
RISK MANAGEMENT POLICY

Objectives

As an oil and gas exploration company, Karoon Gas Australia Ltd (**Karoon**) recognises that effective management of risk is essential to successfully delivering on our ambitions for growth and increased shareholder value.

Karoon is committed to proactively identifying and managing risk throughout the company.

The objective of Karoon's risk management system is to promote understanding and management of risk in decision making so as to provide greater certainty and confidence for our shareholders, employees and the communities in which we operate.

Principles

Karoon achieves this objective by:

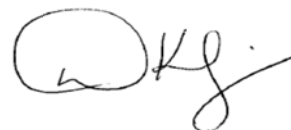
- Identifying, assessing, monitoring and reporting risks to provide management, the Risk and Governance Committee and the Board with the assurance that business risks are being managed and identified.
- Developing and reviewing a risk profile for presentation to the Risk and Governance Committee and the Board for acceptance and periodic review.
- The Risk and Governance Committee making recommendations to the Board in respect of Karoon's risk appetite and particular risks and/ or risk management practices.
- Understanding and applying our tolerance for risk in light of Karoon's exposure in the areas of operations, finance, legal and compliance, reputation and people and culture.
- Embedding risk management into business activities and processes.

Application

Management is responsible for implementing this risk management policy throughout Karoon Gas. Senior members of the management team will report to the Risk and Governance Committee at least annually on the effectiveness of the risk management policy and continue to update the risk profile to reflect the operational activities of Karoon and its commitment to effective risk management.



Robert Hosking
Managing Director



David Klingner
Chairman