

FUNCTION AND AUTHORITY

To enable proper controls to apply in the remuneration of Directors, senior executives and staff to be a forum for the discussion of new initiatives in the area of remuneration generally.

The Remuneration Committee operates principally in a review and/or advisory capacity except where decision making authority is specifically delegated by the Board.

The Remuneration Committee will have whatever access it requires to the Company's personnel, information and documents. It will have the right to obtain whatever independent professional or other advice it requires (with due regard to costs). Prior approval from the Chairman and Managing Director is required for either of the above, which approval may not be unreasonably withheld.

RESPONSIBILITIES

The responsibilities of the Remuneration Committee will include:

- making recommendations to the Board on directors fees and the remuneration framework for directors;
- making recommendations to the Board on remuneration packages for the Managing Director and senior executives and staff;
- considering and approving management's recommendations with respect to annual salaries, bonus budgets and individual reviews;
- making recommendations to the Board on the Company's recruitment, retention and termination policies for senior executives;
- where necessary, obtaining independent advice on the appropriateness of remuneration packages;
- ensuring remuneration packages are competitively set to attract the necessary qualified Directors and executives;
- making recommendations on annual remuneration policy guidelines;
- making recommendations regarding all aspects of Directors and officers indemnity insurance;
- making recommendations to the Board on policy for share and option plans and other incentive schemes;
- making recommendations to the Board on policy for superannuation; and
- assessing the performance of the Managing Director annually.

MEMBERSHIP

Membership of the Remuneration Committee will consist of a minimum of three Directors, the majority of whom shall be independent.

The Chairman of the Remuneration Committee will be nominated by the Board from time to time.

For purposes of decision making powers a quorum of the Remuneration Committee will consist of two members.

The Managing Director will be invited to meetings of the Remuneration Committee as required to discuss management performance and remuneration packages.

MEETINGS

The Remuneration Committee will meet at least once a year to recommend the fees for non-executive Directors and the remuneration package for senior executives and staff and annual remuneration policy guidelines and at such other times as circumstances require.

Approved by the Board of Tap Oil Limited.



Neale Taylor
Chairman
for and on behalf of the Board
of Directors



Date