

STATEMENT OF THE CHIEF EXECUTIVE OFFICER

Enthalpy's objective is to continue to grow the business, through a well-managed portfolio of investments in new capital assets and acquisitions, or sales of suitable businesses.

Enthalpy's business development policy ensures management of the portfolio by a strategic and flexible policy, while maintaining the 'risk to reward' relationship at a commercially acceptable level. This ensures that positive financial outcomes are achieved.

The Capital Investment System (CIS) is the means of delivery of the business development policy set by the Board of Enthalpy. This Policy Statement mandates the use of the CIS by all personnel during the development, acquisition or sale of capital assets, as defined in CIS_PO_002 Policy – Capital Investment System.

The processes and standards adopted in Enthalpy's CIS are in accordance with world's best practice and will be continually challenged and improved as part of our company's process to acquire and develop capital assets.

In order to meet these objectives, Enthalpy is committed to developing and delivering investments that:

- align with Enthalpy's Business strategy, priorities and values
- have a high probability of success, based on the use of industry proven techniques, with risks identified and evaluated
- maximise Enthalpy's investment value, by administering opportunities through a project portfolio that employs methodologies of resource allocation that maximise Enthalpy's value
- strictly adhere to the phased approach, in the context of the investment cycle, with specific deliverables in each phase
- have undergone a clear decision-making process based on reviews by parties independent of the investment recommenders or implementers, consistent with the defined processes and minimum standards
- will consistently meet the economic forecasts, within the established time frames
- are made in an organisational structure that fosters the development of team work and of the personnel involved, to drive creative approaches within a rigorous and disciplined process
- once investments are completed, they will be evaluated and the lessons learnt will form the basis of a continuous improvement process.

The CIS uses a series of Policy Manuals and Minimum Standards that must be complied with, unless a particular business opportunity justifies approved variations to any specific Policy or Minimum Standard.

Only with Executive approval will our core standards and practices be varied.

I commend to you that the continued and future growth of Enthalpy be delivered only in the best value-adding methodology as set out in the Capital Investment System.

Signed

Chief Executive Officer

On Behalf of the Board of Directors