POLICY FOR TRADING IN COMPANY SHARES BY DIRECTORS AND EMPLOYEES

Purpose

This policy outlines the law relating to insider trading and sets out the policy of Carpentaria Exploration Limited ("Carpentaria Exploration" or "Company") for its Directors and employees trading in shares in the Company.

All employees and Directors of Carpentaria Exploration and its related companies are prohibited from trading in the Company's shares or other securities if they are in possession of "inside information".

Insider trading

If any Director or employee has "price-sensitive information" relating to the Company which has not been published or is not "generally available" it is unlawful to:

- buy, sell or in any way deal in shares of Carpentaria Exploration;
- advise, purchase or in any way encourage another person to buy or sell Carpentaria Exploration shares; or
- relay information to another person who you know or might reasonably know that the person will use the information to buy or sell Carpentaria Exploration shares.

Price-sensitive information

"Price-sensitive information" is information about the Company or its business or affairs that if it were publicly known it will or is reasonably likely to:

- have a material effect on the price or value of Carpentaria Exploration shares; or
- influence persons in deciding whether to trade in Carpentaria Exploration shares.

Examples of price-sensitive information would include the following:

- a material variance in the financial performance of the Company against its budget;
- the entry into or termination of a major exploration joint venture; and
- a proposed or actual takeover or amalgamation.

Information generally available

Information is generally available if:

- it is on the Company's website;
- it is published in the media;
- it has been available for some time and would be expected to be known to investors; or
- it has been published from information that has already been made public.

Dealing in Carpentaria Exploration securities

In addition, the Board recognizes that Directors and employees are more likely within certain periods to be in possession of information that is considered price-sensitive and has therefore determined that within these periods (each being a period of two weeks before a financial result) Directors and employees will not be permitted to trade in Carpentaria Exploration shares.

It is further recognized that Directors and executive employees (being employees determined by the Board from time to time to be executive employees) are in a more advantageous position with respect to information about the Company and must notify the Chairman or his delegate when proposing to trade in the Company's shares and advise whether in his/her view there is information which may be price sensitive. If the Chairman or his delegate is of the view that the person is in possession of price sensitive information, the trade must not take place until the information has been released or is no longer price sensitive, as determined by the Chairman or his delegate.

Interpretation

For the purposes of this policy,

- "financial results" are the reports released to ASX or ASIC as a quarterly report, pro-forma half-yearly report, pro-forma full year report or audited full year financial statements; and
- "employee" includes any consultant or contractor to the Company or a related company who in the course of his or her role as such receives or is exposed to price-sensitive information.

Guidance

If you have any questions arising from this trading policy please contact the Company Secretary or the Chairman and Managing Director.