

1. Objective

The objective of this policy is to promote and achieve diversity at all levels of Carnarvon Petroleum Limited's ("Carnarvon" or "Company") business which is intended to improve corporate performance leading to increased shareholder value.

The Board has delegated this function to the Remuneration & Nomination Committee ("The Committee") who will make recommendations to the full Board concerning diversity.

2. Meaning of Diversity

A diverse workforce is one comprised of people with different experiences, skills, genders, ages, ethnicity and cultural backgrounds. Carnarvon recognises the benefits that having a diverse workforce can bring to its business.

3. Benefits of Diversity

Diversity in the workforce results in greater organisational strength, greater innovation, deeper problem-solving ability and the generation of a wider range of new business opportunities. Promoting diversity at all levels of Carnarvon's business is likely to support employee retention and will broaden Carnarvon's recruitment pool, a critical factor in the highly competitive global recruitment market in which Carnarvon operates. Carnarvon also recognises that promoting diversity in the workforce is a responsible governance practice consistent with best practice corporate governance principles.

4. Achieving Diversity in the Workplace

Carnarvon is committed to attracting and retaining a diverse range of talented people to work in all levels of its business, from entry positions to Board members.

The key criteria in making employee, management and Board appointments is a candidate's ability to add value and assist with the achievement of Carnarvon's objectives. Decisions are based on merit, having regard to candidates' capabilities, experiences, skills, past performance and ability to add value to Carnarvon's business as a whole. To identify the best candidate for any position, appointments are made from as diverse a pool of candidates as possible and professional recruitment firms may be engaged to assist with this process.

All employees are given the opportunity to build capabilities and progress their careers through participation in career development discussions on at least an annual basis.

Through this process, employees are assisted to develop skills and experiences that form part of the

preparation for more senior roles in the Company. Performance of employees is measured against goals agreed between employees and their supervisors that focus not only on developing specific skills related to their current role but broader aims of achieving fairness and promoting equality in the workplace and in all areas in which Carnarvon conducts its business.

5. Measuring the Achievement of Diversity

Progress in achieving diversity will be a periodic item on the Committee's agenda. It will be formally assessed by the Committee annually and will be subject to review on a half yearly basis.

The Company Secretary will monitor diversity at all levels of Carnarvon's business and report to the Committee, identifying areas where the Company is achieving its diversity objectives and areas where gaps need to be addressed. Progress will be monitored against measurable objectives agreed from time to time by the Committee, and the outcome of those objectives will be reviewed on an annual basis.

The Committee will develop strategies to address any gaps, which may include establishing formal mentoring relationships, providing professional development opportunities and/or leadership programs and negotiating flexible working arrangements.

Annually the Committee will report to the full Board on the progress in achieving diversity.

6. Achieving Gender Diversity

An integral part of Carnarvon's diversity strategy is the promotion and achievement of gender diversity. Progress in achieving gender diversity will be a periodic item on the Committee's agenda. It will be formally assessed by the Committee annually and will be subject to review on a half yearly basis.

The Company Secretary will assess gender diversity at all levels of Carnarvon's business and report to the Committee, identifying areas where the Company is achieving its diversity objectives and areas where gaps need to be addressed.

Progress will be monitored against measurable objectives agreed from time to time by the Committee, and the outcomes of those objectives will be reviewed on an annual basis. Annually the Committee will report to the full Board on the progress in achieving gender diversity.

7. Reporting on the Achievement of Gender Diversity

Carnarvon will disclose in each annual report:

- a) the measurable objectives set by the Committee for achieving gender diversity and Carnarvon's progress towards achieving them; and

- b) the proportion of Carnarvon’s employees, senior executives and Board members who are female;

8. Communication

This Policy will be communicated and promoted at all levels of Carnarvon’s business. A summary of this Policy will be disclosed on Carnarvon’s website for reference by external stakeholders.

9. Review of Policy

The Committee will review this policy annually.