



CENTRAL PETROLEUM LIMITED RISK COMMITTEE CHARTER

1. Purpose

The Risk Committee (the "Committee") will assist the Board of Directors (the "Board") of Central Petroleum Limited (the "Company") in fulfilling its responsibilities to exercise due care, diligence and skill with respect to, the Company's compliance with law and regulatory requirements and its financial risk management.

The Committee's primary objective is to oversee that the Company has in place an appropriate corporate entity risk management framework and process that identifies business, operational, financial and regulatory risks and the risk mitigation measures to manage those risks and that this framework is embedded in the Company.

The Committee's responsibilities are to be exercised through reports from and discussions with management.

The Committee has authority from the Board to review and investigate any matter within the scope of this Charter and make recommendations to the Board in relation to the outcomes. The Committee has no delegated authority from the Board, except as specifically provided in this Charter, to determine the outcomes of its reviews and investigations and the Board retains its authority over such matters.

2. Organisation

The Committee shall consist of at least two non-executive members of the Board, a majority of which shall be independent directors. The Chairman of the Committee should be an independent director and must not be Chairman of the Board.

A majority of the members of the Committee shall have an understanding of the industry in which the Company operates and the key risks facing the Company.

The Company Secretary or his or her nominee will act as Secretary to the Committee and shall keep minutes of Committee meetings (which shall ordinarily be included in the papers for the next full Board meeting).

The Committee will meet at least twice a year. Special meetings may be convened as required.

The Chairman of the Committee will report to the full Board on the results of these meetings. The Committee may invite to its meetings Company management, internal auditors, external auditors and such other persons as the Committee deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings any persons it deems appropriate in order to enable it to carry out its responsibilities.

The Committee may, with the approval of the Chairman of the Board, instruct the Managing Director to engage independent professional advisers as the Committee requires to enable it or assist it to discharge its purpose and responsibilities.

3. Duties

In meeting the purpose set out in paragraph 1, the duties of the Committee include:

3.1 Corporate Entity Risk Management Framework

To review and obtain reasonable assurance that:

- a) The Company has in place an appropriate corporate entity risk management framework and process that identifies business, operational, financial and regulatory risks and the risk mitigation measures to manage those risks;
- b) The risk management framework is reviewed annually so that it remains appropriate to the Company's operations and current with the law and regulatory requirements;
- c) There is broad awareness of the risk management framework; and
- d) The risk management framework is embedded across the Company and there exists a culture of identifying and managing risks.

3.2 Financial Risk Management

- a) To review and obtain reasonable assurance that the financial risk management, internal control and information systems are operating effectively to produce accurate, appropriate and timely management and financial information. This includes:
 - (i) Review the Company's financial risk management controls and policies, including a regular review of the Company's tolerance to financial risks and obtain reasonable assurance that Company policies including hedging policies, procedures and activities adequately reflect the desired level of risk tolerance;
 - (ii) Review the adequacy of the Company's process for managing risks in relation to its insurance program, having regard to the Company's business and the insurable risks associated with the business;
 - (iii) Regular review of delegation of authority limits, exposure management parameters and management authorities;
 - (iv) To review and oversee unusual and/or high risk transactions as reported by management;
 - (v) Obtain reasonable assurance that the information systems are reliable and the systems of internal controls are properly designed and effectively implemented through discussions with and reports from management and the external auditor;
 - (vi) Review how the company communicates its risk management philosophy, policies and strategies to its Board, management, employees, contractors and appropriate stakeholders;
 - (vii) Review management's steps to implement and maintain appropriate internal control procedures including a review of policies;
 - (viii) Review adequacy of security of information, information systems and disaster recovery plans;

3.3 Insurance

The Committee will provide oversight of the Company's insurance program by annually reviewing the strategy, scope and structure of the Company's insurance program, having regard to the business, risks and available insurance.

3.4 Compliance with Law

- a) To review major issues regarding the status of the Company's compliance with laws and regulations, as well as major legislative and regulatory developments that may have a significant impact on the Company;
- b) To review the processes and procedures for management's monitoring of compliance with local laws;

3.5 Corporate Governance and Policies

- a) Obtain reasonable assurance that the Company has appropriate business conduct and corporate governance policies, standards and practices;
- b) Prepare and review corporate governance policies in accordance with regulatory requirements and the needs of the Company including policies for continuous disclosure and dealings in securities (Share Trading Policy).
- c) Develop and periodically review the corporate governance statement and Appendix 4G for disclosure in accordance with ASX Listing Rule 4.10.3 and recommend it to the Board for approval;
- d) Periodically review that the Company maintains and keeps current a Corporate Governance section on its website, which will include this Charter;
- e) Obtain reasonable assurance that there is compliance with all corporate governance requirements.
- f) Prepare and periodically review the Company's ethical standards including its Code of Conduct;
- g) Review compliance by the management of the Company with those Company policies designated by the Board from time to time, including the Share Trading Policy. To this end, the Committee will review periodic reports submitted by those persons the Committee has designated as responsible for implementation of and compliance with such policies and give guidance on how said policies are to be administered;

3.6 Other

- a) To review such other matters in relation to the Company's risks and compliance with law as the Committee may, in its own discretion, deem desirable in connection with reviewing the functions described above
- b) Review the annual reserves and resources audit process and advise the Audit Committee of the outcomes of such review in order that reserves are accurately reflected in the annual financial statements and recommend the annual reserves statement to the Board for approval.
- c) Consider at each meeting whether any significant matters should be brought to the attention of the Board noting if any action is required and making recommendations as to the action to be taken.
- d) To review and reassess the adequacy of this Charter annually and to submit proposed changes to the Board for approval.

Whilst the Committee has the duties and responsibilities set forth in this Charter, the Committee is not responsible for supervising the performance of executives and must not become involved in day to day operations, management functions or the decision making of the Company. The Committee discharges its responsibilities by making recommendations to the Board.

4. Reporting

The Committee shall provide regular reports to the Board. These reports shall contain all matters relevant to the Committee's role and responsibilities, including:

- a) assessment of whether external reporting is consistent with Committee members' information and knowledge and is adequate for shareholder needs;

- b) assessment of the management processes supporting external reporting;
- c) the results of the Committee's review of risk management framework and internal control systems.

Adopted by the Board on 14 September 2018