

HEALTH, SAFETY AND ENVIRONMENTAL POLICY

Hydrasun is committed to conducting its business in a way which causes no incidents, no harm to people, property, nor to the environment. We believe that good Health, Safety and Environmental (HS&E) performance is key to the long term success of the company, is good for the business, and is therefore an essential part of our overall business plans and objectives. Every employee has responsibilities for HS&E and these responsibilities are made known to all personnel. In addition to requiring the involvement of everyone in the organisation we also believe that good HS&E performance is dependant upon a process of Continuous Improvement. Therefore we are:

1. EFFECTIVELY MANAGING HS&E BY:

- Ensuring that HS&E is an integral part of the way we do business
- Making people responsible and accountable for activities required to implement this policy
- Using Quality Management principles in the implementation of our Continuous Improvement Plan
- Communicate openly with our employees and customers on our HS&E programmes and performance

2. REDUCING HS&E RISK BY:

- Identifying and assessing HS&E hazards, and by preventing, controlling or reducing risk to the lowest practicable level
- Regularly reviewing our working methods and industry best practice to identify opportunities for improvement

3. INVOLVING AND CONSULTING WITH OUR WORKFORCE BY:

- Providing them with appropriate HS&E information, instruction, training and supervision
- Encouraging their participation and ideas in improving our HS&E performance
- Commending good HS&E performance
- Listening and addressing their concerns about HS&E issues

4. COMPLYING WITH LEGISLATION, CODES OF PRACTICE AND STANDARDS BY:

- Keeping abreast of, interpreting and complying with relevant laws, regulations, codes of practice and industry standards, and by taking any additional measures we consider necessary
- Working with our industry, our customers and the relevant enforcing authorities to influence effective legislation and standards

5. CONTINUOUSLY IMPROVING OUR PERFORMANCE BY:

- Investigating, and analysing incidents, safety observations and, where necessary implementing remedial actions
- Regularly assessing our wastes, emissions and discharges in order to prevent environmental pollution
- Monitoring, auditing and providing feedback on our Management Systems performance
- Initiating and prioritising improvements to our Management System, based on the results of monitoring and audits
- Setting demanding yet achievable targets for our HS&E performance

Our board of directors receive regular reports on the status of our Health, Safety and Environment Management System activities and performance. We use this information to monitor our progress towards achieving the goals set up by our overall HS&E Plan, our Continuous Improvement Plan, and our success in working together toward achieving our overall goal to conduct our business with no incidents, no harm to people, property, nor the environment

A handwritten signature in blue ink, appearing to read "R S Drummond".

R S Drummond
Chief Executive Officer

August 2011

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