



CORPORATE GOVERNANCE

PRINCIPLE 1 - Lay Solid Foundations for Management and Oversight

The Board is committed to and responsible for the corporate governance of the Company, including the setting and the monitoring of the objectives, goals and corporate direction. The Board guides and monitors the business of the Company on behalf of shareholders, by whom they are elected and to whom they are accountable. This includes ensuring that internal controls and reporting procedures are adequate and effective. The Board may have access to independent advisers where it identifies such a need.

The primary functions of the Board include responsibility for:

- Supervising the Company's framework of control and accountability systems to enable risk to be assessed and managed;
- Establishing and monitoring the long term goals of the Company with strategic plans and performance objectives;
- Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliances;
- Monitoring senior management's performance and implementation of strategy and ensuring appropriate resources are available;
- Approving and monitoring the progress of significant business transactions;
- Monitoring the financial performance including adopting annual budgets and approving the Company's financial statements; and
- Nominating and monitoring the Company's external auditors.



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PRINCIPLE 2 - Structure the Board to Add Value

Directors' qualifications, experience and expertise and attendance at Board meetings are outlined in the Directors' Report. The Board considers its membership has the appropriate range of skills and experience to drive the growth of the business.

The Company has seven Directors consisting of five Non-Executive Directors including the Chairman, one Managing Director and one Executive Director. The Board seeks to establish a Board that consists of Directors with an appropriate range of experience, skill, knowledge and vision to enable it to operate the Company's business, to maximise shareholder value.

Directors are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgement. To that end, the Company maintains a structure where there is a majority of independent Directors as all of the Company's Non-Executive Directors are considered to be independent.

The roles of Chairman and Managing Director are exercised by different members of the Board in an effort to facilitate greater independence.

The Board's composition is considered an appropriate size and most issues can be decided at Board level. The Board is primarily responsible for identifying potential new Directors, but has the option to use external consultants to identify and approach new candidates for Directorships.

Two standing Board sub-committees have been established to assist in the execution of the Board's responsibilities; the Remuneration Committee and the Audit and Risk Committee.

The Remuneration Committee's role is to discharge the Board's responsibilities in relation to remuneration of the Company's executives including share and benefit plans. The committee meets at least once a year and otherwise as required, minutes of all meetings of the committee are to be kept and a report of actions taken to be given at each subsequent meeting of the full Board of Directors. The objective of the Committee is to support and advise the Board in fulfilling its oversight responsibility in ensuring that the Company has remuneration policies and practices that are observed and which enable it to attract and retain Directors and executives who will best contribute towards achieving positive outcomes for stakeholders; and fairly and responsibly rewards executives having regard to the performance of the Company, the performance of the executive and the external remunerations environment. Refer to Principle 8 for details on the composition of the Remuneration Committee.

The composition and role of the Audit and Risk Committee is outlined in detail under Principle 4.

Due to the size of the Company, it is not considered necessary to maintain a Nomination Committee. When a vacancy exists, through whatever cause or, where it is considered that the Board would benefit from the services of a new Director with particular skills, the Board considers candidates with the appropriate expertise and experience. In so acting, the full Board follows the Nomination Committee Charter disclosed on the Company's website.

The Board annually self assesses its collective performance and reviews each Director's attendance at and involvement in Board meetings, their performance and other matters identified by the Board or other Directors.

The Board has not formalised measures of a Director's performance.



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PRINCIPLE 3 - Promote Ethical and Responsible Decision Making

The Board has adopted and fully endorses a Code of Conduct, which provides guidance to Directors and employees on the standards of behaviour expected in the discharge of their duties on behalf of the Company. The document is freely available on the Company's website and is distributed to all staff upon their commencement in employment with the firm.

The Code is based on respect for the law and acting accordingly, dealing with conflicts of interest appropriately and requires business affairs to be conducted ethically and with integrity.

The Board has adopted a written securities trading policy, which applies to all Directors and employees.

Trading in the Company securities is prohibited whilst in possession of price sensitive information. The Company Secretary must be notified of any proposed transaction.



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PRINCIPLE 4 - Safeguard Integrity in Financial Reporting

The Company has established an Audit and Risk Management Committee, which meets generally two times during the financial year, with additional meetings as required. Its role is to assist the Board in fulfilling its responsibilities for the Company's financial reporting, audit process, internal control system and financial risks. The committee is structured so that it consists of Non-Executive Directors only and comprised of four independent Directors. The Managing Director, Chief Financial Officer and the external auditors are usually in attendance at Audit and Risk Management Committee meetings by invitation.

Mr Scott is the Chairman of the Audit and Risk Management Committee. His qualifications as a chartered accountant with extensive experience in the oil and gas industry are relevant to his position on the Audit Committee. The other members of the Audit and Risk Management Committee are Mr Peacock, Mr Lehle and Mr Pearce.

Directors are not provided with any additional remuneration in respect of the Audit and Risk Management Committee membership.

The Audit and Risk Management Committee liaises with the external auditors of the Company to exercise independent judgement and has sufficient technical expertise to review the integrity of the Company's financial reporting.

The Company's financial report preparation and approval process involves both the Managing Director and Executive Director providing detailed representations to the committee covering compliance with accounting policies and relevant accounting standards, that they provide a true and fair view and effectiveness of the internal control system. The Board and all Committees have established formal charters, which are available on the Company's website.



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PRINCIPLE 5 - Make Timely and Balanced Disclosure

The Board strives to keep shareholders informed of developments of the Company, in an honest, timely and cost effective manner. The Company is committed to promoting investor confidence and ensuring that shareholders and the market have equal access to information and are provided with well-timed and balanced disclosure of all material matters concerning the Company.

The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and coordinating information disclosure as soon as practical and before disclosure elsewhere to the ASX, analysts, brokers, shareholders, the media and the public.

In addition to periodic reporting, the Company ensures that all relevant information concerning the Company is available on its website and that all information disclosed to the ASX is posted on the Company's website soon after it is disclosed to the ASX.



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PRINCIPLE 6 - Respect the Rights of Shareholders

The Board aims to ensure that shareholders are kept informed of all major developments affecting the Company.

Information is communicated to shareholders as follows:

- Regular announcements to the ASX;
- Copies of all announcements, reports and topical information are posted to the website. (The website also provides a portal for shareholders and others to be notified by email of news of the Company shortly after its release to the market);
- The Chairman of the Company also provides the opportunity for shareholders to ask questions at Annual General Meetings (“AGM”) and manages the question period to allow the maximum number of shareholders to do so; and
- The Company’s auditor attends the AGM and is also available to answer any questions on audit related matters; and
- The Board has adopted a Corporate Code of Conduct, which requires a high level of ethical behaviour for all Directors and employees of the Company. The Code provides for a mechanism for employees to report breaches of the Code without fear of retribution.



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PRINCIPLE 7 - Recognise and Manage Risk

The Amadeus Board is responsible for ensuring that there are adequate policies in relation to risk management, compliance and internal control systems.

The Company views the identification and effective management of risk to be an essential element of its overall ability to create and maintain long-term shareholder value. To that end, the Board has documented risk management and internal compliance control policies, which are clearly available to shareholders on the Company's website.

Oversight of the risk management systems is retained as a function of the Audit and Risk Committee (see Principle 4). However, the Chief Executive Officer and Chief Financial Officer provide an update annually to the full Board on the adequacy of the Company's risk management and internal control system.

There are a number of risks that the Board believe have the potential to have an adverse impact on the AMU business. The three areas of risk potentially impacting the Group include:

1. FINANCIAL RISK

Financial risk policies include:

- a) market risk;
- b) liquidity risk; and
- c) credit risk.

2. BUSINESS RISK

Policies and procedures deal with specific business risks, including:

- a) delegation of authority guidelines;
- b) capital investment processes; and
- c) corporate code of conduct.

3. OPERATIONAL RISK

Policies for operational risk include:

- a) health, safety and environment;
- b) asset protections and operational security and insurance;
- c) financial reporting controls; and
- d) legal and compliance.

As part of the Company's yearly reporting requirements and to achieve compliance with section 295A of the Corporations Act, the Company engages external auditors to review the details of each of the identified risk areas. The auditors' role in this review serves as additional assurance of the integrity of the Company's financial reporting processes.



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PRINCIPLE 8 - Remunerate Fairly and Responsibly

Director's Remuneration Report is outlined in the Directors' Report in the 2008 Annual Report.

The Remuneration Committee is a sub-committee of the Full Board. Rob Scott, Craig Coleman and Stephen Pearce are all members of the Remuneration Committee and meet once a year, or as required, ensuring that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.