



BASS STRAIT OIL COMPANY LTD
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BOARD CHARTER

INTRODUCTION

The Board of Directors is appointed by Shareholders and is responsible for the activities of the company in accordance with legal and regulatory requirements and the company's constitution.

ROLE OF THE BOARD

The primary role of the Board is to create shareholder wealth (with a long term bias) and in that context to have due regard to the interests of other stakeholders. The Board achieves this by:

- providing leadership of the company
- ensuring that the Company has effective processes and systems.
- setting, overseeing and maintaining the Company's values, corporate governance framework
- safeguarding the reputation of the Company
- ensuring there is an effective balance of responsibility between the Chief Executive Officer ("CEO") and the Board
- ensuring necessary financial and human resources are available ensuring that the performance of management, and the Board itself, is regularly assessed and monitored.
- promoting a culture where transparent and timely information is shared between management and Board.
- ensuring effective communication with shareholders.
- appointing, reviewing the performance of, and terminating the Chief Executive Officer.

COMPOSITION OF THE BOARD

The Board should comprise not more than seven Directors with an appropriate range of skills, experience and expertise who have a proper understanding of and competence to deal with the current and emerging issues of the business, and who can effectively review and challenge the performance of management and exercise independent judgment.

There is no maximum term for Directors however one third of Directors (other than a managing director) shall retire on a rotational basis at each annual general meeting in accordance with the provisions of the Company's constitution.

On appointment, Directors will be issued a letter of appointment which sets out the terms and conditions of their appointment.

SELECTION OF NEW DIRECTORS

In selecting new members for the Board, Directors shall have regard to the appropriate skills and characteristics needed by the Board as a whole. The Directors shall endeavour to appoint individuals who would provide the mix of characteristics and diverse experiences, perspectives and skills appropriate for the company.

COMMITTEES

The Board will appoint committees to provide recommendations to the Board on any aspect of the Company's activities it considers necessary in accordance with the Company's constitution, principles of sound governance and the Corporation's Act.

The Board has established an audit committee, but given the Company's limited activities and limited resources, has not established committees to address specific areas such as, nomination & remuneration, risk management, and health, safety & environment: such issues are dealt with by the Board.

AUTHORITY

The Board is authorised to:

- investigate and review any matters within its area of responsibility;
- seek information from any Director, officer or employee of the Company or its affiliates or from any advisor, agent or representative of any of them.

ACCOUNTABILITIES

In undertaking its role and fulfilling its responsibilities, the matters reserved to the Board include, but are not limited to, the following:

- approving annual operating plans (including objectives, goals and strategies) and regularly reviewing achievement against plan.
- approving capital requirements.
- delegating certain authorities to management and monitoring the exercise of these authorities.
- approving remuneration of the Board and CEO.
- approving capital structure and dividend policy.
- approving half yearly and full year accounts, the annual report, and related reports to ASX and regulatory authorities.
- considering management proposals, including material capital expenditure and divestments and providing advice and approvals where appropriate.
- maintaining corporate and Board values to ensure the Company acts with the highest ethical standards and integrity in accordance with all legal and regulatory requirements and otherwise in accordance with those management and government best practices appropriate to its business.
- approving and monitoring compliance with the Company's policies, charters and codes.

INDEPENDENT ADVICE

The Board or individual Directors (with the approval of the Chairman which will not be unreasonably withheld), may obtain independent professional advice it considers necessary, with the costs to be borne by the company.

RESPONSIBILITY OF INDIVIDUAL DIRECTORS

All Directors must comply with their corporate and legal duties and obligations when discharging their responsibilities as Directors.

These include:

- acting in good faith and in the best interests of the Company as a whole.
- acting with care and diligence and for proper purpose.
- refraining from making improper use of information gained through the position of Director and from taking improper advantage of the position of Director.
- avoiding conflicts of interest wherever possible and where conflicts arise complying with statutory and corporate duties regarding disclosure and voting.

BOARD MEETINGS

The Directors shall hold at least 6 meetings in each calendar year.

- The agenda for meetings is drawn up with input from the Chairman, the Chief Executive Officer and senior executives. Directors are free to nominate matters for inclusion on the agenda for each meeting.
- Material for Board meetings is circulated to the directors in advance.
- All members of the Board are expected to attend each meeting.
- The Board may invite such persons as it wishes to attend its meetings.
- The Board may conduct meetings by telephone or video conference.
- Circular resolutions which have been approved must be noted at the Board meeting immediately following their approval.

MINUTES

Minutes of proceedings of all Board meetings are circulated to directors and signed by the Chairman, following approval by the Board at the subsequent meeting or earlier.

REVIEW OF BOARD PERFORMANCE

The Board will conduct a review of its performance relative to this charter annually, and the Chairman will review the performance of each Director annually.

REVIEW OF CHARTER

The Board will review this charter annually to ensure it remains consistent with the Board's objectives and responsibilities.

PUBLICATION OF THE CHARTER

This charter will be available on the Company's website and the key features will be published in the annual report.