

CORPORATE GOVERNANCE STATEMENT

For the financial year ended 30 June 2020

This statement outlines the Corporate Governance practices adopted by the Board of Directors for the financial year ending 30 June 2020.

The Board of Ansila Energy NL (**Ansila** or **Company**) is committed to conducting the Company's business in accordance with a high standard of corporate governance commensurate with its size, operations and the industry within which it participates. The Board has established a corporate governance framework, including corporate governance policies, procedures and charters to support this commitment. It is the Company's policy to regularly review and update its corporate governance practices to ensure they remain appropriate to the Company's circumstances.

The Directors of Ansila are responsible for the corporate governance of the Company and support the principles of the ASX Corporate Governance Council's Principles and Recommendations (Third Edition).

In addition to the information contained in this statement, the Company's website www.ansilaenergy.com.au has a dedicated corporate governance section which includes copies of key corporate governance policies adopted by the Company.

The extent to which the Company has complied with the ASX Principles and Recommendations (during the year ended 30 June 2020, and the main corporate governance practices in place, are set out below.

This statement has been approved by the Board and is current as at 30 September 2020.

PRINCIPLES AND RECOMMENDATIONS	COMPLY	DISCLOSURE
<p>Principle 1: Lay solid foundations for management and oversight</p> <p><i>A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.</i></p>		
<p>1.1 A listed entity should disclose:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	Yes	<p>The Company's Corporate Governance Plan includes a Board Charter, which outlines the specific responsibilities of the Board and defines the Board's relationship with Management.</p> <p>The Board delegates responsibility for the day-to-day operations and administration of the Company to the Managing Director/CEO. It is noted that this responsibility has been assumed by Executive Director Mr Nathan Lude.</p> <p>The Corporate Governance Plan, which includes the Board Charter, is available on the Governance page of the Company's website.</p>
<p>1.2 A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	Yes	<p>As part of the process for the identification of suitable future candidates the Board will take into consideration the person's character, experience, education, financial history and background.</p> <p>All material information relevant to whether to elect or re-elect a Director is provided to the Company's shareholders as part of the Notice of Meeting and Explanatory Statement for the relevant meeting of shareholders which addresses the election or re-election of a Director.</p> <p>Details of the Directors in office, including their qualifications, experience, date of appointment and their status as Non-Executive, independent or Executive Director are set out in the Directors' Report in the Company's Annual Report.</p>



PRINCIPLES AND RECOMMENDATIONS	COMPLY	DISCLOSURE
		The Company's Corporate Governance Plan is available on the Governance page of its Company's website.
1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Each Executive Director and senior executive of the Company has an employment agreement or service agreement and the Non-Executive Directors have a letter of appointment which details the terms and conditions of appointment.
1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	The Company Secretary reports directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.
1.5 A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators" as defined in and published under that Act.	No	<p>The Company's Corporate Governance Plan includes a Diversity Policy, which provides a framework for establishing measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them.</p> <p>Due to the size of the Company, the Board does not consider it appropriate at this time, to formally set measurable objectives for gender diversity. The Board continues to monitor diversity across the organisation and is satisfied with the current level of gender diversity within the Company.</p> <p>As at 30 June 2020, the Company had no women employees in the whole organisation, women in senior executive positions or women on the Board.</p> <p>The Corporate Governance Plan, which includes the Diversity Policy, is available on the Governance page of the Company's website.</p>
1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	<p>The Company's Corporate Governance Plan includes a section on performance evaluation practices adopted by the Company. The Corporate Governance Plan, which includes the Board Charter, is available on the Governance page of the Company's website.</p> <p>Given the current size of the Board, the Chairman is responsible for assessing the performance of Directors and the Board.</p> <p>For the 2020 financial year, there was no formal performance evaluation undertaken. The Board considers that performance evaluation can be effectively assessed on an informal basis.</p>



PRINCIPLES AND RECOMMENDATIONS	COMPLY	DISCLOSURE
<p>1.7 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	Yes	<p>The Company's Corporate Governance Plan includes a section on performance evaluation practices adopted by the Company. The Corporate Governance Plan, which includes the Board Charter, is available on the Governance page of the Company's website.</p> <p>The Chief Executive Officer or person fulfilling that role is responsible for reviewing the performance of executive management at least once each calendar year.</p> <p>No formal performance evaluation was undertaken during the 2020 financial year. The Company has no executive management other than its three executive directors.</p>
<p>Principle 2: Structure the board to add value</p> <p><i>A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.</i></p>		
<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director; and disclose:</p> <p>(3) the charter of the committee.</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	No	<p>No formal nomination committee has been established by the Company. The Board, as a whole, currently fulfils the role of the Nomination Committee. The Company's Corporate Governance Plan is available on the Governance page of its website and contains principles to guide the Board when considering nomination matters.</p> <p>The Company considers that a formal nomination committee is not essential at this stage and the duties can be effectively carried out by the board. The Board devotes time at Board meetings to discuss Board succession issues, and to review and assess the appropriate balance of skills, experience, independence and knowledge required of the Board. All members of the Board are involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.</p> <p>The Board periodically reviews and updates the Company's Board skills matrix (in accordance with Recommendation 2.2) to assess the appropriate balance of skills, experience, independence and knowledge of the Board.</p>



PRINCIPLES AND RECOMMENDATIONS	COMPLY	DISCLOSURE																								
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board is currently has or is looking to achieve in its membership.</p>	Yes	<p>The Company's Corporate Governance Plan provides that the Board will regularly review the appropriate mix of skills and expertise to facilitate successful strategic direction. The term in office held by each director at the date of this statement and the details of the professional skills and expertise of each of the directors are set out in the Directors' Report in the Annual Report. The Company has developed the following board skills matrix .</p> <table border="1"> <thead> <tr> <th>Identified Skills</th> <th>Executive Directors</th> <th>Non – Executive Director</th> </tr> </thead> <tbody> <tr> <td>Corporate governance</td> <td>3</td> <td>1</td> </tr> <tr> <td>Legal</td> <td>-</td> <td>-</td> </tr> <tr> <td>Finance and company administration</td> <td>3</td> <td>1</td> </tr> <tr> <td>Oil and Gas industry knowledge and direct experience</td> <td>3</td> <td>1</td> </tr> <tr> <td>Investor Relations and Marketing</td> <td>3</td> <td>1</td> </tr> <tr> <td>Corporate Transactions and Project Generation</td> <td>3</td> <td>1</td> </tr> <tr> <td>Business management</td> <td>3</td> <td>1</td> </tr> </tbody> </table>	Identified Skills	Executive Directors	Non – Executive Director	Corporate governance	3	1	Legal	-	-	Finance and company administration	3	1	Oil and Gas industry knowledge and direct experience	3	1	Investor Relations and Marketing	3	1	Corporate Transactions and Project Generation	3	1	Business management	3	1
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<p>2.3 A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship that might cause doubt about the independence as a director, but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	Yes	<p>The Chair of the Board, Mr Bevan Tarratt is considered to be independent.</p>																								
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	No	<p>A majority of the Board are not independent Directors.</p>																								
<p>2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	Yes	<p>The Chair of the Board, Mr Bevan Tarratt is considered to be independent, and he is not the CEO or an executive Director.</p>																								



PRINCIPLES AND RECOMMENDATIONS	COMPLY	DISCLOSURE
2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	The Company's Corporate Governance Plan provides for the induction and professional development for the Board. The Corporate Governance Plan is available on the Governance page of the Company's website.
Principle 3: Act ethically and responsibly <i>A listed entity should act ethically and responsibly.</i>		
3.1 A listed entity should: <ul style="list-style-type: none"> (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it. 	Yes	The Company's Corporate Governance Plan includes a Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. <p>The Company has an Anti-Bribery and Corruption Policy which specifies the principles of business conduct and ethics to be followed by the Directors, officers and employees for the prevention of bribery and corruption. It also provides guidance on how to try to ensure that third parties who act on the Company's behalf follow equivalent standards.</p> <p>The Corporate Governance Plan, which includes the Corporate Code of Conduct, and the Anti-Bribery & Corruption Policy, are available on the Governance page of the Company's website.</p>
Principle 4: Safeguard integrity in financial reporting <i>A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.</i>		
4.1 The board of a listed entity should: <ul style="list-style-type: none"> (a) have an audit committee which: <ul style="list-style-type: none"> (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: <ul style="list-style-type: none"> (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that verify and safeguard the integrity of its corporate reporting, including the processes 	No	No formal audit committee has been established by the Company. The duties normally reserved for the audit committee are undertaken by the full board of the Company. The Company's Corporate Governance Plan is available on the Governance page of its website, and contains an Audit and Risk Management Committee Charter. <p>The Company considers that a formal audit committee is not essential at this stage and the duties can be effectively carried out by the Board. The qualifications and experience of each director are disclosed in the Company's Annual Report.</p> <p>The Board devotes time at Board meetings to review the Company's financial performance, and annually to fulfil the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors. All members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all corporate and financial reporting.</p>



PRINCIPLES AND RECOMMENDATIONS	COMPLY	DISCLOSURE
		for the appointment and removal of the external auditor and the rotation of the audit engagement partner.
4.2	Yes	The CEO and CFO declaration is provided to the Board prior to the sign-off of both the full-year financial statements and the half-year financial statements.
4.3	Yes	The Company invites the auditor to attend its AGM to answer questions from security holders relevant to the audit.
Principle 5: Make timely and balanced disclosure <i>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</i>		
5.1	Yes	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose the policy or a summary of it. <p>The Company's Corporate Governance Plan includes a Disclosure Policy. The Corporate Governance Plan is available on the Governance page of the Company's website. The focus of the Policy is on continuous disclosure compliance with the ASX Listing Rules and improving access to information for investors.</p>
Principle 6: Respect the rights of security holders <i>A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.</i>		
6.1	Yes	The Company's website provides information about itself and its governance for investors.
6.2	Yes	The Company encourages security holders to attend and participate in general meetings and makes itself available to meet security holders and regularly responds to telephone or email enquiries from security holders.
6.3	Yes	The Company encourages security holders to attend and participate in general meetings.
6.4	Yes	<p>Security holders are able to email enquiries to info@ansilaenergy.com.au.</p> <p>The Company's share registry provides security holders with the option to receive communications electronically.</p>



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<p>Principle 7: Recognise and manage risk</p> <p><i>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</i></p>		
<p>7.1 The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director;</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) If it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	No	<p>No formal risk committee has been established by the Company. The duties normally reserved for the audit committee are undertaken by the full board of the Company. The Company's Corporate Governance Plan is available on the Governance page of its website, and contains an Audit and Risk Management Committee Charter.</p> <p>The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. Risk is managed at the Board level with all members included in the process. The Board devotes time at Board meetings to fulfil the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures.</p> <p>The Company considers that a formal risk committee is not essential at this stage and the duties can be effectively carried out by the Board with the assistance of senior management.</p>
<p>7.2 The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	Yes	<p>The Company's Corporate Governance Plan includes a risk management policy. The Corporate Governance Plan is available on the Governance page of the Company's website.</p> <p>The Board has reviewed the effectiveness of risk management and internal compliance and control on an annual basis. The Board also meets on a regular basis to discuss the operating activities of the Company. As part of this, all risks are considered including but not limited to strategic, operational, legal, reputation and financial risks</p>
<p>7.3 A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; and</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	Yes	<p>Due to the size of the Company, the Board does not consider it necessary at this time, to formally implement an internal audit function. The Board continually monitors the risk management and internal control processes adopted by the Company to ensure they are appropriate to the operations of the Group.</p>
<p>7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	Yes	<p>The Company is of the view that its operations do not create a material exposure to economic or social sustainability risks. The Company manages its exposure to environmental risks in accordance with its risk management policy and the laws of the jurisdictions in which it operates, and by ensuring contractors engaged to conduct operations do so in accordance with industry best practice.</p>



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<p>Principle 8: Remunerate fairly and responsibly <i>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.</i></p>		
<p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee, which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>No</p>	<p>No formal remuneration committee has been established by the Company. The duties normally reserved for a remuneration committee are undertaken by the Board as a whole. The Company's Corporate Governance Plan is available on the Governance page of its website and contains principles to guide the Board when considering remuneration matters.</p> <p>The Board ensures that no individual director or senior executive is involved in deciding their own remuneration. The Board devotes time as required, and at least annually, at Board meetings to fulfilling the roles and responsibilities associated with setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive. The Company's annual remuneration report which is published in the Annual Report provides comment on the relationship between remuneration and performance and how it is aligned to the creation of value for security holders.</p> <p>The Company considers that a formal remuneration committee is not essential at this stage and the duties can be effectively carried out by the full board.</p>
<p>8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>Yes</p>	<p>Remuneration of the Company's Non-Executive Directors, Executive Directors and senior executives is set out in the Company's Remuneration Report (which forms part of the Directors' Report) in the Company's Annual Report.</p>
<p>8.3 A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>Yes</p>	<p>Company personnel are restricted from hedging Ansila securities. Clearance from the Board must be received prior to entering into such a transaction. These restrictions are contained in the Company's Securities Trading Policy, a copy of which is available on the Company's website.</p>