

Diversity

Principle 3 of the ASX Corporate Governance Principles and Recommendations covers promoting ethical and responsible decision-making and recommends:

- Companies establish a policy concerning diversity and disclose the policy or a summary of that policy;
- Companies disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them; and
- Companies disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.

POLICY:

Petsec Energy recognises that a diverse workforce can contribute to its business success by enabling the Company to tap into a larger pool of talent, improve employee morale and hence retention, and promote innovation. The Company is committed to equal opportunity and development of a workplace that embraces diversity at all levels of its workforce. The Diversity Policy seeks to ensure that the Company's recruitment and management processes are based on competence and performance irrespective of gender, age, nationality, race, religious beliefs, sexuality, physical ability, or cultural background.

The Company achieves this objective by:

- Recruiting and managing on the basis of an individual's competence and performance;
- Fostering a culture that embraces diversity and encourages and rewards Company personnel for acting in accordance with this policy;
- Taking action to prevent and stop discrimination, bullying, or harassment;
- Encouraging employees to develop to their full potential;
- Where feasible, allowing flexible work practices to assist employees in meeting their domestic responsibilities and religious or cultural observances;
- Monitoring by the Board of diversity across the organisation and within each employment level to ensure that there are no indications of bias in terms of recruitment, remuneration, or other management or employment practices.

AUTHORISED PERSONNEL:

In accordance with Petsec Energy's Nomination and Remuneration Committee Charter, the Nomination and Remuneration Committee has the responsibility for overseeing and reviewing the Company's diversity policy and initiatives and make recommendations to the Board of Directors in relation to management thereof.

The Company Secretary of PEL is responsible in assisting the Committee with monitoring of the diversity strategy, review of the compliance with the diversity policy and making recommendations to the Board whether any changes or initiatives are required to improve diversity.

PROCEDURE:

- The Board of Directors will review the diversity policy on an annual basis and assess its effectiveness and outcomes having regard to the size of the Company and its business needs.
- While the Board has not adopted any numerical benchmarks or targets given the small size of the Company's board and workforce, it will reconsider the need for measurable objectives as the Company grows.
- This policy will be reviewed regularly and if necessary amended to ensure consistency of methods with equal opportunity legislation.
- All personnel are required to comply with the policy as a part of their employment contract. Managers at all levels are expected to ensure that their respective reports are aware of the Company's diversity policy and its objectives.

OVERRIDING CAVEAT:

Nothing in this policy shall be taken, interpreted or construed so as to endorse:

- a) The principal criteria for selection and promotion of people to work within the Company being other than their overall relative prospect of adding value to the Company and enhancing the probability of achievement of the Company's objectives;
- b) Any discriminatory behaviours by or within the Company contrary to the law, or any applicable codes of conduct or behaviour for the Company and its personnel; and
- c) Any existing person within the Company being prejudiced by this policy in their career development or otherwise, merely because their diversity attributes at any time may be more, rather than less common with others.