



Audit and Risk Management Charter

Role of Audit and Risk Management Committee

The Audit and Risk Management Committee has been established by the Board of Directors to assist in fulfilling its responsibilities for corporate governance and overseeing financial reporting, internal controls, risk management, and audit, both internal and external.

Membership

The Audit and Risk Management Committee will consist only of non-executive independent Directors of the Company and comprise of at least four members.

The chairperson of the committee must not be the chairperson of the Board of Directors.

All members should be financially literate. At least one member should have a professional background and experience in financial and accounting matters. Other members must have appropriate experience in evaluating matters related to process design and development and process plant operation.

Meetings

The Audit and Risk Management Committee shall meet at least four times each financial year. The chairperson of the Committee is required to convene a meeting if requested to do so by any committee member, the Managing Director, the Chief Financial Officer, the internal auditor or the external auditor. Minutes of the meetings shall be taken by the Company Secretary and shall be included (or tabled in draft form) in the papers for the next full board meeting after each audit committee meeting.

The quorum of the committee shall be three.

The committee may have in attendance such members of management or others (including advisers) as it determines necessary to provide additional information and explanations it may require to carry out its duties. The committee shall have unrestricted access to all employees and company records.

The committee shall meet independent of management and the auditor on a regular basis.

Responsibilities

The Audit and Risk Management Committee has responsibility for:

- Overseeing the company accounting, tax and compliance policies, practices and disclosures
- The integrity of financial statements and reports
- The scope, quality and independence of external audit arrangements
- The performance and objectivity of the internal audit function as it becomes established

- Conducting an ongoing, high level and wide ranging review of the major risk factors facing the company and ensuring that responsibilities for addressing and mitigating such risks are appropriately assigned and actioned
- Ensuring that risk management extends to process design, process operation, marketing, the impact of government legislation and contractual risk as well as the more traditional risks associated with financial matters
- Overseeing compliance with delegations issued by other board committees
- Monitoring compliance with licensing requirements and legal obligations
- Ensuring that the company has adequate insurance cover
- Effectiveness and operation of whistleblower provisions

Duties

The Audit and Risk Management Committee discharges its responsibilities by:

- Reviewing the work performed by the external auditor
- Reviewing the work performed by the internal auditor (when appointed)
- Reviewing the processes employed to identify, control and monitor risks
- Recommending on the appointment of independent experts to advise management and the board on aspects of the company's operation
- Discussions with senior group executives regarding financial risk and other potential risk exposures of the business
- Maintaining a continuous review of principles and best practice recommendations for corporate governance disclosures

In meeting its responsibilities, the Audit and Risk Management Committee is expected to:

- Review and approve audit plans including any changes
- Approve in conjunction with management the audit fee
- Review the auditor's evaluation of the financial statements and the adequacy of disclosures by management
- Review the quality and adequacy of record keeping and the internal controls of the company
- Review the choice of accounting policies, practices and their application
- Ensure that risk management processes are effective and form the basis for rational appraisal and conduct of the company's affairs
- Review annually the Code of Conduct for the company and monitor compliance with that code
- Review the adequacy and effectiveness of internal controls including accounting, financial and financial risk management and monitor the implementation of recommendations by the external auditor

- Review the functioning of the whistleblower provisions of the Code of Conduct
- Assess the management of non-financial information in internal and external documents to ensure the information does not conflict with the financial report and the directors' report
- Hold private discussions with the external auditor
- Review this charter at least every two years and obtain the approval of the Board for any amendments.

Appointment of External Auditors

The Audit and Risk Management Committee shall be responsible for making recommendations to the Board on the appointment, re-appointment, or replacement of the external auditors and their remuneration. The committee will monitor the effectiveness and independence of the external auditor.

The committee shall pre-approve all audit services and shall not engage the external auditors to perform any non-audit/assurance services that may impair or appear to impair the auditor's judgement or independence.

Committee Performance

The committee shall evaluate its performance on a regular basis to determine whether it is functioning effectively and fulfilling its responsibilities as outlined in this charter.

5 Septemebr 2008