

1. Purpose

- 1.1 The Risk Committee (**Committee**) will assist the Board of the Company in fulfilling its responsibilities with respect to the oversight and governance control of the Company's risk management activities. The Committee will maintain effective working relationships with the Board and Company management, and shall ensure it understands the Company's structure, business and controls to ensure that it can adequately assess the significant risks faced by the Company.
- 1.2 The Committee has overview and governance control responsibilities in relation to financial and non-financial risks (such as operational, environmental, sustainability, compliance, reputation or brand, project, technological, product or service quality, human capital and market-related risks). The Committee's responsibilities are to be exercised through reports from and discussions with management.
- 1.3 The Committee has authority from the Board to review and investigate any matter within the scope of this Charter and make recommendations to the Board in relation to the outcomes. The Committee has no delegated authority from the Board, except as specifically provided in this Charter, to determine the outcomes of its reviews and investigations and the Board retains its authority over such matters.

2. Organisation

- 2.1 The Committee shall consist of at least two members of the Board. The Chair of the Committee shall be a Director of the Company. The Company Secretary or his or her nominee will act as the Secretary to the Committee.
- 2.2 The Committee will meet no less than 3 times a year. Special meetings may be convened as required. The Chair of the Committee will report to the full Board on the results of these meetings. The Secretary of the Committee will keep minutes of proceedings and resolutions of the Committee. The Committee may invite to its meetings Company management and such other persons as the Committee deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate in order to enable it to carry out its responsibilities.

3. Committee's Duties

- 3.1 In meeting the purpose set out in paragraph 1 above the Committee's duties shall include:
- (a) policies and procedures;
 - (b) risk management;
 - (c) audit committee interface; and
 - (d) other responsibilities.

4. Policies and Procedures

- 4.1 To oversee the Company's risk management policies developed and implemented by management taking into account all legal obligations and reasonable expectations of stakeholders and, if appropriate, recommend to the Board for approval;
- 4.2 To oversee the establishment and implementation of the risk management and internal control system;
- 4.3 To review the effectiveness of and compliance with the risk management and internal control system, and report to the Board;

5. Risk Management

- 5.1 To review and oversee the Company's risk profiles as developed and reported by management,
- 5.2 To identify material business risks and monitor emerging risks and changes in the Company's risk profile;
- 5.3 To monitor and review the risk management performance of the Company, including conducting specific investigations where deemed necessary;
- 5.4 To review any legal matters which could significantly impact the Company's risk management and internal control systems, and any significant compliance and reporting issues, including any recent internal regulatory compliance reviews and reports;
- 5.5 To review the effectiveness of the compliance function at least annually, including the system for monitoring compliance with laws and regulations and the results of management's investigations and follow-ups (including disciplinary action) of any fraudulent acts or non-compliance;
- 5.6 To be satisfied that all regulatory compliance matters have been considered in the preparation of the Company's official documents;
- 5.7 To review the findings of any examinations by regulatory agencies and oversee all liaison activities with regulators;
- 5.8 To review and discuss media releases, ASX announcements and any other information provided to analysts;
- 5.9 To review corporate legal reports of evidence of a material violation of the Corporations Act, the ASX Listing Rules or breaches of fiduciary duties;
- 5.10 To review the Company's insurance strategy, including the coverage and limits of the insurance policies, in order to, if thought fit, recommend to the Board for approval,

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- 5.11 To review the Company's Authorization for Expenditure (AFE) documents, as proposed by management, against the strategic and financial objectives and the risk profile of the Company; and
- 5.12 To promote an awareness of a risk based culture in the balance of pursuit of business objectives whilst managing risks.

6. Audit Committee interface

- 6.1 At least once per year, the Committee will review with the Board's Audit Committee reports and give guidance on how risk management is to be conducted within the Company; and
- 6.2 To review, with the Board's Audit Committee, any significant risks or exposures the Company may face and assess the steps management has taken to minimize such risks to the Company.

7. Other

- 7.1 The Committee shall, after notifying the Board or the Chair of the Board and the Managing Director/Chief Executive Officer, have the ability to:
- (a) direct any special investigations;
 - (b) seek advice of the Company's auditors and solicitors;
 - (c) engage and consult independent experts where necessary to carry out its duties; and
 - (d) consult external reports and other documents
- 7.2 To review and reassess the adequacy of this Charter annually and to submit proposed changes to the Board for approval.

8. Management's responsibility

- 8.1 Management is responsible for:
- (a) preparation, presentation and integrity of information and all matters about which the Committee should be informed; and
 - (b) implementing and maintaining appropriate risk management principles and policies, internal controls and processes designed to identify and manage material business risks as determined by the Committee and to ensure compliance with applicable laws and regulations.
- 8.2 While the Committee has the duties and responsibilities set forth in this Charter, the Committee is not responsible for supervising the performance of executives and must not become involved in day to day operations, management functions or decision making of the Company. The Committee discharges its responsibilities by making recommendations to the Board.



9. Corporate Governance Website

9.1 As part of an effective communication strategy, the Company will maintain and keep current a Corporate Governance section and its website where key charters (including this Charter) and policies will be available for download.

10. General

- 10.1 Any reference in this Policy to the “**Company**” is a reference to Tlou Energy Limited ACN 136 739 967 and any reference to the “**Group**” is a reference to the Company and its subsidiaries.
- 10.2 Any reference to the “**Board of Directors**” is a reference to the Board of the Company and any reference to “**Directors**” is a reference to the Directors of the Board of the Company.
- 10.3 All Directors, senior executives, employees, consultants, contractors and professional advisors must familiarise themselves with and comply with this Policy.
- 10.4 The Company will review this Policy regularly to take into account any legislative changes and best practices relating to the Policy. Any amendment to this Policy must be authorised by the Board of Directors. The Company Secretary will communicate any amendments to all relevant parties.
- 10.5 Any queries regarding the application of this Policy should be referred to the Company Secretary.

APPROVAL

This Policy was adopted by the board on 5 June 2012

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Chair of Tlou Energy Limited