



METGASCO LIMITED

RISK MANAGEMENT POLICY

1. Origin and Purpose

Metgasco faces a range of risks that are inherent to the business activities it undertakes. Metgasco is committed to developing a profitable, sound and sustainable business while effectively managing the material risks that the Company faces.

This policy is designed to achieve that purpose by ensuring that appropriate methods are in place to:

- Identify, to the extent possible, material risks to the business;
- Identify the financial, corporate, operational, governance and stakeholder impacts of those risks;
- Implement appropriate risk management or control systems or processes to deal with those risks; and
- Review and monitor those risks.

2. Roles and Responsibilities

While every person in the organization has responsibility for managing risk effectively, there are specific responsibilities for providing oversight to ensure that risks are being managed appropriately.

Board and Board Committee Responsibilities

The Board is responsible for:

- Endorsing the Risk Management Policy;
- Endorsing the risk management framework which includes reviewing and approving the risk profile;
- Ensuring the material risks are dealt with appropriately to maintain shareholder value;
- Assessing the credibility of major investments;
- Assessing the financial capacity of Metgasco to absorb risk and ensure appropriate alternative methods are in place to protect shareholder value; and
- The annual review of the risk management framework and to ensure Executive Management provides reports on the effectiveness of the risk management framework.

The Board may delegate all or part of these undertakings to the Audit and Risk Management Committee.

Metgasco Executive Management

The Board has delegated the following responsibilities to the Metgasco Executive Management which is responsible for:

- Establishing of the risk management framework;
- Endorsing the systems and procedures which implement the risk management framework;
- Appointing the management accountabilities for each identified risk; and



- Preparing quarterly consolidated risk reports of significant risk issues arising for inclusion in papers submitted to the Board and relevant Board Committees.

General Managers

General Managers are responsible for:

- Ensuring that each functional area they oversee has identified, assessed and are proactively managing risks appropriately.
- Each functional area must maintain a live risk register for documenting the results of this risk management process.
- General Managers are to present a summarized version of these risk registers (showing risks evaluated as Low, Medium or High) to the Risk Management Committee of the Management Team on a quarterly basis.

All Employees and Contractors

It is the responsibility of all Metgasco employees and contractors to be alert to and report to their supervisor any risks in the Company's working environment to the health and safety of other employees, contractors, visitors or the general public. All employees and contractors should contribute to the continuing improvement of the Company's risk management capabilities. Employees and contractors should conduct their operations in accordance with the Company's policies and standards. These policies and standards include, but are not limited to:

- Code of Conduct
- Safety Management Plan
- Environmental Management Plan
- Purchasing Policies and Procedures.



REVISION CONTROL

REVISION NUMBER	APPROVED BY BOARD ON:
2	16 March 2010