



RISK MANAGEMENT POLICY

Purpose and Objectives

Effective risk management is essential for the achievement of Central Petroleum's corporate objectives. By understanding and managing our risks we provide greater certainty and confidence for our shareholders, employees, customers, suppliers and the communities in which we operate.

Central Petroleum recognises that risks can present both opportunities and threats and as such we have embedded risk management into our decision making, supported by our governance structure and process.

In relation to risk management, Central Petroleum:

- Maintains an appropriate framework to provide a structured and consistent approach to identifying, assessing and controlling risk across our business.
- Maintains a current, accurate and comprehensive understanding of risks across the business and manages these risks within acceptable levels to protect shareholder value.
- Ensures that adequate resources are made available and accountabilities are defined to manage risk; including identification and monitoring of risks, review of the effectiveness of controls, and implementation of control improvement initiatives.
- Fosters a culture that is aware of and committed to managing risk.
- Reports risk management activities and decisions to appropriate stakeholders and maintains appropriate records.
- Continually improves risk management through measurement, review and subsequent modification of processes, systems, resources, capability and skills.

Accountabilities

The Board and Board Risk Committee oversee and monitor the soundness of the risk management framework, review the material risk profile and determine Central Petroleum's acceptable level of risk.

Management are responsible for designing and implementing the framework.

All employees are responsible and accountable for identifying, assessing and managing risks on an ongoing basis within their area of responsibility when making decisions and taking action.

Approved by the Board on 13 June 2019