any financial products of the Company or a Related Entity without first advising the Trading Officer in advance of their intention to do so.
- 6.2 A Person must not trade in the Company's financial products unless the Trading Officer has indicated that there is no objection under this Policy to the proposed transaction.
- 6.3 The Trading Officer shall not provide consent for a Person to trade without advising the Board in advance and receiving consent from the Board.

- 6.4 The Person conducting the trade must notify the Trading Officer immediately after the transaction has taken place.
- 6.5 If a director trades in the Company's financial products, then the Company must advise ASX within five (5) business days, in accordance with the Corporations Act and the ASX Listing Rules.

7. TRADING OF A SHORT TERM NATURE

A Person must not trade in any financial products of the Company on considerations of a short-term nature. A Person must take reasonable steps to prevent any trading by or on behalf of any Related Person in any financial products of the Company on considerations of a short term nature. Accordingly, trading in financial products issued by the Company within a six (6) month period of acquisition is prohibited.

8. TRADING IN EXCEPTIONAL CIRCUMSTANCES

- 8.1 In exceptional circumstances, where it is the only reasonable course of action available to a Person, consent may be given for the Person to sell (but not to purchase) financial products when he/she would otherwise be prohibited from doing so. An example of the type of circumstance would be a pressing financial commitment on the part of the Person, that cannot otherwise be satisfied. The determination of whether circumstances are exceptional for this purpose will be made by the Trading Officer.
- 8.2 Any such consent must be obtained in advance. It cannot be given after the event.
- 8.3 The Person seeking the consent to trade due to exceptional circumstances is still subject to the requirements of paragraph 6.1.
- 8.4 This exception will never apply should the Person seeking exception possess inside information.

9. PERSON ACTING AS TRUSTEE

Where a Person is a sole trustee (other than a bare trustee), the provisions of this Policy will apply, as if he/she were trading on his/her own account. Where a Person is a co-trustee (other than a bare trustee), he/she must advise his co-trustees of the name of the listed companies of which he/she is a director. If the Person is not a beneficiary, trading in financial products of the Company or a Related Entity undertaken by that trust will not be regarded as trading by the Person for the purposes of this Policy where the decision to trade is taken by the other trustees acting independently of the Person or by investment managers on behalf of the trustees. The other trustees or the investment managers will be assumed to have acted independently of the Person for this purpose where they:

- 9.1 have taken the decision to trade without consultation with, or other involvement of, the Person concerned; or
- 9.2 if they have delegated the decision making to a committee of which the Person is not a member.

10. TRADING BY RELATED PERSONS AND INVESTMENT MANAGERS

A Person must (so far as is consistent with his/her duties of confidentiality to the Company) seek to prohibit any trading in financial products of the Company or a Related Entity during a Proscribed Period or at a time when the Person is in possession of inside information in relation to those financial products and would be prohibited from trading under clause 5 of this Policy:

- 10.1 by or on behalf of any Related Person;
- 10.2 by an investment manager on his/her behalf or on behalf of any person connected with him/her where either he/she or any person connected with him/her has funds under management with that investment manager, whether or not discretionary (save as provided in clause 9 of this Policy).

11. ADVICE TO RELATED PERSONS & INVESTMENT MANAGERS

For the purposes of clause 10 of this Policy, a Person must advise all such Related Persons and investment managers:

- 11.1 of the names of the listed companies of which he/she is a director;
- 11.2 of the Proscribed Periods during which they cannot trade in the financial products of the Company or a Related Entity;
- 11.3 of any other periods when the Person knows he/she is not free to trade in financial products of the Company or a Related Entity under the provisions of this Policy unless his/her duty of confidentiality to the relevant company prohibits him/her from disclosing such periods; and
- 11.4 that the Related Person or investment manager must advise the Person immediately after they have traded financial products of the Company or a Related Entity.

12. SPECIAL CIRCUMSTANCES

- 12.1 The grant of options by the board of directors of the Company under an employees' share scheme to individuals who are not directors may be permitted during a Proscribed Period if such grant could not reasonably be made at another time and failure to make the grant would be likely to indicate that the relevant company was in a Proscribed Period.
- 12.2 Subject to clause 12.3 below, the award of financial products, the grant of options and the grant of rights (or other interests) to acquire financial products by the Company to directors and/or relevant employees of the relevant company is permitted during a Proscribed Period if:
 - 12.2.1 the award or grant is made under the terms of an employees' share scheme;
 - 12.2.2 the terms of such employees' share scheme set out:
 - (a) the timing of the award or grant, and such terms have either:
 - (i) previously been approved by shareholders or summarised or described in a document sent to shareholders, or
 - (ii) are in accordance with the timing of previous awards of grants under the scheme; and
 - (b) the amount or value of the award or grant or the basis on which the amount or value of the award or grant is calculated; and
 - (c) the failure to make the award or grant would be likely to indicate that the relevant company is in a Proscribed Period.

12.3 The following examples of trading are not covered by clause 12.2 and are consequently subject to the provisions of this Policy:

12.3.1 a discretionary award or grant under an employees' share scheme which would not otherwise have been made but for the event that led to the commencement of the Proscribed Period; and

12.3.2 an award or grant under an employees' share scheme which is made in a Proscribed Period during which the relevant scheme was introduced, or in the case of an existing scheme, the relevant scheme was amended.

13. EXERCISE AND TRADING OF OPTIONS AND OTHER RIGHTS

13.1 A Person must not buy in respect of the Company's financial products which consist of or include:

13.1.1 a right to call for delivery at a specified price and within a specified time of a specified number of shares or specified amount of debentures; or

13.1.2 a right to make delivery at a specified price and within a specified time of a specified number of shares or specified amount of debentures; or

13.1.3 a right (at the holders election) to call for delivery at a specified price and within a specified time or to make delivery at a specified price and within a specified time of a specified number of shares or specified amount of debentures.

13.2 The Chairman of the Risk Management and Audit Committee may allow the exercise of an option or right under an employees' share scheme, or the conversion of a convertible security, where the final date for the exercise of such option or right, or conversion of such security, falls during any Proscribed Period and the Person could not reasonably have been expected to exercise it at an earlier time when he was free to trade.

14. SALE OF FINANCIAL PRODUCTS AFTER EXERCISE OR CONVERSION

Where an exercise or conversion is permitted pursuant to this Policy, the Chairman of the Risk Management and Audit Committee may not, however, give consent for the sale of financial products acquired pursuant to such exercise or conversion unless otherwise permitted by the Policy.

15. QUALIFICATION SHARES

The Company Secretary may allow a director to acquire qualification shares without regard to the provisions of this Policy where, under the Constitution of the Company, the final date for acquiring such shares falls during a Proscribed Period and the director could not reasonably have been expected to acquire those shares at another time.

16. SAVINGS AND DIVIDEND INVESTMENT SCHEMES

A Person may enter into a scheme in which only the financial products of the Company are purchased pursuant to a regular standing order or direct debit or by regular deduction from the Person's salary, or where such financial products are acquired by way of a standing election to re-invest dividends or other distributions received, or are acquired as part payment of a Person's remuneration without regard to the provisions of the Policy, if the following provisions are complied with:

- 16.1 the Person does not enter into the scheme during a Proscribed Period, unless the scheme involves the part payment of remuneration in the form of financial products and is entered into upon the Person's employment;
- 16.2 the Person does not carry out the first purchase of financial products in the Company under the scheme during a Proscribed Period, unless the Person is irrevocably bound under the terms of the scheme to carry out the first purchase of financial products at a fixed point in time which falls in a Proscribed Period;
- 16.3 the Person does not cancel or vary the terms of his/her participation, or carry out sales of the financial products in the Company within the scheme, during a Proscribed Period; and
- 16.4 before entering into the scheme or cancelling the scheme or varying the terms of his/her participation or carrying out sales of the financial products of the Company within the scheme, the Person obtains consent in accordance with this Policy.

17. EXCEPTION TO THE POLICY

The provisions of this Policy do not apply to an investment by a Person in a scheme or arrangement where the assets of the scheme or arrangement are invested at the discretion of a third party or to trading by the Person in the units of an authorised unit trust or in shares in an investment company. In the case of a scheme investing only in the financial products of the Company, the provisions of clause 16 of this Policy apply.

18. GUIDANCE ON OTHER TRADING

For the avoidance of doubt, and subject to the specific exceptions set out in clause 19 below, the following constitute trading for the purposes of this Policy and are consequently subject to the provisions of this Policy:

- 18.1 trading between directors and/or relevant employees of the Company;
- 18.2 off-market trading;
- 18.3 transfers for no consideration by a Person other than transfers where the Person retains a beneficial interest;
- 18.4 entering into, or terminating, assigning or novating any stock lending agreement in respect of financial products of the Company or a Related Entity;
- 18.5 using as security, or otherwise granting a charge, lien or other encumbrance over, financial products of the Company or a Related Entity; and
- 18.6 any transaction, or the exercise of any power or discretion, effecting a change in the ownership of a beneficial interest in the financial products of the Company or a Related Entity.

19. TRADING NOT SUBJECT TO THE PROVISIONS OF THIS POLICY

For the avoidance of doubt, and notwithstanding the definition of trading contained in clause 24.12 of this Policy, the following examples of trading in respect of the Company or a Related Entity are not subject to the provisions of this Policy:

- 19.1 undertakings or elections to take up entitlements under a rights issue or other offer (including an offer of shares in lieu of a cash dividend);

- 19.2 the take up of entitlements under a rights issue or other offer (including an offer of shares in lieu of a cash dividend);
- 19.3 allowing entitlements to lapse under a rights issue or other offer (including an offer of shares in lieu of a cash dividend);
- 19.4 the sale of sufficient entitlements nil-paid to allow take up of the balance of the entitlements under a rights issue;
- 19.5 undertakings to accept, or the acceptance of, a takeover offer;
- 19.6 transfer of shares arising out of the operation of an employees' share scheme into a savings scheme investing only in financial products of the Company following:
 - 19.6.1 the exercise of an option under a savings related share option scheme; or
 - 19.6.2 release of shares from a profit sharing scheme;
- 19.7 the cancellation or surrender of an option under an employees' share scheme;
- 19.8 the purchase of financial products or the communication of information pursuant to a requirement imposed by law;
- 19.9 transfers of financial products by an independent trustee of an employees' share scheme to a beneficiary who is not a Person; and
- 19.10 bona fide gifts to a director by a third party.

20. EFFECT OF BUYBACK PROGRAM

Directors should be aware of additional notification requirements and selling restrictions which arise during any share buyback program of the Company.

21. CONFLICTS OF INTEREST

All employees of the Company who are bound by this Policy must verbally advise the Trading Officer of any personal interest which may be affected in a significant manner by a project or decision which is before the Board and in which the employee is materially involved on behalf of the Company.

22. CONFIDENTIAL INFORMATION

- 22.1 Persons should treat all sensitive, non-public information about the Company as confidential and exclusive to the Company.
- 22.2 Persons may not disclose such information to any other person (including, without limitation, family members, relatives, business or social acquaintances) who do not have a legitimate need for such information for business reasons.
- 22.3 Persons must treat all information about the Company carefully and avoid inadvertent or indirect disclosure of it.
- 22.4 Within the Company, confidential information should be distributed to or discussed with others only on a need to know basis, and those people should be told that the information is confidential.
- 22.5 Persons must ensure that conversations are not overheard in elevators, aeroplanes or other public places, that confidential documents are not left on conference tables,

desks or otherwise unguarded and that necessary steps are taken to keep confidential information from being disclosed.

23. **BREACH**

- 23.1 Strict compliance with this Policy is mandatory for all Persons.
- 23.2 Contravention of the Corporations Act is a serious matter which may result in criminal or civil liability.
- 23.3 In addition, breaches of this Policy may damage the reputation of the Company and undermine confidence in the market for financial products of the Company. 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.

24. **DEFINITIONS**

In this Policy the following definitions apply unless the context otherwise requires:

- 24.1 "**Company**" means E&A Limited ABN 73 088 588 425.
- 24.2 "**Company Secretary**" means the Company Secretary of the Company.
- 24.3 "**financial products**" means any securities, derivatives, interests in a managed investment scheme, debentures, rights, units or option contracts, superannuation products or any other financial products that are able to be traded on a financial market.
- 24.4 "**generally available**" means information that:
 - 24.4.1 consists of readily observable matter; or
 - 24.4.2 has been made known in a manner that would, or would be likely to, bring it to the attention of persons who commonly invest in financial products of a kind whose price might be affected by the information; and
 - 24.4.3 since it was made known, a reasonable period for it to be disseminated among such persons has elapsed; or
 - 24.4.4 consists of deductions, conclusions or inferences made or drawn from either or both of the following:
 - (a) information referred to in clause 24.4.1;
 - (b) information made known as mentioned in clause 24.4.2.
- 24.5 "**information**" includes:
 - 24.5.1 matters of supposition and other matters that are insufficiently definite to warrant being made known to be public; and
 - 24.5.2 matters relating to the intentions, or the likely intentions, of a person.
- 24.6 "**material effect on the price or value of any financial products**" means where a reasonable person would be taken to expect information to have a material effect on the price or value of financial products if the information would, or would be likely

to, influence persons who commonly invest in financial products in deciding whether or not to acquire or dispose of the financial products.

24.7 **"Person"** includes the directors of the Company and relevant employees of the Company who have been notified that this Policy applies to them.

24.8 **"Policy"** means this policy governing trading in financial products of the Company or a Related Entity.

24.9 **"Related Entity"** means a listed or unlisted company:

24.9.1 in which either the Company has acquired or will acquire an interest;

24.9.2 with whom the Company has entered into or may enter into a material commercial relationship;

24.9.3 which could reasonably be affected by the actions of the Company; or

24.9.4 about which either the Company otherwise possesses inside information.

24.10 **"Related Person"** in relation to a Person means:

24.10.1 the Person's spouse or child under 18;

24.10.2 any company where at least 20 per cent of the equity share capital is owned, or at least 20 per cent of the votes at a general meeting are controlled, by the Person and the Person's Related Persons within any other part of this definition;

24.10.3 the trustees of any trust the beneficiaries or potential beneficiaries of which include the Person, the Person's spouse, the Person's children under 18 or a company which is a Related Person of the Person; and

24.10.4 the business partners of the Person, the Person's spouse, the Person's children under 18 or a company which is a Related Person of the Person.

24.11 **"relevant employee"** means any employee of either the Company or a director or employee of a subsidiary undertaking or parent undertaking of either the Company who, because of his/her office or employment in the relevant company or subsidiary undertaking or parent undertaking, is likely to be in possession of inside information in relation to the Company or a Related Entity.

24.12 **"trading"** includes:

24.12.1 any sale or purchase of, or agreement to sell or purchase, or any dealing in, any financial products of the Company or a Related Entity and the grant, acceptance, acquisition, disposal, exercise or discharge of any option (whether for the call, or put, or both) or other right or obligation, present or future, conditional or unconditional, to acquire or dispose of financial products, or any interest in financial products, of the Company or a Related Entity;

24.12.2 procuring or encouraging another person to subscribe for, purchase or sell or to enter into an agreement to subscribe for, purchase or sell any such financial products; and

24.12.3 communicating, directly or indirectly, or causing the communication of, information to another person if it is known or ought reasonably to have

been known that the other person would or would be likely to (or procure another person to) subscribe for, purchase or sell any such financial products, and "trade" shall be construed accordingly.

24.13 **"Trading Officer"** means the person appointed by the Board to oversee issues in relation to trading of Securities in the Company and monitoring compliance with this policy. At the time of adoption of this policy, the Board nominated the Company Secretary.

25. **ADDITIONAL INFORMATION**

If you have any questions arising from the Policy, you may contact the Company Secretary.