

December 30, 2010

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge St
Sydney NSW 2000
VIA ASX Online.

Dear Sir / Madam,

SECURITIES TRADING POLICY

Please find attached our securities trading policy.

Yours faithfully,



**Paul Freedman,
Company Secretary.**

Cedar Woods Properties Limited

Share Trading Policy 30 December 2010

1 Introduction

The shares of Cedar Woods Properties Limited (CWP) A.C.N. 009 259 081 are listed on the Australian Securities Exchange, ASX Limited (ASX).

CWP (or “the Company”) values its good reputation and recognises the importance of honesty and fair dealing in protecting that reputation.

CWP’s overriding aim is to be a company that regulators, investors and market commentators have confidence in. It is essential that all directors and employees are aware of, and comply with, the restrictions on dealing in CWP securities and the securities of other companies that arise from the Corporations Act, the ASX listing rules and the company’s own share trading policy as set out in this document.

2 Regulatory Background

The Corporations Act 2001 of the Commonwealth of Australia (“Corporations Act”) contains a number of provisions regarding insider trading and misuse of corporate information.

The ASX Listing rules require that a listed company must have a share trading policy and prescribe the minimum requirements of that policy. (Listing rules 12.9 and 12.12)

3 Application

This share trading policy extends to all directors and employees of CWP. The policy also covers dealing in securities by persons connected to those persons. It applies in addition to the provisions in the Corporations Act.

4 Definitions

In this policy, the following definitions apply:

“**closed period**” means:

- (a) the period from 1 January until the end of the day of the release of the Company’s half year results; and
- (b) the period from 1 July until the end of the day of the release of the Company’s full year results.

“**connected person**” means in relation to any person, his or her spouse/de facto spouse and any child of his or hers where such child is under the age of eighteen years and shall include any trust of which any such individuals are trustees or beneficiaries and any company over which they have control over the ability to make management decisions.

“**dealing**” means:

- (a) acquiring or disposing of securities;
- (b) mortgaging, charging, pledging or granting a lien over securities
- (c) entering into an agreement to apply for, acquire, dispose of, mortgage, charge, pledge or grant a lien over securities;
- (d) procuring or advising another person (such as a connected persons, friends, associates, brokers, financial advisors or financial planners) to apply for, acquire, dispose of, mortgage, charge, pledge or grant a lien over securities or to enter into an agreement to apply for, acquire, dispose of, mortgage, charge, pledge or grant a lien over securities; and
- (e) hedging or acquiring options over unvested securities.

“**employee**” means a director, manager, sales manager (engaged on a commissions-based contract, or otherwise) and any other person under the employ of the Company, whether full time, part time, casual or on an hourly basis.

“**securities**” means:

- (a) CWP shares or share options
- (b) CWP financial instruments;
- (c) a legal or equitable right or interest in a CWP share, option or financial instrument;
- (d) an option to acquire, by way of issue, any of the securities listed in Sections (a), (b) or (c);
- (e) derivatives (such as swap options, warrants) and other financial products issued by third parties in relation to CWP shares, options and financial instruments; and
- (f) securities of another company that may be affected by inside information

5 Prohibited Conduct

5.1 General

You may not deal in securities at any time if to do so would breach any restriction in this Section 5 or Section 6.

5.2 Closed Periods

You must not deal in securities during a closed period unless an exemption exists under sections 6.2 or 6.3.

5.3 Margin Lending Arrangements

Directors of the company are not permitted to enter into margin lending arrangements in relation to the company’s securities.

6 Permitted Conduct

6.1 General

You may deal in securities provided that you do so in accordance with the Corporations Act and strictly in accordance with this Section 6 and subject to the restrictions in Section 5.

(a) Closed Periods

As set out in Section 5.5, you must not deal in any securities during a closed period unless an exemption exists under sections 6.2 or 6.3.

(b) Permitted Dealings

You may deal in securities at any time outside a closed period provided that you give the Company Secretary not less than one (1) trading day's prior notice of any proposed dealing and provided you do not breach any restriction in section 5.

(c) Clearance to Deal

You must not deal in securities of the Company without first advising the Company Secretary in advance and receiving clearance. If the Company Secretary is unavailable then advice should be sought from the Managing Director.

(d) Hedging

You must disclose any existing hedging arrangements to the Company Secretary in writing and any trading as a result of a hedging arrangement must comply with this policy.

6.2 Participation in Employee Share Plans

You are not required to seek consent or provide notification in connection with participation in an employee share plan (e.g. applying for an allocation of securities pursuant to an employee

share offer or exercising vested rights or options). However, dealings with vested shares from employee share plans are still subject to this trading policy.

Where securities granted under an employee share plan cease to be held under that plan, any dealings in those securities must only occur in accordance with this policy.

6.3 Other exceptions

Dealing in the following circumstances is exempted from the Share Trading Policy:

- (a) Transfer of securities of the company already held into a superannuation fund or other savings scheme in which the employee 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 of the company) where the assets of the fund or scheme are invested at the discretion of a third party
- (c) where a restricted person is a trustee, trading in the securities of the company by that trust provided the restricted person is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by the other trustees or by the investment managers independently of the restricted person;
- (d) Undertakings to accept, or the acceptance of, a formal takeover offer
- (e) Trading under an offer or invitation made to all or most of the security holders, such as a rights issue, a security purchase plan, a dividend reinvestment plan or bonus share plan, where the plan that determines the timing and structure of the offer has been approved by the board of directors. This includes decisions relating to whether or not to take up entitlements and the sale of entitlements under a renounceable pro rate issue.
- (f) The conversion of a convertible security, where the final date for the conversion of the security falls during a prohibited period and the company has been in an exceptionally long prohibited period or the company has had a number of consecutive prohibited periods and the restricted person could not reasonably have been expected to exercise it at a time when free to do so;
- (g) Exceptions approved in advance by the Board on rare occasions, for example trading between two directors who have the same knowledge of material information which is

exempted from disclosure under ASX Listing rule 3.1A, or where employees can demonstrate severe financial hardship or that their circumstances are otherwise exceptional and that the proposed sale or disposal of the relevant securities is the only reasonable course of action available.

- (h) Trading in a closed period that has been approved in advance by the Board, in circumstances where the Board deems that all relevant material information is generally available to the market.

7 Breach of Policy

A breach of this policy by any individual covered by this policy, including any connected person, will be regarded as serious misconduct and the Company reserves the right to take disciplinary action including immediate dismissal or termination of employment.

8 Further Information and Processing Requests for Approvals

If you require any further information or do not understand how this policy applies to you, please contact the Company Secretary. All requests for approvals should be passed to the Company Secretary for processing.

9 Review of Policy

This policy will be reviewed regularly and updated as required