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| FORM: HG-1-02   | <b>ENVIRONMENTAL POLICY</b> |  |
| ISSUE: 1        |                             |   |
| DATE: July 2008 |                             |   |

The Halikos Group is committed to providing an Environmental Management System (EMS) above the requirements of Australian Standards, and to the prevention of industrial pollution. The management of the environment shall be in accordance with the requirements of AS14001 and other applicable legislative obligation.

The management of Halikos Pty Ltd will ensure:

- The identification of our legislative and regulatory obligations;
- The creation of systems and processes which control our environmental obligations;
- The setting and review of environmental objectives and targets at relevant functions and levels;
- We continually improve our environmental performance; and
- Develop clear training and communication strategies.

Halikos promotes environmentally practices and encourages the adoption of clean work habits. Halikos is committed to providing a clean and pollutant free workplace for its neighbours and stakeholders who are impacted and influenced by our work activities.

The EMS will be integrated into all facets of our business and will provide guidance to facilitate participation of all stakeholders to achieve determined environmental goals and targets designed to provide zero environmental damage.

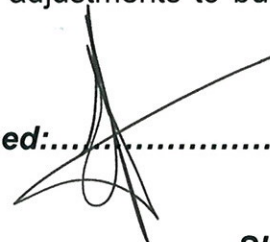
The Halikos EMS will ensure that all risks to the environment arising from work activities are eliminated or properly controlled.

Halikos will not tolerate unacceptable behaviour or actions that wilfully violate environmental rules or regulations. All of our employees have a responsibility to report or rectify any condition that has a direct or indirect impact on the environment.

Halikos is committed to complying with all relevant environmental legislation.

The Halikos EMS will be reviewed with a scope wide enough to address the environmental implications of all work activities performed, and to make adjustments to build upon and improve its effectiveness.

**Signed:.....**



**Shane Dignan  
Managing Director  
Halikos Group**

**July 2008**