

Procedure for the Selection and Appointment of New External Auditors

1. Responsibility for selection and appointment

The Board is the custodian of EVE Investments' External Auditor relationship and considers and makes recommendations to the Board in relation to the appointment, termination and over right of the External Auditor. It also ensures that key partners within the appointed firm are rotated from time to time in accordance with Board policy.

2. Selection criteria

EVE Investments requires its External Auditor to review, test and challenge its accounting policies, accounting processes and internal financial controls. Accordingly EVE Investments appoints as External Auditor a highly respected accountancy firm which has access to expert international accounting standards research relevant to the energy industries, demonstrable audit quality control processes and substantial resources to carry out the assignment in Australia and in other relevant jurisdictions.

3. Selection and appointment process

Key aspects of the External Auditor selection and appointment process are:

- The Board is responsible for appointing the External Auditor, subject to shareholder approval.
- The Board will annually review the External Auditor's performance and independence and periodically benchmarks the cost and scope of the external audit engagement.
- The appointed External Auditor is required to present to the Board an annual external audit proposal..
- Upon engagement, the External Auditor will have unfettered access to management, staff, records and company facilities, and is permitted reasonable, agreed time to conduct its audit.

4. Rotation of External Auditor

Due to the current size and nature of the Company's activities it has not adopted a policy for the rotation of external engagement partners, including auditors. The Board does not believe that any marked efficiencies or enhancements would be achieved by the Company through the creation of such policies. As the nature and scale of the Company's activities increases over time, the Board will look to adopt a formal policy when it is considered appropriate for the Company.