



AUDIT COMMITTEE CHARTER

Organisation

This charter governs the operations of the Audit Committee. The Committee shall review and reassess the charter at least annually and obtain the approval of the Board of Directors.

Membership

The Committee will comprise at least three members. All members will be members of the Board of Directors. The Chairman of the Committee shall be a non-executive Director of the Company and not the Chairman of the Board of Directors.

The Chief Financial Officer or equivalent will be invited to attend Committee meetings.

Members of the Committee shall be appointed for an initial three year term of office after which their appointment may be subject to annual rotation.

Secretarial and Meetings

The Committee shall meet at least two times each year (i.e. before completion of the half yearly and annual accounts) with the auditors and appropriate invited members of management.

Purpose

The Audit Committee shall provide assistance to the Board of Directors in fulfilling its corporate governance responsibilities, as well as advise on the modification and maintenance of the Company's financial reporting, internal control structure, risk management systems, external audit functions, and appropriate ethical standards for the management of the Company. A further purpose of the Committee is to check the ongoing independence of the auditors. In doing so, it is the responsibility of the Committee to maintain free and open communication between the Committee, external auditors and management of the Company.

Duties and Responsibilities

The duties of the Audit Committee are as follows:

- Review internal and external audit reports to ensure that where major deficiencies or breakdown in controls or procedures have been identified, appropriate and prompt remedial action is taken by management.
- Reviewing financial statements and other financial information distributed externally;
- Reviewing the nomination, performance and remuneration of the external auditors;
- Liaising with the external auditors and ensuring that the annual and half-yearly statutory audits are conducted in an effective manner;
- Monitoring the procedures in place to ensure that the entity is in compliance with the Corporations Law, Stock Exchange Listing Rules and other legislation and reporting requirements;
- Reviewing policies to avoid conflicts of interest and reviewing past or proposed transactions between the Company and members of management;
- Reviewing related party transactions and considering the adequacy of disclosure of those transactions in the financial statements;

The Audit Committee shall have authority to seek any information it requires from any officer or employee of the Company or its controlled entities and such officers or employees shall be instructed by the Board of Directors to respond to such enquiries. The Audit Committee is authorised to take such independent professional advice as it considers necessary, to assist the Committee in undertaking its duties.

The Chairman of the Audit Committee shall report its findings and recommendations to the Board after each Committee meeting. The minutes of all Committee meetings shall be circulated to members of the Board.

18 September 2007