

METGASCO LIMITED

REMUNERATION COMMITTEE CHARTER

CHARTER ADOPTED ON: [30 OCTOBER 2006]

1. Role

The Remuneration Committee provides advice and recommendations to the Board regarding the remuneration of Executives and Directors with the objective that the Company:

- a) Has coherent remuneration policies and practices which are observed and which enable it to attract and retain Executives and Directors who will create value for shareholders;
- b) Fairly and responsibly rewards Executives having regard to the performance of the Company, the performance of the executive and the general pay environment; and
- c) Complies with all relevant legal and regulatory provisions.

2. Duties and Responsibilities

Executive Remuneration Policy

Review and make recommendations to the Board on the Company's policy for determining executive remuneration and any amendments to that policy proposed from time to time by management.

Review the ongoing appropriateness and competitiveness of the executive remuneration policy and other executive benefits programs.

Oversee the implementation of this remuneration policy within the Company's Executive Directors and senior management.

Consider and make recommendations to the Board on the entire specific remuneration for each Executive Director (including base pay, incentive payments, equity awards, retirement rights, and service contracts) having regard to the executive remuneration policy.

Executive Incentive Plans

Review and make recommendations to the Board on the design of all executive incentive plans.

Review and make recommendations to the Board on the total proposed payments under each executive incentive plan.

Equity Based Plans

Review and make recommendations to the Board on the design of all equity based plans.

Keep all plans under review in the light of legislative, regulatory and market developments.

For each equity based plan, determine each year whether awards will be made under that plan.

Review and make recommendations to the Board on total proposed awards under each plan.

In addition to considering awards to Executive Directors review, approve and report to the Board on proposed awards under each plan on an individual basis for executives as required under the rules governing each plan or as determined by the Committee.

Review and make recommendations to the Board on performance hurdles for each equity based plan not less than once per year.

Non-Executive Director Remuneration

Review and provide recommendations to the Board regarding remuneration of non-executive Directors.

3. Composition

The Committee will consist of:

- a) At least 2 members
- b) Only non-executive directors
- c) An independent chairperson

4. Meetings

The Committee will meet at least 3 times a year.

Any Remuneration Committee member may call a meeting of the Committee

A notice confirming the date, time, venue and agenda must be forwarded to each member of the committee at least a week prior to the date of the committee meeting. The notice must include all relevant supporting papers for the agenda items to be discussed.

The Chairman of the committee will report the deliberations of each meeting of the Committee to the subsequent Board meeting.

Where practicable, copies of agreed minutes of the Committee will be circulated to all Directors.

The Committee may invite any executive management team members or other individuals to attend meetings of the Committee as the Committee sees appropriate.

5. Resources

The Committee will have unlimited access to senior management and may seek any information it considers necessary to carry out its duties.

The Committee may engage external advisors as appropriate.

6. Duration

This charter will be reviewed annually by the committee and the Board.