



Seagull Petroleum and Mining

Risk Management Policy

Effective as of October 02, 2018



Risk Management Policy

Seagull Petroleum and Mining is committed to protecting and preserving its assets, including its people, property and reputation, from any loss or damage. No activities can take place without an element of risk being present. At Seagull, it is our responsibility to reduce this risk as much as possible, to avoid that our operations have adverse effects on people, the environment, or financial assets.

To this end, Seagull is committed to identifying and managing risks associated with its operations that could materially affect its obligations to its stakeholders, its employees and the communities in which it operates.

Identifying risk and understanding risk is necessary to prevent accidents and to ensure adequate emergency preparedness and reduce uncertainty.

For each project, the miscellaneous variables that may induce risk in the project are reviewed and followed up throughout the duration of the project. Qualitative risk analyses and emergency preparedness analyses are carried out for the drilling rigs employed by Seagull. On the basis of these analyses, we perform area-specific assessments and identify specific actions aimed at reducing risk in our drilling operations.

Seagull may reduce uncertainty by performing various analyses and studies, by exploiting amassed know-how and experience, and by employing scientific methods.

Commitments

Effective risk management is central to the continued growth and success of Seagull.

The risk management process in the company requires Managers and Risk Champions to:

- Ensure appropriate systems are in place to identify, to the extent reasonably practicable, each material risk that the Company faces in conducting its business.
- Identify risk associated with Seagull activities.
- Develop and use appropriate tools and techniques to evaluate and assess the risks.
- The potential consequences and likelihood of each identified risk are understood and appropriate limits are set to assist in managing exposure to risks.
- Select and implement appropriate effective risk control measures to avoid/ reduce undesired exposures to loss, damage or any unwanted instability.
- Monitor the implementation of the risk controls, and
- Report status, progress and issues to the management in a timely manner to facilitate and enhance the quality of decision-making.

As Seagull's CEO, I am committed to follow-up the evaluation of the risk control options and to be carried out in close coordination with all related departments and units. At Seagull, the company's Enterprise Risk Management (ERM) system is to ensure business continuity through maintaining the appropriate activities of risk identification, mapping, management and monitoring. Please join me and the entire Seagull organization in executing and adopting this Risk Management Policy in a manner where we all are proud.

Chief Executive Officer