

RISK OVERSIGHT AND MANAGEMENT POLICY

1. INTRODUCTION

Intra Energy Corporation Limited and all its related bodies corporate (**IEC** or the **Company**), as the context permits) adopts this policy to establish and set out the Company's systems for risk oversight and management and internal control.

2. RISK OVERSIGHT

The Board has the primary responsibility for identifying the principal risks and opportunities of the Company's business and ensuring that appropriate risk management systems and an internal control framework are established and reviewed. The Board fulfils its responsibility by overseeing the establishment and implementation of these systems and framework, through approval and review of the Company's processes.

The Board has delegated the specific function and responsibility for establishing, implementing and maintaining the Company's risk management systems and internal control framework to the Audit Committee. The Audit Committee may be established by the Board and operates under a charter approved by the Board, which includes the following duties:

- to review the effectiveness of management information and other systems of internal control;
- to review all areas of significant financial risk and the arrangements in place to contain those to acceptable levels; and
- to monitor the internal controls and accounting compliance with the Corporations Act 2001 (Cth) and the Australian Stock Exchange's Listing Rules.

The Audit Committee's duties include other matters which impact upon risk management, such as matters relating to the Company's external auditor and reviewing significant transactions, financial information and reporting and other procedures for that information.

Further to the Audit Committee's role, the actual management of operational risk and the implementation of risk management strategies are delegated to the Company's management.

The Board recognises that this delegation of responsibility to the Audit Committee and to management does not reduce its primary responsibility for the oversight of risk management. The Board approves all risk management systems and internal control framework established by the Audit Committee and implemented by management and reviews those systems and framework, and the effectiveness of their implementation, on an annual basis.

The Board recognises that until an Audit Committee is established, the role and responsibilities of the Audit Committee remain with the Board.

3. RISK PROFILE

The Board recognises that material risks facing the Company are the more significant areas of uncertainty or exposure to the Company that could adversely affect the achievement of Company's objectives and successful implementation of its business strategies.

The material risks, both financial and non-financial, facing the Company is as follows:

- protection of the Company's assets;
- maintenance of proper financial and accounting records;
- reliability of financial information;
- compliance with key performance indicators;
- financial markets;
- retaining key personnel; and
- technical risk.

The Board updates this list of material risks as part of its annual risk management review or on occasion, an ongoing basis by the Board upon advice from the Audit Committee including, where appropriate, as a result of regular interaction with management and other relevant staff from across the Company's business.

4. RISK MANAGEMENT SYSTEM AND COMPLIANCE AND CONTROL

The Company's system for identifying, assessing, monitoring and managing its material risks, as established by the Audit Committee (if established) in conjunction with management, is as follows:

- the Board monitors management and operational performance on an ongoing basis;
- a comprehensive system of budgeting and forecasting has been established, with updates being provided by management to the Board on a regular basis, for consideration at Board meetings. Actual results are also reported to the Board on a monthly basis. In addition, all statutory financial reporting requirements are complied with in terms of quarterly, half yearly and annual financial reports and the Board reviews the reports and related accounting procedures on an ongoing basis;
- regular presentations made to the Board throughout the year by appropriate members of management on aspects of the Company's operations and the management or risk;
- procedures exist for all significant capital expenditure, including a requirement for Board approval for any capital expenditure above limits established by the board from time to time;
- the performance by the Audit Committee of its functions and responsibilities;



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- comprehensive written policies have been implemented in relation to specific business activities;
- a continuous disclosure policy has been adopted to ensure that all price sensitive information is disclosed to the market and shareholders or investors on a timely basis;
- a trading policy has been adopted to ensure that all trading in the Company's securities by officers and employees occurs in compliance with statutory requirements; and
- the Company has informed directors of their duties and obligations as directors and adopted a Code of Conduct applicable to all directors, employees and contractors setting out the expected standards of conduct and compliance.

Day to day responsibility for risk management and internal control is delegated to the Company's management, with the Company's Managing Director or Chief Executive Officer and Chief Financial Officer (or equivalent) being responsible to the Board. The Board regularly considers the Company's management of risks at Board meetings.

The Company's risk management system also includes processes of close consultation and review between the Board and the Company's external accountants.

5. ASSESSMENT OF EFFECTIVENESS

The Company's analysis of its risk management systems and internal control framework and the effectiveness of their implementation is undertaken by the Board on an annual basis. This review is based on the Board's ongoing oversight of the Company's risk management systems and its role in establishing, implementing and maintaining these systems, as well as the involvement of the Managing Director or Chief Executive Officer, Chairman and Chief Financial Officer (or equivalent) in Company management and operations. The Board regularly considers the Company's management of risks at Board meetings.