

## 1. DISCLOSURE AND INFORMATION

### 1.1 CONTINUOUS DISCLOSURE - MATERIAL INFORMATION

**1.1.1 Continuous Disclosure of Material Information:** Without limiting any other NZAX Listing Rule, every NZAX Issuer shall:

- (a) once it becomes aware of any Material Information concerning it, immediately release that Material Information to NZX, provided that this NZAX Listing Rule shall not apply when:
  - (i) a reasonable person would not expect the information to be disclosed; and
  - (ii) the information is confidential and its confidentiality is maintained; and
  - (iii) one or more of the following applies:
    - (a) the release of information would be a breach of law; or
    - (b) the information concerns an incomplete proposal or negotiation; or
    - (c) the information comprises matters of supposition or is insufficiently definite to warrant disclosure; or
    - (d) the information is generated for the internal management purposes of the NZAX Issuer; or
    - (e) the information is a trade secret.

In this NZAX Listing Rule B1.1.1, an NZAX Issuer is aware of information if a Director or an executive officer of the NZAX Issuer (and in the case of a Managed Fund, a Director or executive officer of the Manager) has come into possession of the information in the course of the performance of his or her duties as a Director or executive officer.

- (b) not disclose any Material Information to the public, other Recognised Stock Exchanges (except as provided for in NZAX Listing Rule D1.2.3(d)(i)) or other parties except those parties to whom the proviso to NZAX Listing Rule B1.1.1(a) applies:
  - (i) prior to disclosing that Material Information to NZX; and

- (ii) prior to an acknowledgement from NZX of receipt of that Material Information.
- (c) release Material Information to NZX to the extent necessary to prevent development or subsistence of a market for its Quoted Securities which is materially influenced by false or misleading information emanating from:
  - (i) the NZAX Issuer or any Associated Person of the NZAX Issuer; or
  - (ii) other persons in circumstances in each case which would give such information substantial credibility,

and which is of a reasonably specific nature whether or not NZAX Listing Rule B1.1.1(a) applies. *(Amended 1/5/04)*

**1. The following information would require disclosure if material under NZAX Listing Rule B1.1.1:**

- a change in the NZAX Issuer's financial forecast or expectation;
- the appointment of a receiver, manager or liquidator in respect of any loan, trade credit, trade debt, borrowing or securities held by the NZAX Issuer or any of its Subsidiaries;
- a transaction for which the consideration payable or receivable is a significant proportion of the written down value of the entity's consolidated assets. Normally, an amount of 5% or more would be significant, but a smaller amount may be significant in a particular case;
- a change in the control of the Manager of a Managed Fund, or a change of trustee of a Listed trust;
- a proposed change in the general character or nature of a Listed trust;
- a recommendation or declaration of a dividend or distribution;
- a recommendation or decision that a dividend or distribution will not be declared;
- undersubscription or oversubscription to an issue;
- a copy of a document containing market sensitive information that the entity lodges with an overseas stock exchange or other regulator which is available to the public. The copy given to NZX must be in English;
- giving or receiving a notice of intention to make a takeover; and

- an agreement between the NZAX Issuer (or a Subsidiary) and a Director (or an Associated Person of the director).
2. For the purpose of NZAX Listing Rule B1.1.1(a)(i), a “reasonable person” would not expect the information to be disclosed if the release of the information would:
    - (a) unreasonably prejudice the NZAX Issuer; or
    - (b) provide no benefit to a person who commonly invests in securities.
  3. It is a requirement of the exception to this NZAX Listing Rule B1.1.1 that the information is confidential. In this context "confidential" has the sense of "secret". *(Amended 1/5/04)*
  4. Once the information is received by any person who is not bound by any corresponding obligation of confidentiality with which that person is likely to comply the exception no longer applies and the information must be disclosed to NZX. This is the case even if the NZAX Issuer has entered into confidentiality arrangements and/or the information has come from a source other than the NZAX Issuer.
  5. NZX accepts that information provided by the NZAX Issuer to:
    - (a) a professional advisor;
    - (b) a party negotiating on the NZAX Issuer’s behalf;
    - (c) a third party negotiating with the NZAX Issuer; or
    - (d) a regulatory authority,
 does not lose its confidentiality, provided that in each case the information was provided with an obligation to maintain its confidentiality and such information is used by the party to whom it was provided solely for the purpose for which it was provided.
  6. An NZAX Issuer that is dual listed should release information to NZX before or at the same time as it releases information to the other exchanges on which it is listed.
  7. The duty to disclose to NZX is not intended to supersede any desirable communication directly with holders of Securities, whether by way of letter or otherwise. However NZAX Issuers must appreciate that disclosure to holders in bare compliance with any legal obligations is not sufficient for an NZAX Issuer.

8. The duty to correct false information in the market is limited so that antagonists cannot force information out of an NZAX Issuer simply by generating a false rumour. The market's interest in requiring correction of false rumours is intended to be limited to those which are of a reasonably specific nature and from a source which lends substantial credence to them.
9. The general disclosure requirements in NZAX Listing Rule B1.1.1 set out what NZX regards as the conditions for satisfying one of the fundamental obligations of Listing. The other disclosure requirements of Part B, Section 1 of the NZAX Listing Rules address specific types of information and are in addition to and not in limitation of NZAX Listing Rule B1.1.1.
10. In deciding whether or not to release information, NZAX Issuers should have regard to:
  - (a) The definition of NZAX Issuer in NZAX Listing Rule A1.1, the effect of which is to aggregate a group of entities for disclosure purposes;
  - (b) section 178 of the Companies Act 1993, dealing with the rights of shareholders to require the provision of information by a company;
  - (c) Part 1 of the Securities Markets Act 1988, dealing with insider trading; and
  - (d) the Fair Trading Act 1986, and in particular the sections dealing with the supply of information that is or is likely to be misleading or deceptive.

**An NZAX Issuer should also be guided by the principle that if in doubt it should disclose the information.**

- 1.1.2 Further Information:** To ensure transparency of Directors' actions and to ensure that there is no perception that any Director has a conflict of interest, without limiting any other NZAX Listing Rule, every NZAX Issuer shall, whether or not it is Material Information, disclose promptly to NZX all arrangements (other than within the group comprised of the NZAX Issuer and its wholly owned Subsidiaries) that Members of the Public (in relation to Equity Securities of the NZAX Issuer) might reasonably consider confer terms materially more favourable to the other parties to that arrangement than would be conferred in an arms length negotiation. In particular, details shall be disclosed of:

- (a) and such arrangements by the NZAX Issuer with any Director or Associated Persons of a Director or with any Holder of Equity Securities of the NZAX Issuer who is not a Member of the Public; and
- (b) entry into of any agreement or arrangement which will require the approval of a resolution under NZAX Listing Rule B4.1.

**1.1.3 Use of Information:** All information given to NZX by or on behalf of an NZAX Issuer, including papers or documents of any nature, shall become and remain the property of NZX, which may, in its absolute discretion copy any such papers or documents and (subject to NZAX Listing Rule B1.2.4) disseminate such information to the public, news media or any other interested party as it thinks fit.

**1.1.4 Contractual Arrangements:** Every NZAX Issuer shall, so far as is reasonably possible without materially adversely affecting the business of the NZAX Issuer, avoid entering into any obligation to any person which would have the effect of prejudicing the NZAX Issuer's ability to comply freely with the provisions of NZAX Listing Rule B1.1.1.

## **1.1A PRE BREAK DISCLOSURE**

**1.1A.1** No NZAX Issuer shall:

- (a) issue or buy back any Equity securities;
- (b) confer an entitlement to holding the Securities of a third party; or
- (c) enter into any transaction; or
- (d) otherwise do any act or thing;

specified in Appendix 1 (together referred to as “transaction”)

otherwise than in accordance with the provisions set out in Appendix 1 of the NZAX Listing Rules for the entering into or conduct of such transactions, unless, at least 10 Business Days prior to the entering into or conducting of such transaction, or prior to such transaction becoming unconditional, as the case may be, the NZAX Issuer has released a Pre Break Announcement to the market and the Constitution of the NZAX Issuer permits it to adopt such a procedure.

- 1.1A.1A** In addition to such transaction being subject to the expiry of the 10 business day Pre Break Announcement period, such transaction shall also be conditional upon no special meeting of shareholders being called pursuant to section 121 of the Companies Act 1993, within that 10 day period.
- 1.1A.2** Such Pre Break Announcement shall be provided to NZX for approval, pursuant to NZAX Listing Rule A5.1.1, at least 10 Business Days prior to the proposed release date and must contain the following:
- (i) a certificate from the Directors (other than any director who is interested in the transaction) certifying that the terms of the transaction are fair and reasonable to Security holders and in the best interests of holders of Securities;
  - (ii) sufficient explanation to enable a Security holder to understand the proposed transaction;
  - (iii) sufficient explanation to enable a Security holder to understand the effect of the proposed transaction;
  - (iv) the particulars of all interests of the Directors in the transaction;
  - (v) confirmation that pursuant to section 121 of the Companies Act 1993 where shareholders holding shares together carrying not less than 5% of the voting rights entitled to be exercised on this transaction, submit a written request, the Board must call a special meeting of shareholders; and
  - (vi) in relation to the advice in paragraph (v) above, the contact details for the NZAX Issuer for the acceptance of a “written request” under section 121 of the Companies Act 1993.

**Nothing in this NZAX Listing Rule shall derogate from any legal obligations that such NZAX Issuers might have at law, such as those obligations provided for under the Companies Act 1993 and the Securities Act 1978.**

**The following information should be included in the Pre Break Announcement where applicable:**

- **the precise terms and conditions of the specific proposal;**

- the number of Securities to be issued, acquired, or redeemed or, if the number is not known, the formula to be applied to determine the number, and the maximum number which may be issued, acquired or redeemed;
- the purpose of the issue, acquisition or redemption;
- the issue, acquisition or redemption price, or if the price is not known, the formula to be applied to determine the price, and the time or times for payment with sufficient detail to enable holders to ascertain the terms of issue, acquisition or redemption to or from any party;
- the party or parties to whom the Securities are to be issued, or from whom they are to be acquired, where that is known, and in all cases identifying by name any such parties who are Directors or Associated Persons of the NZAX Issuer or any Director;
- in the case of an issue, the consideration for the issue and where that is cash, the specific purpose for raising the cash;
- the period of time within which the issue, acquisition or redemption will be made;
- in the case of an issue, the ranking of the Securities to be issued for any future benefit; and
- in the case of a resolution under NZAX Listing Rule 7.6.6 in Appendix 1 authorising the giving of financial assistance, the amount and full terms of that assistance, and the party or parties to whom that assistance is to be given, identifying by name any such parties who are Directors or
- Associated Persons of the NZAX Issuer or any Director.

**1.2 FORM OF DISCLOSURE AND COMMUNICATION**

**1.2.1 Form of Information:** All information provided to NZX by an NZAX Issuer shall:

- (a) where that information is provided in paper format, be on letterhead of the NZAX Issuer, and shall be dated and signed by an authorised officer of the NZAX Issuer, whose name and position shall be set out; or
- (b) where that information is provided using NZX’s Market Announcement Platform, comply with the required forms or templates (with such alterations and completions as are satisfactory to NZX) relevant for that information as are available through NZX’s Market Announcement Platform.

**1.2.2 Market Announcements for Public Release by NZX:** All announcements for public release to the market by NZX shall either:

- (a) be sent to NZX using the Market Announcement Platform made available by NZX for this purpose; or
- (b) be addressed to Listed Company Relations, New Zealand Exchange Limited and;
  - (i) delivered to: New Zealand Exchange Limited’s  
Registered Office
  - (ii) telecommunication: Telephone      (04) 496 2890  
Fax                      (04) 473-1470
  - (iii) sent by electronic mail to: announce@nzx.com

Without limiting any other NZAX Listing Rule, NZX may require an NZAX Issuer to use such forms or templates (with such alterations and completions as are satisfactory to NZX) as may be required by NZX from time to time.

**As at 1 May 2004, New Zealand Exchange Limited’s Registered Office is located at Level 9, ASB Bank Tower, 2 Hunter Street, Wellington.**

**NZX’s postal address is P O Box 2959, Wellington** *(Inserted 1/5/04)*



**1.2.3 Manner of Disclosure:** All announcements for public release to the market by NZX shall be:

- (a) sent by electronic means approved by NZX, where the information is time sensitive, and in a format which is convenient for NZX to process and relay by the same means to other subscribers of any information service offered by NZX; and
- (b) sent to NZX on a Business Day during market trading hours or half an hour before or after market trading hours. Announcements received up to half an hour after market trading hours will be released to the market and media on the day of receipt. Announcements received after that time will be held over until the following Business Day and shall not be released by the NZAX Issuer to any other party, including the media, until half an hour before the market opens on the following Business Day; and
- (c) prefaced by a summary of salient points in the case of long documents or announcements. The summary shall be in a form suitable for immediate transcription and dissemination by NZX without substantial editing, specifically drawing attention to the features by reason of which the information is required to be disclosed pursuant to the NZAX Listing Rules; and
- (d) released to NZX:
  - (i) in the case of an NZAX Issuer listed on a Recognised Stock Exchange, before or at the same time as it releases the announcement to the other exchanges on which it is listed, and in any event at least 10 minutes prior to its public release (other than to the extent a Recognised Stock Exchange releases the information to the public); and
  - (ii) in the case of every other NZAX Issuer, 10 minutes prior to its public release.

**Documents will not be accepted by NZX which are too indistinct to be readily copied or transmitted by facsimile in legible form.**

*(Amended 1/5/04)*

**1.2.3A Embargoes:** An NZAX Issuer may choose to use an embargo when making announcements. If an NZAX Issuer chooses to use an embargo it shall comply with the following conditions:

- (i) release the embargoed announcement to NZX at least 30 minutes prior to its release to any other party, including the media; and
- (ii) display the times and conditions of the embargo prominently on every page of each release.

NZX, in consultation with the NZAX Issuer, may choose to release any information prior to any embargo time if NZX considers that the market should immediately be so informed. *(Amended 1/5/04)*

**1.2.3B Additional Information:** NZX may, following receipt of an announcement, in consultation with the NZAX Issuer, require any amendment, addition or alteration to the announcement, or require the NZAX Issuer to disclose such further Material Information following release of the announcement as NZX determines. *(Inserted 1/5/04)*

**1.2.4 Material Marked Not for Public Release:** Material not for public release (including draft documents lodged with NZX for approval) and private correspondence with NZX or NZX Regulation Personnel, shall be addressed accordingly and marked in a prominent position with the words "Not For Public Release". Any material destined for NZX Regulation Personnel may be: *(Amended 1/5/04)*

- (a) delivered to: New Zealand Exchange Limited's  
Registered Office
- (b) posted to: PO Box 2959, (or DX SP23501)  
Wellington  
New Zealand
- (c) telecommunicated to: Telephone: (04) 472-7599  
Fax: (04) 473-3181

**As at 1 May 2004, New Zealand Exchange Limited's Registered Office is located at Level 9, ASB Bank Tower, 2 Hunter Street, Wellington.**

**NZX's postal address is P O Box 2959, Wellington. *(Inserted 1/5/04)***

**1.2.5 Release of Information Marked Not for Public Release:** Information marked "Not for Public Release" may, after reasonable prior notice to the NZAX Issuer, be released by NZX to the market if NZX forms the opinion that that information should have been released to the market by the NZAX Issuer in accordance with the NZAX Listing Rules, and advises the NZAX Issuer to that effect.

#### **1.4 PRELIMINARY ANNOUNCEMENTS**

**1.4.1 Full Year and Half Year:** Each NZAX Issuer shall make an announcement pursuant to NZAX Listing Rule B1.4.2 through NZX as soon as the Material Information is available, and in any event;

- (a) before the release of each annual report, and not later than 75 days after the end of the financial year to which that report relates; and
- (b) before the release of each half yearly report and not later than 75 days after the end of the financial half year to which that report relates.

**1.4.2 Contents of Preliminary Announcement:** Each preliminary announcement, whether for a full year or a half year, shall be made on, and contain the information required to complete, appendix 1A of the NZAX Listing Rules, and:

- (a) shall include a note of any major changes or trends in the NZAX Issuer's business subsequent to the end of the financial year or half year, as the case may be, and shall include where material any changes in the value of the NZAX Issuer's assets, or in its profitability, and any contingent liabilities, all in relation to the position disclosed in the last published financial statements; and
- (b) shall state the amount of any unrealised gains resulting from the revaluation of assets of the NZAX Issuer, any subsidiary, or any associated company and unrealised net changes in values or development margins of investment assets included as separate items after profit before extraordinary items, identifying separately amounts arising from any unrealised gains of associated companies; and
- (c) need not be audited (but, if not, a copy of the announcement shall also be forwarded to the auditors at the same time as it is issued to NZX); and

- (d) if the financial statements upon which the announcement is based have been audited, shall state any qualifications that the auditors have made to those financial statements; and
- (e) may include any facts, figures or interpretative notes that the Directors wish to include; and
- (f) if there has been any material change in accounting policies applied in preparation of the statements reflected in the announcement, shall disclose the impact of the change; and
- (g) shall include any additional information necessary to ensure the announcement is not misleading.

## 1.5 ANNUAL AND HALF YEARLY REPORTS

**1.5.1 Annual Report:** Subject to NZAX Listing Rule B1.5.1A each NZAX Issuer shall issue an annual report to NZX and to its Quoted Security holders (other than any Quoted Security holder who requests to the contrary and has not revoked that request or where in the case of Non Standard NZAX Issuers, sections 29 or 32 of the Co-operative Companies Act 1996 apply) within four months after the end of each financial year of the NZAX Issuer. That annual report shall be received by NZX at the same time as it is sent to Quoted Security holders, and shall contain all information: *(Amended 1/5/04)*

- (a) required by law;
- (b) required in a preliminary announcement by NZAX Listing Rule B1.4.2; and
- (c) required by NZAX Listing Rules B1.5.3, B1.5.4, and B1.5.5.

The financial statements in that annual report shall be audited.

**1.5.1A Exception for State enterprises:** An NZAX Issuer that is a State enterprise (as defined in the State-Owned Enterprises Act 1986) is not required to issue to its Quoted Security holders an annual report (in accordance with NZAX Listing Rule B1.5.1) until that annual report has been provided to the Minister responsible for the State enterprise in accordance with the requirements of the State-Owned Enterprises Act 1986 and laid by that Minister responsible for that State enterprise before the House of Representatives in accordance with the State-Owned Enterprises Act 1986 or published in the New Zealand

Gazette under section 17(2A) of the State Owned Enterprises Act 1986,  
whichever is the earlier. *(Inserted 1/5/04)*

**1.5.2 Half Yearly Report:** Each NZAX Issuer shall issue a half yearly report to NZX and to its Quoted Security Holders (other than any Quoted Security holder who requests to the contrary and has not revoked that request) within four months after the end of the first six months of each financial year of the NZAX Issuer. That half yearly report shall contain the information required in a preliminary announcement by NZAX Listing Rule B1.4.2(a), (b), (d), (f) and (g), and also a summary of the information required to complete at least sections 1 to 17 and section 20 of appendix 1A.

**1.5.2A Electronic Reports:** Annual reports and half yearly reports sent in a form which complies with the requirements of the Electronic Transactions Act 2002 will comply with the requirements of NZAX Listing Rules B1.5.1, B1.5.2, B1.5.6 and B1.5.7 respectively. *(Inserted 1/5/04)*

**1.5.3 Disclosures to be contained in Annual Report:** The annual report of an NZAX Issuer shall contain:

- (a) the information required to be published by section 26 of the Securities Markets Act 1988 and in the case of a company, the information required by section 211 of the Companies Act 1993; and
- (b) the names and holdings of Equity Securities of the holders having the 20 largest holdings of Quoted Equity Securities on the register of the NZAX Issuer as at a date not earlier than 2 months before the date of the publication of the annual report; and
- (c) the Equity Securities in which each Director has a Relevant Interest at the balance date of the current financial year.
- (d) details of the spread of Quoted Security holders at a date not earlier than 2 months before the date of the publication of the annual report; and  
*(Amended 1/5/04)*
- (e) the current credit rating status (if any) of the NZAX Issuer; and
- (f) all waivers granted by NZX or the Market Surveillance Panel and published, applicable as at balance date; and

- (g) details of any exercise of NZX's powers set out in NZAX Listing Rule A5.3.2; and
- (h) a statement of any corporate governance policies, practices and processes, adopted or followed by the NZAX Issuer.

**1.5.4 Appointed Directors:** The annual report of an NZAX Issuer shall identify any Director who has been appointed pursuant to provisions of the Constitution complying with NZAX Listing Rule B2.1.4, and the Security holder which appointed that Director.

**1.5.5 Changes of Reporting Period:** Any NZAX Issuer which extends its half-yearly reporting period or changes its annual balance date to a later date shall give notice thereof to NZX as soon as a decision to do so is made, and, in any event, not less than one month before the end of the existing half-yearly reporting period or not less than one month before the existing balance date. The NZAX Issuer shall make a report containing such information, and to be released at such time, as NZX shall require in respect of the existing half-yearly reporting period or the period ending on the existing balance date.

**1.5.6 Copies to Market Participants :** Each NZAX Issuer shall supply to any Advisor or Trading Participant who so requests, free of charge, a copy of any document referred to in NZAX Listing Rule B1.4 or B1.5.

*(Amended 1/5/04)*

**1.5.7 Copies to NZX:** Each NZAX Issuer shall send to NZX three copies of each annual and half yearly report, at the same time as they are sent to holders of Securities of that NZAX Issuer.

## **1.6 FINANCIAL STATEMENTS**

**1.6.1 Financial Reporting Act 1993:** Each NZAX Issuer shall comply in respect of its financial statements with the provisions of the Financial Reporting Act 1993.

**1.6.2 Additional Information:** NZX may require an NZAX Issuer to provide, in its financial statements or otherwise, information additional to that required by the Financial Reporting Act 1993.

## **1.8 OTHER INFORMATION TO BE NOTIFIED TO NZX**

**1.8.1 Matters on which Information Required:** Without limiting the information

that is required to be submitted as Material Information under NZAX Listing Rule B1.1.1, NZX is to be advised as soon as the information is first available of:

- (a) any proposal to sub-divide or consolidate Securities, or to issue Equity Securities, whether they are to be Quoted or not; or
- (b) any proposal to amend conditions of Quoted Securities; or
- (c) non-confirmation by a meeting, or cancellation, of any proposal already notified to NZX; or
- (d) any change in the Directors, officers, or auditor of an NZAX Issuer; or
- (e) any change of address, or phone, telex, or facsimile number, of the registered office or share registry of an NZAX Issuer; or
- (f) any proposed change of name of an NZAX Issuer; or
- (g) the opening or closing of a branch register; or
- (h) any credit ratings of any NZAX Issuer. *(Inserted 1/5/04)*

**For the purposes of Rule NZAX Listing B1.8.1 the NZAX Issuer should advise NZX of any change to those officers whose relevant interests are recorded in the interests register required to be maintained by the NZAX Issuer pursuant to Section 19Z of the Securities Markets Act 1988.** *(Inserted 1/5/04)*

**1.8.2 Copies of Notices:** Without limiting any other NZAX Listing Rule, every NZAX Issuer shall provide to NZX a copy of every notice or communication given to:

- (a) holders of that NZAX Issuer's Quoted Securities; and
- (b) any stock exchange other than NZX,

no later than the time at which it is sent to any holders of Quoted Securities or to any other stock exchange. *(Inserted 1/5/04)*

## 1.9 DISCLOSURE OF RELEVANT INTERESTS IN SECURITIES

**1.9.1 Powers under Securities Markets Act 1988:** Every NZAX Issuer shall, upon request by NZX, exercise its powers under sections 28 and/or 29 of the Securities Markets Act 1988 in respect of such holders of Securities of the NZAX Issuer, or other persons, as NZX may specify (either individually or by reference to a Class).

**1.9.2 Release to NZX:** Every NZAX Issuer shall, if so requested by NZX, provide to NZX for public release any information obtained by the NZAX Issuer by reason of the exercise by that NZAX Issuer of its powers under section 28 and/or section 29 of the Securities Markets Act 1988 (whether as a result of a request by NZX under NZAX Listing Rule B1.9.1 or otherwise).

## 1.10 ANNOUNCEMENTS BY MINING AX ISSUERS

**1.10.1 Mining Definitions:** In the NZAX Listing Rules, unless the context otherwise requires:

**"Mining NZAX Issuer"** means an NZAX Issuer which is principally engaged in the exploration for or extraction of any mineral, oil or natural gas, and includes an NZAX Issuer which holds an interest or interests in any mining tenement where that interest or interests is or are a principal part of the NZAX Issuer's business or assets.

**"Mining Tenement"** includes an exploration licence and any mineral, oil, or natural gas lease or concession.

**"Permit"** means a permit in terms of the Crown Minerals Act 1991 or a petroleum prospecting licence or petroleum mining licence in terms of the Petroleum Act 1937.

**1.10.2 Reporting Requirement of Unlisted Joint Venture Partner to NZAX Issuer:**

Where an unlisted company or entity is or becomes the operator in a joint venture with an NZAX Issuer to investigate or explore a mining tenement, the NZAX Issuer shall ensure that the contract between the parties provides that the operator must disclose immediately to the NZAX Issuer any significant discovery of mineralisation or hydrocarbon and, if so required, give to the NZAX Issuer a full report on such discovery and information necessary to avoid the establishment of a false market in the NZAX Issuer's securities. In addition, the NZAX Issuer shall secure the right to make all or part of such report available to NZX.



**1.10.3 Contents of Geophysical Survey Report:** Where a Mining NZAX Issuer reports on the progress of any geophysical survey, the report shall state:

- (a) the name of the survey; and
- (b) the nature of the survey; and
- (c) the Permit in which the survey is being conducted; and
- (d) the status of the survey.

**1.10.4 Requirement to Provide Quarterly Report Within One Month:**

A Mining NZAX Issuer shall give to NZX within one month after the end of each quarter of a calendar year a report giving all the information required by appendix 11, and in addition providing full details of production, development and exploration activities (including geophysical surveys) and expenditure incurred thereon. Where there has not been any production, development and/or exploration activities, that fact shall be stated.

## **1.11 HYDROCARBON REPORTS**

**1.11.1 Hydrocarbon Definitions:** In the NZAX Listing Rules, unless the context otherwise requires:

**"Hydrocarbon"** means a compound of the elements hydrogen and carbon, in either liquid or gaseous form. Natural gas and petroleum are mixtures of hydrocarbons.

**"Hydrocarbon Reserves"** means proved hydrocarbon reserves, probable hydrocarbon reserves or possible hydrocarbon reserves.

**"Possible Hydrocarbon Reserves"** means reserves less well defined by geological and geophysical control than probable hydrocarbon reserves and consist of extensions to the proved and probable hydrocarbon reserves areas where so indicated by geophysical and geological studies. The probability generally assigned to these reserves would be 25% but may be higher or lower.

**"Probable Hydrocarbon Reserves"** means those reserves that may be reasonably assumed to exist because of geophysical or geological indications and drilling done in regions which contain proved hydrocarbon reserves. This category may also include reserves commercially recoverable as a result of the

beneficial effects which may be derived from the future institution of some form of pressure maintenance or other secondary recovery methods, or as a result of a more favourable performance of the existing recovery mechanism than that which would be deemed proved at the present time. There is equal risk of there being larger or smaller volumes of reserves resulting.

**"Proved Hydrocarbon Reserves"** means those reserves that, to a high degree of certainty, are recoverable, at commercial rates, under presently anticipated production methods, operating conditions, prices and costs. There is relatively little risk associated with these reserves.

**1.11.2 Probable and Possible Hydrocarbon Reserves Report:** Probable hydrocarbon reserves shall only be reported in conjunction with proved hydrocarbon reserves. Possible hydrocarbon reserves shall only be reported in conjunction with proved and probable hydrocarbon reserves.

**1.11.3 Expert to Prepare Hydrocarbon Reserves Report:** Any report which relates to an NZAX Issuer's hydrocarbon reserves shall be based on and state that it is based on, or be accompanied by, a statement of information compiled by a person engaged in the practice or teaching of geology, geophysics or petroleum engineering who holds a Bachelor Degree (or its equivalent) in geology, geophysics, petroleum engineering or a related discipline and who, in addition, has had at least five years' experience in the practice or the teaching of geology, geophysics or petroleum engineering.

Where that person is:

- (a) not a full-time employee of the reporting NZAX Issuer, a report based on information compiled by the person shall not be released by the reporting NZAX Issuer unless the person has consented in writing to the inclusion in that report of matter based on the information so compiled by him in the form and context in which it appears and the report or attached statement so states; or
- (b) a full-time employee of the reporting NZAX Issuer, it shall be stated in the report or attached statement that the report accurately reflects the information compiled by the person.

**1.11.4 Potential Hydrocarbon Reserves Report:** Where a report relates to the potential hydrocarbon reserve state (ie from the earliest exploratory investigations to the stage preceding that at which proved hydrocarbon reserves can be estimated), the word "reserves" shall not be used.

**1.11.5 Weekly Hydrocarbon Reports:** In addition to any other requirement to report in the NZAX Listing Rules, a Mining NZAX Issuer shall provide to NZX the following information on hydrocarbon exploration and assessment during drilling and testing operations weekly (prior to 9.00am on a Business Day):

- (a) The name of the well, the Permit in which it is located, and its position in the Permit with respect to previous wells, known oil or gas fields or towns.
- (b) The time of reporting.
- (c) The progress for the past week.
- (d) Current operation.
- (e) Any results of drillstem tests and other flow tests where hydrocarbons are recovered to surface, in accordance with NZAX Listing Rule B1.11.7.
- (f) The participating companies and their beneficial percentage interest in the well.

Disclosure of the Information required by this NZAX Listing Rule by an NZAX Issuer participating in the well shall be adequate disclosure on behalf of all the other participants in the well where such other participants are identified.

**1.11.6 Reports of Hydrocarbon Reserves:** Where a report relates to results of exploratory investigations which have reached the stage where a hydrocarbon reserve can be estimated, reports which refer to hydrocarbon reserves shall use the expressions for categories of hydrocarbon reserves, as defined in the NZAX Listing Rules.

**1.11.7 Flow Test Reports:** A report shall be issued on the day that:

- (a) a decision to flow test an interval of the well is made, advising of the decision and the depth and gross interval to be tested; and
- (b) flow test operations commence, advising of such; and
- (c) hydrocarbons are flowing to surface.

Within 24 hours of completion of flow test operations over the test interval, a report shall be issued which includes:

- (d) depth and interval tested; and
- (e) representative sustained flow rate (if achieved); and
- (f) choke size and representative surface flowing pressure (if achieved); and
- (g) summary description of fluids recovered.

## 1.12 ORE AND MINERALISATION REPORTS

**1.12.1 Use of Term "Mineralisation":** Where a report relates to the pre-identified mineral resources stage as defined in appendix 12, the words "ore", "reserves" or "resources" shall not be used and in lieu of such words such a report shall refer to "mineralisation" or some similar term having no economic connotation.

**1.12.2 Pre-Resource Mineralisation Reports:** Reports and statements in the field of mineral exploration and assessment which may be made by an NZAX Issuer during the pre-resource mineralisation stage shall include relevant basic data such as the type and method of sampling and the distribution, dimensions, assay results and relative location of all relevant samples. If true dimensions, particularly width or mineralisation, are not stated, the report shall be qualified accordingly.

**1.12.3 Geophysical and Geochemical Reports:** References to geophysical or geochemical results shall refer only to "anomalies" and not to "mineralisation", "ore", "reserves", "resources" or similar terms.

**1.12.4 Assay Results:** Assay results shall be set out in one of the following three forms considered most suitable by the NZAX Issuer's geologist and/or mining engineer:

- (a) all assay results, with sample widths or size in the case of bulk samples; and
- (b) the weighted average grade of the mineralised zone, indicating clearly how the grade was calculated; and
- (c) when high values are recorded they must be given in context, with full supporting data.

The type of assay method used shall be stated for all assay results submitted to NZX.

**1.12.5 Identified Mineral Ore Reserves Reports:** Where a report relates to results of exploratory investigations which have reached the stage where an identified mineral resource or ore reserves can be estimated with reasonable assurance, reports which refer to identified mineral resources or ore reserves shall use the expression for categories of identified mineral resources or ore reserves, as defined in appendix 12 of the NZAX Listing Rules.

**1.12.6 Competent Person to Prepare Ore and Mineralisation Reports:**

Any report which relates to an NZAX Issuer's ore or mineralisation must be based on and state it is based on or be accompanied by a statement signed in the same manner as the report that it is based on, of information compiled by a person who is a competent person, as defined in appendix 12 of the NZAX Listing Rules.

Where the competent person is:

- (a) not a full-time employee of the reporting NZAX Issuer, a report based on information compiled by the competent person shall not be released by the reporting NZAX Issuer unless the competent person has consented in writing to the inclusion in that report of matter based on the information so compiled by them in the form and context in which it appears and the report or attached statement so states; or
- (b) a full-time employee of the reporting NZAX Issuer, it shall be stated in the report or attached statement that the report accurately reflects the information compiled by the competent person.