

**CORPORATE GOVERNANCE STATEMENT OF AUSTEX OIL LIMITED A.C.N. 118 585 649 (ASX: AOK)**  
**PROVIDED PURSUANT TO ASX LISTING RULE 4.10.3**

This Corporate Governance Statement (CGS) is provided by the Directors of AusTex Oil Limited A.C.N. 118 585 649 (AusTex or the Company) pursuant to ASX Listing Rule 4.10.3 and reports against the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations' 3<sup>rd</sup> Edition (the Recommendations) including the 8 principles and 29 specific recommendations included therein. This is the second time the Company has reported against the 3<sup>rd</sup> Edition of the Recommendations. This CGS was approved by a resolution of the Board of the Company dated 20 April 2017 and is effective as at the same date and is in addition to and supplements the Company's Appendix 4G which is lodged with the ASX together with this CGS.

	<b><u>Principle 1 Recommendations:</u></b>	<b>Lay Solid Foundations for Management and Oversight</b>
1.1	<p>A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>(a) The Company's Corporate Governance Plan includes a Board Charter, which discloses the specific responsibilities and functions of the Board and provides that the Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Managing Directors. The Board Charter also specifically outlines the role of the Board, the Company's Chairman, Individual Directors and the Managing Directors. Each function and its responsibility are outlined in the Board Charter and in various sections of this this Corporate Governance Statement, both of which are available on the Company's website. The role and responsibility of the Board, the Company's Chairman, Individual Directors and the Managing Directors are outlined in the following paragraphs of the Company's Board Charter:</p> <ul style="list-style-type: none"> <li>• The Board – Paragraph 3.1;</li> <li>• The Chairman – Paragraph 8.1;</li> <li>• The Individual Directors – Paragraph 8.2; and</li> <li>• The Managing Directors – Paragraph 8.3.</li> </ul> <p>(b) The Board is responsible for, and has the authority to determine, all matters relating to the strategic direction, policies, practices, goals for management and the operation of the Company. Without intending to limit this general role of the Board, the specific functions and responsibilities of the Board include those matters particularised in paragraph 3.1 of the Company's Board Charter. The Managing Directors are separately responsible for the ongoing management of the Company in accordance with the strategy, policies and programs approved by the Board as outlined in paragraph 8.3.</p>
1.2	<p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a</p>	<p>(a) Prior to the nomination of prospective non-executive directors for election or re-election, the Board must obtain from the prospective candidate:</p> <ul style="list-style-type: none"> <li>• details of other commitments of the prospective candidate and an indication of the time involved;</li> </ul>

	<p>candidate for election, as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>and</p> <ul style="list-style-type: none"> <li>an acknowledgement that the prospective candidate will have sufficient time to meet the requirements of non-executive directors of the Company.</li> </ul> <p>Appropriate checks will also be undertaken prior to the appointment of any new directors to the Board.</p> <p>(b) When a candidate is placed before shareholders for election or re-election as a director, the names of candidates submitted is accompanied by the following information to enable shareholders to make an informed decision in relation to that vote:</p> <ul style="list-style-type: none"> <li>biographical details, including competencies and qualifications and information sufficient to enable an assessment of the independence of the candidate;</li> <li>details of relationships between the candidate and the Company, and the candidate and directors of the company;</li> <li>directorships held;</li> <li>particulars of other positions which involve significant time commitments;</li> <li>the term of office currently served by and directors subject to re-election; and</li> <li>any other particulars required by law.</li> </ul>
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	The Company has an Executive Services Agreement in place with each of its 2 executive directors, and a Letter of Appointment or contract in place with each of its non-executive directors.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	The Secretary is accountable to the Board through the Chairman on all governance matters and on all matters to do with the proper functioning of the Board. The Secretary is generally responsible for carrying out the administrative and legislative requirements of the Board. The Secretary holds primary responsibility for ensuring that the Board processes, procedures and policies run efficiently and effectively and the Secretary's role of responsibilities is outlined in paragraph 8.4 of the Board Charter.
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's</p>	<p>(a) The Company has established a Diversity Policy as part of its Corporate Governance Plan. The Policy details the Board's commitment to providing an inclusive workplace and recognises the value that a workforce made up of individuals with diverse skills, values, backgrounds and experiences can bring to the Company. The Company has a commitment to gender diversity and female participation will be sought in all areas at the appropriate time. Decisions relating to promotion, leadership development and flexible work arrangements will be based on merit and reinforce the importance of equality in the workplace. Ongoing monitoring of company policies and culture will be undertaken to make sure they do not hold any group back in their professional development.</p> <p>(b) A copy of the Company's Diversity Policy is available on the Company's website and a summary is included in this Corporate Governance Statement.</p>

	<p>diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined “senior executive” for these purposes); or</p> <p>(2) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p>	<p>(c) The Company will establish measurable objectives for achieving gender diversity when it has grown to a point where it is appropriate to do so. The Board will, at least once per year, review the policy to determine its adequacy for current circumstances and make recommendations to the Board for amendment where required. The Company’s Corporate Governance Statement each year will contain an update on the Company’s compliance with the ASX’s recommendations and the Company’s Diversity Policy.</p> <p>(i) The Company currently has 18 employees, 5 of which are female. The Company does not have any women on the Board however 3 are in Senior Executive positions which will continue to be monitored with the next review of the Board’s skills and requirements in accordance with the Company’s Diversity Policy.</p> <p>(ii) The entity is not a “relevant employer”.</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>(a) The Chairman is responsible for the:</p> <ul style="list-style-type: none"> <li>• evaluation and review of the performance of the Board and its committees (other than the Chairman); and</li> <li>• evaluation and review of the performance of individual directors (other than the Chairman);</li> </ul> <p>The Chairman should disclose the process for evaluating the performance of the Board, its Committees and individual directors.</p> <p>The Board (other than the Chairman) is responsible for the:</p> <ul style="list-style-type: none"> <li>• evaluation and review of the performance of the Chairman; and</li> <li>• review of the effectiveness and programme of Board meetings.</li> </ul> <p>The process for the performance evaluation of the Board, its Committees and Directors generally involves an internal review. From time to time as the Company’s needs and circumstances require, the Board may commission an external review of the Board, and its composition.</p> <p>(b) No formal evaluation of the Board occurred in 2016 as was planned. The last formal Board review was conducted in April 2017 in conjunction with the resignation of the Company’s Non-Executive Chairman, Michael Stone, and Non-Executive Director, Justin Clyne. This resulted in identifying the need for further independence on the Board and an Australian-based director for compliance purposes. As a result Mr Mark Paton was appointed as a Non-Executive Director in April 2017.</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance</p>	<p>(a) The Board will monitor the performance of senior management, including measuring actual performance against planned performance. The Board Charter sets out the process to be followed in evaluating the performance of senior executives. Each senior executive is required to participate in a formal review process which assesses individual performance against predetermined objectives.</p> <p>(b) The performance evaluations were undertaken in accordance with the Company’s performance evaluation process.</p>

	with that process.	
	<b><u>Principle 2 Recommendations:</u></b>	<b>Structure the Board to Add Value</b>
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, and disclose:</li> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <b>OR</b></li> </ol> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>(a) The Board, as a whole, currently serves as the Company's Nomination Committee. Terms and conditions of employees are negotiated by the Managing Directors and, where those appointments are for senior executives, for recommendation to the Board. The Company will consider implementing a separate Nomination Committee with its own separate Nomination Committee charter when the Company reaches the appropriate size but sees no present need to do so.</p> <p>(b) While the Board does not currently comply with this recommendation, given the stage of the Company's operations, the Board is of the view that it is currently structured in such a way so as to add value and is appropriate for the complexity of the business at this time.</p> <p>While there is presently no plan for additional changes to the Board having just completed a review in April 2017, the Board ensures that, collectively, it has the appropriate range of skills and expertise to properly fulfil its responsibilities, including:</p> <ul style="list-style-type: none"> <li>• accounting;</li> <li>• finance;</li> <li>• business;</li> <li>• the Company's industry;</li> <li>• Managing Director-level experience; and</li> <li>• relevant technical expertise.</li> </ul> <p>The Board reviews the range of expertise of its members on a regular basis and ensures that it has operational and technical expertise relevant to the operation of the Company.</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>The Board will determine the procedure for the selection and appointment of new Directors and the re-election of incumbents in accordance with the Company's Constitution and having regard to the ability of the individual to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.</p> <p>The Board shall ensure that, collectively, it has the appropriate range of skills and expertise to properly fulfil its responsibilities, including:</p> <ul style="list-style-type: none"> <li>• accounting;</li> <li>• finance;</li> <li>• business;</li> <li>• the Company's industry;</li> </ul>

		<ul style="list-style-type: none"> <li>• Managing Director-level experience; and</li> <li>• relevant technical expertise.</li> </ul> <p>The mix of skills of the current Board is set out on the Company's website and is also contained within the Company's Annual Report lodged herewith.</p>
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>(a) Currently only 2 of the 4 directors are considered to be independent given that Nick Stone and Richard Adrey are the Managing Directors. The independent directors are Mark Paton, Non-Executive Director and Mr Russell Krause, a Non-Executive Director.</p> <p>(b) Not applicable.</p> <p>(c) The Directors were appointed to the Board as follows:</p> <p>Mr Richard Adrey – 19 April 2006</p> <p>Mr Nicholas Stone – 18 November 2013</p> <p>Mr Russell Krause – 23 October 2012</p> <p>Mr Mark Paton – 20 April 2017</p>
2.4	<p>A majority of the board of a listed entity should be independent directors.</p>	<p>Two of the four members of the current board (Russell Krause and Mark Paton) both of whom are non-executive directors are considered to be independent directors. The remaining two directors are <u>not</u> considered to be independent. Mr Richard Adrey is not considered to be independent due to his role as an executive director of the Company being one of the Company's two Co-Managing Directors. While Mr Adrey is not an independent director there are times he is deemed to be independent for the purposes of considering any transaction which involves the Company's major shareholder, Ptolemy Capital LLC, who has one director appointed to the Board in Mr Nicholas Stone. Mr Stone is not considered to be independent due to his role as an executive of the Company as a Co-Managing Director and also as a substantial shareholder. The appointment of Mr Stone arose from the Company's obligations under the capital raising conducted in November 2013 and approved by shareholders at an extraordinary general meeting of the Company on 24 January 2014.</p> <p>The Board will need to monitor, on an ongoing basis, the Company's non-adherence to this particular principle. The Board notes that it is only Mr Adrey's role as an executive director that prevents him from being classified as independent having no other relationship with the Company that would invoke such a classification.</p>
2.5	<p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>The Chairman of the Board is Mr Russell Krause who is an independent director. The Board will continue to monitor whether there is an appropriate level of independence, expertise and compliance with the ASX's Corporate Governance Principles and Recommendations. The Company does not currently have a Chief Executive Officer however; the Company has two Co-Managing Directors who are responsible for the day to day operations and administration of the Company. The Chairman is Mr Russell Krause who does not fill an executive capacity within the Company.</p>

2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	<p>Pursuant to paragraph 6.3 of the Company's Board Charter the Board must implement an appropriate induction and education process for new Board appointees and Senior Executives to enable them to gain a better understanding of:</p> <ul style="list-style-type: none"> <li>• the Company's financial, strategic, operational and risk management position;</li> <li>• the rights, duties and responsibilities of the directors;</li> <li>• the roles and responsibilities of Senior Executives; and</li> <li>• the role of Board committees.</li> </ul>
<b><u>Principle 3 Recommendations:</u></b>		<b>Act Ethically and Responsibly</b>
3.1	<p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>(a) The Company's Corporate Governance Plan includes the following policies and charters which provide a framework for decisions and actions in relation to ethical conduct in employment.</p> <ul style="list-style-type: none"> <li>• Board Charter;</li> <li>• Audit &amp; Risk Management Committee Charter;</li> <li>• Code of Conduct - Obligations to Stakeholders;</li> <li>• Code of Conduct - Directors and Key Officers;</li> <li>• Continuous Disclosure;</li> <li>• Remuneration Committee Charter;</li> <li>• Securities Trading; and</li> <li>• Diversity.</li> </ul> <p>(b) A copy of each policy including the codes of conduct relating to Directors, Senior Executives and employees is available on the Company's website.</p>
<b><u>Principle 4 Recommendations:</u></b>		<b>Safeguard Integrity in Corporate Reporting</b>
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board, and disclose:</p>	<p>(a) The Company has established an Audit and Risk Management Committee which:</p> <p>(1) has only 2 members being Mr Russell Krause and Mr Mark Paton both of whom are non-executive <u>and</u> independent directors.</p> <p>(2) is chaired by an independent director being Mr Russell Krause who is not the chairman of the board.</p> <p>(3) A copy of the policy titled "<i>Charter of the Audit and Risk Management Committee of AusTex Oil Limited</i>" is available on the Company's website.</p>

	<p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <b>OR</b></p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>(4) The relevant qualifications and experience of the Committee members is available on the Company's website.</p> <p>(5) The Committee met 2 times during the reporting period and both members were in attendance at both meetings. Attendance at the committee meetings is summarised on page 3 of the Company's full year accounts lodged with the ASX on 31 March 2017.</p> <p>(b) Not applicable.</p>
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	The Board ensures that it receives the appropriate declarations and assurances including a declaration from the Chief Financial Officer or equivalent and both of the Company's Managing Directors that the Company's accounts have been kept in accordance with section 295A of the <i>Corporations Act 2001</i> .
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	The Company ensures that the Auditor attends the AGM each year and is available to answer any question from shareholders either at the AGM or submitted in writing prior to the AGM. The Company's 2017 AGM to be held on 31 May 2017 will be held at the offices of the Company's Auditor, BDO.
	<b>Principle 5 Recommendations:</b>	<b>Make Timely and Balanced Disclosure</b>
5.1	<p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>(a) The Company has a continuous disclosure program/policy in place designed to ensure compliance with the ASX Listing Rules on continuous disclosure and to ensure accountability at a senior executive level for compliance and factual presentation of the Company's financial position.</p> <p>(b) The continuous disclosure policy of the Company is available on the Company's website.</p>
	<b>Principle 6 Recommendations:</b>	<b>Respect the Rights of Security Holders</b>
6.1	A listed entity should provide information about	The Company's Corporate Governance Plan includes a shareholder communications strategy which aims to

	itself and its governance to investors via its website.	ensure that shareholders are informed of all major developments affecting the Company's state of affairs. This is contained within the Company's policies titled " <i>Code of Conduct – Obligations to Stakeholders</i> " and " <i>Corporate Governance Policy – Continuous Disclosure</i> ". The policies are available on the Company's website.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	The Company's Corporate Governance Plan includes a shareholder communications strategy which is outlined in 6.1.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	The Company's Corporate Governance Plan includes a shareholder communications strategy which is outlined in 6.1. The Company also encourages shareholders to attend the Company's AGM and to ask questions of the Board and the Auditor and/or to submit questions in writing in advance. At each AGM, the Board also ensures that at least one of its American based directors is in attendance to make a presentation to shareholders and answer any questions either at the AGM or via a separate meeting that week.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Shareholders may elect to receive electronic notifications when the Annual Report is available on the Company's website and may electronically lodge proxy instructions for items to be considered at the Company's AGM and any relevant EGM.
<b><u>Principle 7 Recommendations:</u></b>		<b>Recognise and Manage Risk</b>
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; <b><u>OR</u></b></p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>(a) The Board in conjunction with the Audit and Risk Management Committee determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.</p> <p>(1) has only 2 members being Mr Russell Krause and Mr Mark Paton both of whom are non-executive <u>and</u> independent directors.</p> <p>(2) is chaired by an independent director being Mr Russell Krause who is not the Chairman of the Board</p> <p>(3) A copy of the policy titled "<i>Charter of the Audit and Risk Management Committee of AusTex Oil Limited</i>" is available on the Company's website.</p> <p>(4) The members of the committee are Mr Russell Krause (Chair) and Mr Mark Paton (member).</p> <p>(5) The Committee met 2 times during the reporting period and both members were in attendance at both meetings. Attendance at the committee meetings is summarised on page 3 of the Company's full year accounts lodged with the ASX on 31 March 2017.</p> <p>(b) Not applicable.</p>
7.2	The board or a committee of the board should:	(a) The Company has established policies for the oversight and management of material business risks. The



	<p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>Audit and Risk Management Charter of the Company is available on the Company's website. The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to the Board in conjunction with the Audit and Risk Committee. The Board and Audit and Risk Management Committee are required to assess risk management and associated internal compliance and control procedures and will be responsible for ensuring the process for managing risks is integrated within business planning and management activities however risk management activities are undertaken by the Board as a whole.</p> <p>(b) Each Board meeting invites an open discussion on key risks affecting the Company including on informal Board calls held regularly throughout the year.</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; <b>OR</b></p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>(a) The Company's internal audit function is exercised by the Chief Financial Officer who is an external contractor to the Company to ensure a level of segregation particularly in relation to processes and procedures around such things as payment authorisations and limits of authority.</p> <p>(b) Not applicable.</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>The Company has a material exposure to economic and environmental risks by virtue of being in the business of oil exploration, production and development. The Company mitigates this risk by having a strong hedging position in relation to the sale of its oil and as best as possible ensures that its production during times of low oil prices is constrained to match its hedging position. The Company manages its environmental risk with the appointment of an internal staff member to monitor compliance.</p>
<b><u>Principle 8 Recommendations:</u></b>		<b>Remunerate Fairly and Responsibly</b>
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ol style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, and disclose:</li> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual</li> </ol>	<p>(a) The Board has established a separate Remuneration Committee which:</p> <ol style="list-style-type: none"> <li>(1) has 2 members being Mr Russell Krause and Mr Mark Paton, both of who are independent.</li> <li>(2) the Committee is chaired by an independent director being Mr Russell Krause.</li> <li>(3) A copy of the Remuneration Committee Charter is available on the Company's website.</li> <li>(4) The members of the committee are Mr Russell Krause and Mr Mark Paton.</li> </ol>

	<p>attendances of the members at those meetings; <b>OR</b></p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>(5) The Committee was not required to meet during the reporting period as there were no issues requiring the committee's consideration.</p> <p>(b) Not applicable.</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	The Committee distinguishes the structure of non-executive directors' remuneration from that of executive directors and senior executives. The Company's Constitution and the Corporations Act also provides that the remuneration of non-executive Directors will be not be more than the aggregate fixed sum determined by a general meeting. The Board is responsible for determining the remuneration of the executive directors (without the participation of the affected director).
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>(a) A summary of the Company's policy on prohibiting transactions in associated products which operate to limit the risk of participating in unvested entitlements under any equity based remuneration scheme is contained within the Remuneration Committee Charter.</p> <p>(b) Paragraph 6.2 (3) of the Company's Remuneration Committee Charter states:</p> <p><i>"...The Committee must ensure that, where applicable, any payments of equity-based remuneration are made in accordance with the Company's constitution and any thresholds approved by the Company's shareholders. Committee members must be aware at all times of the limitations of equity-based remuneration. The terms of such schemes should clearly prohibit entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under these schemes. The exercise of any entitlements under these schemes should be timed to coincide with any trading windows under the Company's securities trading policy..."</i></p>

**END OF CORPORATE GOVERNANCE STATEMENT**