

Risk Management and Internal Control

Policy:

Energy Ventures Ltd recognises that as a result of the dynamic nature of our business, the company is exposed to certain inherent risks. The key to the company's success is its ability to effectively manage these risks.

To be able to deliver on the expectations of our shareholders, we are required to pursue opportunities that involve a degree of risk. Energy Ventures policy is to achieve levels of operation that balance risk and reward with the ultimate aim of optimising shareholder value.

Internal controls are an important element of risk management. As such Energy Ventures has established processes, structures and an organisational culture to identify, assess, treat and monitor risks to support the company's objectives.

As part of Energy Ventures internal control system the board reviews the effectiveness of that system at least annually.

Risk Profile:

The operation of Energy Venture's risk management and internal control system results in the identification of a number of material business risks which may impact on Energy Ventures as an investment company with interests in strategic projects in the natural gas technology, uranium exploration and energy sectors, both in Australia & overseas.

These risks include but are not limited to:

- commercialisation of mineral reserves and technology;
- sovereign risk;
- exposure to commodity prices and exchange rates;
- production capacity;
- technical and project management competencies;
- health, safety, environment and security risk; and
- exposure to capital and equity markets.

These risks may change over time as the external environment changes and as Energy Ventures expands its operations. The risk management process requires regular reviews of Energy Venture's existing risks and the identification of any new and emerging risks facing Energy Ventures, including financial and non-financial matters.