

AUDIT COMMITTEE CHARTER

The role of the Audit Committee is to represent the Board and assist the Board to perform its tasks. The Committee is part of the Board, exercises its authority and is accountable to the Board for its performance.

The Audit Committee will evaluate and recommend to the Board for approval the draft financial statements and other related information proposed to be released to the ASX, to shareholders and to the financial community in line with the reporting cycles, including earnings press releases and financial information provided to analysts.

Structure

The Audit Committee consists of the three Non-Executive Directors. The Managing Director and Finance Director are invited to attend meetings. A quorum for any meeting will be two members.

The Secretary of the Audit Committee will be the Company Secretary.

The Committee, with the external auditors, formally meets twice a year, prior to the release of profit announcements, to review half year and full year financial results. Further meetings may be held to discuss any other issues which might arise throughout the year.

Role of Audit Committee – Policy

The role of the Committee is to undertake the following tasks and where appropriate make recommendations to the Board:

- Review interim and annual financial statements
- Review internal control systems to ensure integrity of financial reporting
- Review soundness of the of the Company's financial commitments
- Ensure the Company's policies and procedures properly reflect compliance with current accounting legislation, regulation and practice.
- Review asset values to ensure they are appropriate and meet the requirements of the corporations law and accounting standards
- Review risk management procedures, including insurance covers and disaster recovery
- Ensure processes are in place to monitor compliance with laws and regulations
- Evaluate the performance of and ensure the independence of the statutory auditor
- Ensure adequacy of disclosure and treatment of any major or unusual transactions
- Review the tax treatment of new major acquisitions and major transactions to ascertain their effects upon the accounts of the Company, and seek external advice on the tax treatment of these items where appropriate
- Review and consider with the external auditors any fraud, illegal acts, deficiencies in internal controls or other similar issues

The following key principles to ensure the independence of the audit function have been adopted by the Audit Committee:

- The full Board is responsible for the appointment and change of the external auditor.
- The external auditor is required to attend all Audit Committee Meetings.
- The external auditor has the right to meet separately with the Non-Executive Director members of the Audit Committee, if this is considered appropriate.
- The external auditor will report to the Audit Committee how the Company's accounting practices and reporting procedures compare with best practice.
- The Company requires the statutory auditor to provide suitably qualified personnel to ensure an effective audit. They should provide audit personnel who are appropriately trained; capable of meeting the required technical standards; able to maintain confidentiality and who behave in a professional manner at all times.
- The external auditor is permitted to provide non-audit services that are not perceived to be in conflict with auditor independence, including taxation advice services. All major assignments are reported to the Board and are subject to Board approval. The Board has the right to request the external auditor to carry out a specific assignment, if it is determined by the Board that it would be in the best interests of the shareholders and the Company.
- The Company will require the external auditor to commit to rotating the senior audit partner on its account every five years.
- The Audit Committee will require the external auditor to confirm annually that it has complied with all professional regulations relating to auditor independence.
- The Company requires its external auditor to maintain quality processes whereby all key accounting decisions are reached after appropriate consultation with technical experts within the firm.
- The Audit Committee will review the independence of the external auditor-Company relationship once every ten years. The outcome of this review will lead to a recommendation to the full Board to either continue the relationship or open the audit to other firms by way of tender. The current auditors should be invited to present their case for retaining the audit contract.

Statement by CEO and CFO

The Chief Executive Officer and the Chief Financial Officer are required to state in writing to the Board that the Company's half yearly and yearly financial statements present a true and fair view, in all material aspects, of the Company's financial condition and that operating results are in accordance with relevant accounting standards and the corporations act.

Attendance of Auditor at Annual General Meeting

In accordance with ASX principle and the Corporations Act 2001 Deloitte Touche Tomatsu attend and are able to answer questions at the AGM.

External Auditor Selection Policy

The Board is responsible for appointing the external auditor, subject to confirmation by shareholders at the Company's annual general meeting.

The Audit Committee is responsible for implementing a selection process and making a recommendation to the Board based on their assessment of the responses received from potential external auditors. The assessment of responses from potential external auditors takes into account a number of key criteria, including audit approach and methodology, quality and rigour of the audit, internal governance process, global resources, key personnel and cost.

The current external auditor is Deloitte Touch Tomatsu.

Rotation of the External Audit Partner

In line with professional standards, the Company requires the external audit partner to rotate every five years. The last change occurred in January 2008.

April 2008