



**LION ENERGY LIMITED  
ACN 000 753 640**

## **NOTICE OF ANNUAL GENERAL MEETING**

**The Annual General Meeting of the Company will be held at  
the offices of the Company,  
at Suite 7, 295 Rokeby Road, Subiaco, Western Australia 6008  
on Thursday, 31 May 2018 at 10:00am (WST).**

*The Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

*Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9211 1500.*

**Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice**

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# LION ENERGY LIMITED

ACN 000 753 640

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Shareholders of Lion Energy Limited (**Company**) will be held at the offices of the Company, at Suite 7, 295 Rokeby Road, Subiaco, Western Australia, 6008 on Thursday, 31 May 2018 at 10:00am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Tuesday, 29 May 2018 at 5:00pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

## AGENDA

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### 1. Annual Report

To consider the Annual Report of the Company and its controlled entities for the financial year ended 31 December 2017, which includes the Financial Report, the Directors' Report and the Auditor's Report.

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### 2. Resolution 1 - Remuneration Report

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."*

#### Voting Prohibition

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly

authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

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### **3. Resolution 2 - Election of Director - Mr Damien Servant**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, in accordance with Clause 13.5 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Damien Servant, a Director who was appointed on 13 February 2018 retires and, being eligible, is elected as a Director".*

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### **4. Resolution 3 - Election of Director - Mr Zane Lewis**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, in accordance with Clause 13.5 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Zane Lewis, a Director who was appointed on 13 February 2018 retires and, being eligible, is elected as a Director".*

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### **5. Resolution 4 - Re-election of Director - Mr Thomas Soulsby**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, in accordance with Clause 13.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Thomas Soulsby, a Director who was appointed on 10 January 2014 retires and, being eligible, is elected as a Director".*

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### **6. Resolution 5 - Re-election of Director - Mr Russell Brimage**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That, in accordance with Clause 13.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Russell Brimage, a Director who was appointed on 10 August 2005 retires and, being eligible, is elected as a Director".*

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### **7. Resolution 6 - Approval of 10% Placement Facility**

To consider and, if thought fit, to pass with or without amendment, as a special resolution the following:

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected participate in, or who will obtain a material benefit as a result of, the 10% Placement Facility (except a benefit solely by reason of being a holder of Shares), and any associate of that person.

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## **8. Resolution 7 - Ratification of prior issue of Shares**

To consider, and if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 202,000 Shares at \$0.05 each under Listing Rule 7.1 on the terms and conditions in the Explanatory Memorandum".*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Messrs Andrew Bobey and Zane Lewis and their respective nominees and associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

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## **9. Resolution 8 - Approval to issue Shares to SmallCap Corporate**

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 100,000 Advisor Shares to SmallCap Corporate (or its nominees) on the terms and conditions in the Explanatory Memorandum."*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by SmallCap Corporate (and its nominees) and any associates of those persons.

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 10. Resolution 9 - Approval to issue termination benefits to Stuart Smith

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*"That approval be given for all purposes including Part 2D.2 of the Corporations Act and Listing Rules and 10.11 and 10.19 for the giving of benefits to Stuart Smith in connection with him ceasing to be a Director of the Company, on the terms and conditions in the Explanatory Memorandum."*

### Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Stuart Smith and his associates.

However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### Voting Prohibitions

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of this Resolution. In exceptional circumstances, the Chair may change his voting intention on this Resolution, in which case an ASX announcement will be made.

Shareholders may also choose to direct the Chair to vote against this Resolution or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

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## 11. Resolution 10 - Approval to issue Performance Rights

To consider and, if thought fit, to pass with or without amendment, each as a separate ordinary resolution the following:

*"That, pursuant to and in accordance with Listing Rule 10.11, section 195(4) of the Corporations Act and for all other purposes, Shareholders approve the issue of Performance Rights to related parties (or their nominees) on the terms and conditions in the Explanatory Memorandum as follows:*

- (a) up to 2,500,000 Performance Rights to Thomas Soulsby;
- (b) up to 1,500,000 Performance Rights to Damien Servant;
- (c) up to 750,000 Performance Rights to Christopher Newton;
- (d) up to 750,000 Performance Rights to Russell Brimage; and
- (e) up to 750,000 Performance Rights to Zane Lewis."

### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Messrs Soulsby, Servant, Newton, Brimage and Lewis (and their respective nominees), and any of their respective associates.

The Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **Voting Prohibition**

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 12. Resolution 11 - Approval to issue Shares in lieu of Director fees

To consider and, if thought fit, to pass with or without amendment, each as a separate ordinary resolution the following:

*“That for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the issue of Shares to the Directors (or their nominees) in lieu of Director fees as follows:*

- (a) up to 437,340 Shares to Thomas Soulsby;
- (b) up to 437,340 Shares to Christopher Newton; and
- (c) up to 633,308 Shares to Russell Brimage.”
- (d) on the terms and conditions set out in the Explanatory Memorandum.”

### **Voting Exclusion**

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of these Resolutions by any Directors who are eligible to participate in the issue of Shares and their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Please note: If the Chair is a person referred to in the section 224 of the Corporations Act voting exclusion statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on this Resolution.

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## 13. Resolution 12 - Approval to issue Shares to Mr Kim Morrison

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*“That for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the issue of 2,363,636 Shares to Mr Kim Morrison (or his nominees) on the terms and conditions set out in the Explanatory Memorandum.”*

### Voting Exclusion

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of this Resolution by Kim Morrison (and his nominees) and their respective associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Further, in accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (c) the proxy is either a member of the Key Management Personnel or a Closely Related Party of such member; and
- (d) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (e) the proxy is the Chair; and
- (f) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Please note: If the Chair is a person referred to in the section 224 of the Corporations Act voting exclusion statement above, the Chair will only be able to cast a vote as proxy for a person who is entitled to vote if the Chair is appointed as proxy in writing and the Proxy Form specifies how the proxy is to vote on this Resolution.

### BY ORDER OF THE BOARD

Arron Canicais  
Company Secretary  
Dated: 30 April 2018



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# LION ENERGY LIMITED

ACN 000 753 640

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of the Company, at Suite 7, 295 Rokeby Road, Subiaco, Western Australia 6008 on Thursday, 31 May 2018 at 10:00am (WST).

The Explanatory Memorandum forms part of the Notice, which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 - Remuneration Report
Section 5	Resolutions 2 and 3 - Election of Directors - Mr Damien Servant and Mr Zane Lewis
Section 6	Resolutions 4 and 5 - Re-election of Directors - Mr Thomas Soulsby and Mr Russell Brimage
Section 7	Resolution 6 - Approval of 10% Placement Facility
Section 8	Resolution 7 - Ratification of prior issue of Shares
Section 9	Resolution 8 - Approval to issue Shares to SmallCap Corporate
Section 10	Resolution 9 - Approval to issue termination benefits to Stuart Smith
Section 11	Resolution 10 - Approval to issue Performance Rights
Section 12	Resolution 11 - Approval to issue Shares in lieu of Director fees
Section 13	Resolution 12 - Approval to issue Shares to Mr Kim Morrison
Schedule 1	Definitions
Schedule 2	Terms and conditions of Performance Rights

A Proxy Form is located at the end of the Explanatory Memorandum.

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## 2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

### 2.1 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above.

### 2.2 Proxies

#### (a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (ii) a proxy need not be a member of the Company; and
- (iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

#### (b) Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- (i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- (ii) if the proxy has 2 or more appointments that specify different ways to vote on the resolution - the proxy must not vote on a show of hands;
- (iii) if the proxy is the chair of the meeting at which the resolution is voted on - the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (iv) if the proxy is not the chair - the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

#### (c) Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- (i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- (ii) the appointed proxy is not the chair of the meeting;
- (iii) at the meeting, a poll is duly demanded on the resolution; and
- (iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

### **2.3 Voting Prohibition by Proxy Holders (Remuneration of Key Management Personnel)**

In accordance with section 250R of the Corporations Act, a vote on Resolutions 1, 8, 10 and 11 must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.
- (c) However, a person described above may cast a vote on Resolutions 1, 8 and 11 if the vote is not cast on behalf of a person who is excluded from voting on Resolutions 1, 8 and 11 and:
  - (d) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
  - (e) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution, but expressly authorises the Chair to exercise the proxy even if the Resolution is connected with the remuneration of a member of the Key Management Personnel.

The Chair intends to exercise all available proxies in favour of Resolutions 1, 8 and 11.

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## **3. Annual Report**

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 31 December 2017.

There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at <http://lionenergy.com.au/>;
- (b) ask questions about, or comment on, the management of the Company; and

- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (d) the preparation and content of the Auditor's Report;
- (e) the conduct of the audit;
- (f) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (g) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

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## 4. Resolution 1 - Remuneration Report

In accordance with subsection 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report, which is contained in the Annual Report, contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with subsection 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

If the Company's Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings, Shareholders will have the opportunity to remove the whole Board, except the managing director.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director, if any) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Remuneration Report did not receive a Strike at the last annual general meeting. If the Remuneration Report receives a Strike at this Meeting, Shareholders should be aware that if a second Strike is received at the following annual general meeting, this may result in the re-election of the Board.

The Chair will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 1.

If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention, even though the Resolution is connected

directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

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## **5. Resolutions 2 and 3 - Election of Directors - Mr Damien Servant and Mr Zane Lewis**

### **5.1 General**

Clause 13.5 of the Constitution gives the Directors authority to appoint other Directors. That person holds office until the end of the next annual general meeting following their appointment and is eligible for election at that meeting.

In addition, Listing Rule 14.4 provides that a Director appointed as an addition to the Board must not hold office (without re-election) past the next annual general meeting.

Mr Damien Servant was appointed as an Executive Director of the Company by the Board on 13 February 2018.

Mr Zane Lewis was appointed as a Non-Executive Director of the Company by the Board on 13 February 2018.

Accordingly, Mr Servant and Mr Lewis resign as Directors at the Meeting and, being eligible, seek approval to be elected as Directors.

### **5.2 Mr Damien Servant**

Mr Servant has more than a decade of experience in investment banking in South East Asia, with expertise in regional oil and gas asset debt funding.

Mr Servant's extensive regional investment banking experience is also informed by a background in engineering. This makes him crucial to the identification, assessment and execution of value-creating oil and gas investment opportunities.

Starting his investment banking career with BNP Paribas, Mr Servant then joined Merrill Lynch as a director of Debt Capital Markets Division in Singapore. He went on to become a Director of Standard Merchant Bank's Debt Products Group before joining Risco Energy in 2013.

Mr Servant holds an engineering degree from École Nationale Supérieure des Télécommunications and a Master of Finance from University Paris Dauphine.

### **5.3 Mr Zane Lewis**

Mr Lewis is the Company Secretary of Lion Energy and has over 20 of years corporate advisory experience with ASX and AIM listed companies.

Mr Lewis is a Non-Executive Director for a number of ASX Listed companies and is a Fellow of the Governance Institute of Australia.

### **5.4 Board recommendation**

The Board (excluding Mr Servant in relation to Resolution 2, and Mr Lewis in relation to Resolution 3) recommends that Shareholders vote in favour of Resolutions 2 and 3.

Resolutions 2 and 3 are ordinary resolutions.

The Chair intends to exercise all available proxies in favour of Resolutions 2 and 3.

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## **6. Resolutions 4 and 5 - Re-election of Directors - Mr Thomas Soulsby and Mr Russell Brimage**

### **6.1 General**

Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer.

Clause 13.2 of the Constitution provides that:

- (a) no director may hold office for a period in excess of 3 years, or beyond the third annual general meeting following the director's election, whichever is the longer, without submitting himself or herself for re-election;
- (b) there must be an election of directors at each annual general meeting. The director or directors to retire at each annual general meeting includes any one or more of the following, as applicable:
  - (i) any director required to submit for election due to holding office for 3 years or 3 annual general meetings following the director's election, whichever is the longer;
  - (ii) any director required to submit for election due to being appointed since the last annual general meeting;
  - (iii) a person standing for election as a new director; or
  - (iv) if no such persons are standing for election or re-election under Clauses 3(b)(i) to 3(b)(iii), then the director who has been in office the longest since last being elected;
- (c) the requirement to retire by rotation does not apply to the Managing Director; and
- (d) a Director who retires by rotation under Clause 13.2 of the Constitution is eligible for re-election.

Accordingly, Mr Thomas Soulsby and Mr Russell Brimage retire and being eligible, seek approval to be re-elected as Directors.

### **6.2 Mr Thomas Soulsby**

Mr Soulsby is the Chief Executive Officer of Risco Energy and has over 20 years' experience in the oil and gas and resources sector spanning investment banking, corporate business development and management/leadership roles.

A graduate of Swinburne and Monash Universities, he initially worked as an accountant, starting his career at KPMG and Western Mining. Mr Soulsby then moved to Potter Warburg (now UBS) in Melbourne as an energy and resources equity research analyst. He subsequently joined ANZ in Melbourne, before being posted to Jakarta and ultimately Singapore as director of corporate finance and merchant banking. As a Director at Indonesian-listed Energi Mega Persada (EMP) from 2003 to 2008, he was responsible for the acquisition of assets which added 525 mmboe to EMP's 2P reserves - a key growth driver for the Company.

Mr Soulsby has been instrumental in securing backing for Risco prior to its incorporation in 2010, as well as growing the company and its capabilities in his role as Chief Executive Officer. Under Mr Soulsby's leadership, Risco has participated in and funded over US\$500 million in successful transactions since 2010. He led the significant valuation creation, and subsequent monetisation, of Risco's first South East Asian oil and gas conventional and unconventional portfolio in 2013.

### **6.3 Mr Russell Brimage**

Mr Brimage has in excess of 40 years of experience in the upstream oil and gas industry, in public listed oil and gas companies and the service industry, both onshore and offshore.

In the service industry, as founder and Managing Director of Oilserv Australia in 1982 - the company became a dominant service contractor in Australia providing contract field operations, testing and wire-line services, facility design and construction, drilling and work-over services.

In the public company arena, demonstrated capability in capacity as CEO to secure and develop producing assets, often via industry counter-cyclical transactions, to transform companies from zero revenue to positive cashflow and profitability, with successful outcomes in Indonesia and the state and federal shallow waters of the US Gulf Coast.

As CEO of an ASX listed entity, early mover in identifying shale opportunities in the US with the farm-in to approximately 60,000 acres in the Niobrara shale play in the states of Colorado and Wyoming in August 2009.

### **6.4 Board recommendation**

The Board (excluding Mr Soulsby in relation to Resolution 4, and Mr Brimage in relation to Resolution 5) recommends that Shareholders vote in favour of Resolutions 4 and 5.

Resolutions 4 and 5 are ordinary resolutions.

The Chair intends to exercise all available proxies in favour of Resolutions 4 and 5.

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## **7. Resolution 6 - Approval of 10% Placement Facility**

### **7.1 General**

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. Based on the ASX closing price on 18 April 2018, the Company has a market capitalisation of approximately \$4.4 million. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 19.2(c) below).

The Board unanimously recommends that Shareholders vote in favour of Resolution 6.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The Chair intends to exercise all available proxies in favour of Resolution 6.

## 7.2 Listing Rule 7.1A

### (a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

### (b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the company.

The Company, as at the date of the Notice, has on issue one quoted class of Equity Securities: Shares.

### (c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without Shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

Note that "A" has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%.

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or



agreement to issue that are not issued with Shareholder approval under Listing Rule 7.1 or 7.4.

**(d) Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 7.2(c)).

**(e) Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

**(f) 10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of Shareholder approval of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

**(10% Placement Period).**

### **7.3 Listing Rule 7.1A**

The effect of Resolution 6 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

### **7.4 Specific information required by Listing Rule 7.3A**

In accordance with Listing Rule 7.3A, information is provided as follows:

**(a) Minimum issue price**

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

If the Equity Securities are issued for non-cash consideration, then, In accordance with the Listing Rules, the Company will provide a valuation of the non-cash consideration to the market that demonstrates that the issue price of the securities complies with Listing Rule 7.1A.3.

**(b) Risk of economic and voting dilution**

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of Options, only if the Options are converted into Shares). There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows:

- (iii) the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Notice;
- (iv) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (v) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2*		Dilution		
		\$0.020 50% decrease in Issue Price	\$0.039 Issue Price	\$0.078 100% increase in Issue Price
Current Variable A 113,438,532 Shares	10% Voting Dilution	11,343,853 Shares	11,343,853 Shares	11,343,853 Shares
	Funds raised	\$221,205	\$442,410	\$884,821
50% increase in current Variable A 170,157,798 Shares	10% Voting Dilution	17,015,780 Shares	17,015,780 Shares	17,015,780 Shares
	Funds raised	\$331,808	\$663,615	\$1,327,231
100% increase in current Variable A 226,877,064 Shares	10% Voting Dilution	22,687,706 Shares	22,687,706 Shares	22,687,706 Shares
	Funds raised	\$442,410	\$884,821	\$1,769,641

\* The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table has been prepared on the following assumptions:

1. The issue price is \$0.039 being the closing price of the Shares on ASX on 18 April 2018, being the last day that the Company's Shares traded on the ASX before this Notice was printed.
2. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
3. No convertible securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities.
4. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
5. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
6. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
7. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

(c) **Final date for issue**

The Company will only issue the Equity Securities during the 10% Placement Period.

(d) **Purposes of issues under 10% Placement Facility**

The Company may seek to issue the Equity Securities for the following purposes:

- (i) cash consideration for continued investment in the Company's current assets, the acquisition of new assets or investments (including expenses associated with such an acquisition), and/or for general working capital; or
- (ii) non-cash consideration for the provision of services to the Company or the acquisition of new resources projects, assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required under Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.

Further, if the Company is successful in acquiring new projects, assets or investments, it is possible that the allottees under the 10% Placement Facility will be the vendors of the new projects, assets or investments.

(f) **Issues in the past 12 months**

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its Annual General Meeting held on 30 May 2017. In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has issued 5,252,000 Equity Securities. This represents 4.85% of the total number of Equity Securities on issue at the commencement of that

12 month period and an increase in total Equity Securities on issue of 105% during the 12 month period (taking into account conversion from one class of Equity Securities to another).

Details of each issue of Equity Securities by the Company during the 12 months preceding the date of the Meeting are set out in the table below:

Date of Issue	Number of Securities	Type of Security	Recipient of Security	Issue Price and details of any discount to Market Price <sup>1</sup> (if applicable)	Consideration, Use of Funds and Current Value <sup>2</sup> as at the date of this Notice
25/08/17	4,800,000	Shares	The Vendors in relation to the East Seram Joint Study.	\$0.05 representing a premium of 32% to the closing market price on the date of issue.	Issued as part consideration of the acquisition of a 50% interest in the East Seram Joint Study. Value: \$187,200
25/08/17	250,000	Shares	Stuart Smith (Director)	\$0.20 representing a premium of 426% to the closing market price on the date of issue.	Nil cash consideration. Issued to Stuart Smith (Director) as the third and final tranche of shares as approved at the 2014 Annual General Meeting. Value: \$9,750
25/08/17	202,000	Shares	Consultants providing corporate advisory services to the Company (see Section 8.4 for further details).	\$0.05 representing a premium of 35% to the closing market price on the date of issue.	Nil cash consideration. Issued in lieu of cash payment to consultants providing corporate advisory services to the Company. Value: \$7,878

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.

**(g) Voting exclusion statement**

A voting exclusion statement is included in the Notice.

At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

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## **8. Resolution 7 - Ratification of prior issue of Shares**

### **8.1 Background**

On 8 August 2017, the Company issued 202,000 Shares at an issue price of \$0.05 each in lieu of a cash payment for geological and corporate consultancy services provided to the Company by Mr Andrew Bobey and SmallCap Corporate respectively.

Resolution 7 seek the ratification of Shareholders pursuant to Listing Rule 7.4 for the issue of the Shares.

### **8.2 Listing Rules 7.1 and 7.1A**

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities comprising up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held on 30 May 2017.

### **8.3 Listing Rule 7.4**

Listing Rule 7.4 provides an exception to Listing Rules 7.1 and 7.1A. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 and 7.1A (and provided that the previous issue did not breach Listing Rules 7.1 and 7.1A), those securities will be deemed to have been made with shareholder approval for the purpose of Listing Rules 7.1 and 7.1A, as applicable.

The effect of Resolution 7 will be to allow the Company to retain the flexibility to issue Equity Securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 and the additional 10% annual placement capacity set out in Listing Rule 7.1A without the requirement to obtain prior Shareholder approval.

### **8.4 Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

- (a) a total of 202,000 Shares were issued on 8 August 2017 within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval;
- (b) the Shares were issued at \$0.05 per Share;
- (c) the Shares were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Shares were issued to Mr Andrew Bobey (82,000 Shares) and Mr Zane Lewis (120,000 Shares as a nominee of advisor SmallCap Corporate) in lieu of a cash payment for geological and corporate consultancy services provided to the Company, none of whom was a related party of the Company at the time the issues were made on 8 August 2017. Mr Zane Lewis was subsequently appointed a director of the Company on 13 February 2018;

- (e) the Shares were issued for nil consideration; and
- (f) a voting exclusion statement is included in the Notice.

## **8.5 Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 7.

Resolution 7 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 7.

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## **9. Resolution 8 - Approval to issue Shares to SmallCap Corporate**

### **9.1 General**

The Company is proposing to issue a total of 100,000 Shares to SmallCap Corporate (or its nominee) as part consideration for services provided to the Company (**Advisor Shares**).

SmallCap Corporate is a related party of the Company by virtue of Mr Zane Lewis's position as a director of SmallCap Corporate.

### **9.2 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Advisor Shares under Resolution 9 because the giving of the financial benefit is considered to be on arm's length terms.

### **9.3 Listing Rule 10.11**

In accordance with Listing Rule 10.11, the Company must not issue Equity Securities to a related party of the Company unless it obtains Shareholder approval.

The effect of passing Resolution 9 will be to allow the Company to issue the Advisor Shares to the Directors (or their nominees) in accordance with Listing Rule 10.11.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required.

### **9.4 Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the issue of the Advisor Shares:

- (a) the Advisor Shares are proposed to be issued to SmallCap Corporate;
- (b) the maximum number of Advisor Shares to be issued is 100,000;
- (c) the Company intends to issue the Advisor Shares as soon as practicable after the date of the Meeting and in any event, no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (d) Mr Zane Lewis is a director of SmallCap Corporate and the Company;
- (e) the deemed issue price of the Advisor Shares will be \$0.05 per Share;
- (f) the Advisor Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (g) the Advisor Shares are being issued for nil cash consideration; and
- (h) a voting exclusion statement is included in the Notice.

## **9.5 Additional information**

Zane Lewis, who has a personal interest in Resolution 9, declines to make a recommendation to Shareholders due to his interest in Resolution 9.

The remaining and non-conflicted Directors recommend Shareholders vote in favour of Resolution 9.

Resolution 9 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 9.

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## **10. Resolution 9 - Approval to issue termination benefits to Stuart Smith**

### **10.1 General**

Shareholder approval is sought for all purposes including Part 2D.2 of the Corporations Act and Listing Rules 10.11 and 10.19 to approve the giving of benefits to Stuart Smith in connection with him ceasing to be a Director of the Company on 13 February 2018, on the terms and conditions in this Explanatory Memorandum.

In accordance with the above and subject to the Listing Rules, the Board proposes to issue 1,720,205 Shares to Stuart Smith.

### **10.2 Corporations Act**

Part 2D.2 of the Corporations Act restricts the benefits that can be given to persons who hold a "managerial or executive office" (as defined in the Corporations Act) on leaving their employment with the Company or any of its related bodies corporate, unless an exception applies.

Under section 200B of the Corporations Act, a company may only give a person a benefit in connection with them ceasing to hold a managerial or executive office if the benefit is approved by shareholders or an exemption applies. Provided Shareholder approval is given, the value of the termination benefits may be disregarded when applying section



200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e. the approved benefit will not count towards the statutory cap under the legislation).

### **10.3 Listing Rules**

Listing Rule 10.11 requires Shareholder approval to be obtained where an entity issues or agrees to issue securities to a related party or a person whose relationship with the entity or a related party is in ASX's opinion such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

Listing Rule 10.19 provides that, without the approval of ordinary shareholders, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that are or may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules.

The Company's equity interests as set out in its latest accounts given to ASX (being the accounts for the full year ended 31 December 2017) was US\$1,315,265, 5% of which is US\$65,763. The value of the termination benefit payable to Mr Smith is US\$67,266.10. Accordingly, Shareholder approval is being sought as the value of the termination benefits exceeds this 5% threshold.

### **10.4 Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the issue of the Shares:

- (a) the Shares are proposed to be issued to Mr Stuart Smith (or his nominees);
- (b) the maximum number of Shares to be issued is 1,720,205;
- (c) the Company intends to issue the Shares as soon as practicable after the date of the Meeting and in any event, no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (d) Mr Stuart Smith ceased to be a Director of the Company on 13 February 2018 and under the Corporations Act remains a related party of the Company until 13 August 2018;
- (e) the Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (f) the Shares are being issued to Mr Smith (or nominees) as termination benefits in connection with his resignation as a director; and
- (g) a voting exclusion statement is included in the Notice.

### **10.5 Board recommendation**

The Board recommends that Shareholders vote in favour of Resolution 10.

Resolution 10 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 10.

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## 11. Resolution 10 - Approval to issue Performance Rights

### 11.1 General

The Board has agreed, subject to obtaining Shareholder approval, to issue a total of 6,250,000 Performance Rights to the Directors (or their respective nominees) in the following proportions as part of their remuneration as Directors of the Company (Performance Rights):

Director	Performance Rights		Total
	Tranche 1	Tranche 2	
Thomas Soulsby	1,250,000	1,250,000	2,500,000
Damien Servant	750,000	750,000	1,500,000
Chris Newton	375,000	375,000	750,000
Russell Brimage	375,000	375,000	750,000
Zane Lewis	375,000	375,000	750,000

The Performance Rights will be issued for nil consideration and will vest upon the satisfaction of certain milestones as follows:

- (a) Tranche 1 Performance Rights will vest if the average monthly volume of shares traded on the ASX from 1 July 2018 to 31 December 2018 exceeds 1.25% of the total shares on issue as at 31 December 2018.
- (b) Tranche 2 Performance Rights will vest on the satisfactory achievement of Total Shareholder Return.

As announced by the Company on 27 March 2018, if Shareholders do not pass this resolution, then to the maximum extent permitted by law (including for the purposes of Part 2D.2, Division 2 of the Corporations Act), the Company undertakes to pay the cash equivalent of the value of the Shares which Mr Soulsby and Mr Servant would have otherwise received on vesting of those Performance Rights in accordance with their terms.

Full terms and conditions of the Performance Rights are set out in Schedule 2.

The Performance Rights provide an incentive component to the Directors' respective remuneration packages, and align their interests with those of Shareholders. The Board considers that the number of Performance Rights to be granted to each of the Directors is commensurate with their value to the Company and is an appropriate method to provide cost effective remuneration.

### 11.2 Listing Rule 10.11

Listing Rule 10.11 requires Shareholder approval to be obtained where an entity issues or agrees to issue securities to a related party or a person whose relationship with the

entity or a related party is in ASX's opinion such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

Messrs Soulsby, Servant, Newton, Brimage and Lewis are related parties of the Company by virtue of their position as Directors.

As the issue of Performance Rights to the Directors (or their respective nominees) involves the issue of Performance Rights to related parties of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors (other than Mr Soulsby in relation to Resolution 11(a), Mr Servant in relation to Resolution 11(b), Mr Newton in relation to Resolution 11(c), Mr Brimage in relation to Resolution 11(d) and Mr Lewis in relation to Resolution 11(e)) that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required. Accordingly, the issue of Performance Rights will not be included in the issue of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

### **11.3 Chapter 2E of the Corporations Act**

A description of Chapter 2E of the Corporations Act is set out at Section 9.2.

The issue of Performance Rights constitutes giving a financial benefit and Messrs Soulsby, Servant, Newton, Brimage and Lewis are related parties of the Company by virtue of being Directors.

The Board (other than Mr Mr Soulsby in relation to Resolution 11(a), Mr Servant in relation to Resolution 11(b), Mr Newton in relation to Resolution 11(c), Mr Brimage in relation to Resolution 11(d) and Mr Lewis in relation to Resolution 11(e) due to their material personal interests in those Resolutions) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Performance Rights as the issue is considered reasonable remuneration taking into account the circumstances of the Company and the fact that the Performance Rights are non-transferable.

### **11.4 Specific information required Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of Performance Rights:

- (a) the maximum number of Performance Rights to be issued to the Directors (or their respective nominees) is 6,250,000 as follows:
  - (i) Thomas Soulsby 2,500,000;
  - (ii) Damien Servant 1,500,000;
  - (iii) Christopher Newton 750,000;
  - (iv) Russell Brimage 750,000; and
  - (v) Zane Lewis 750,000.
- (b) the Performance Rights will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);

- (c) the Performance Rights will be issued on the terms and conditions set out in Schedule 2 for nil cash consideration as part of the Directors' respective remuneration packages;
- (d) as the Performance Rights will be issued for nil cash consideration, no funds will be raised as a result of the issue; and
- (e) a voting exclusion statement is included in the Notice.

## **11.5 Additional information**

Resolution 11 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of the Performance Rights.

Each of the resolutions which forms part of Resolution 11 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of each of the resolutions which form part of Resolution 11.

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## **12. Resolution 11 - Approval to issue Shares in lieu of Director fees**

### **12.1 General**

The Company is proposing to issue a total of 1,507,988 Shares in the amounts and to the Directors (or their nominees) in lieu of Director fees as follows:

- (a) Thomas Soulsby 437,340 Shares in lieu of \$21,867.01 in Director fees;
- (b) Christopher Newton 437,340 Shares in lieu of \$21,867.01 in Director fees; and
- (c) Russell Brimage 633,308 Shares in lieu of \$31,665.40 in Director fees.

The amounts above include issues of Shares for Director fees owed in the previous financial year. The Company obtained shareholder approval to issue Shares in lieu of fees at the 2017 annual general meeting however due to an administrative oversight did not issue the Shares within the time permitted by the Listing Rules.

### **12.2 Chapter 2E of the Corporations Act**

A description of Chapter 2E of the Corporations Act is set out at Section 9.2.

Thomas Soulsby, Christopher Newton, and Russell Brimage are related parties of the Company by virtue of their position as Directors.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Shares under Resolution 12 because the giving of the financial benefit is considered to be on arm's length terms.

### **12.3 Listing Rule 10.11**

In accordance with Listing Rule 10.11, the Company must not issue Equity Securities to a related party of the Company unless it obtains Shareholder approval.

Thomas Soulsby, Christopher Newton, and Russell Brimage are related parties of the Company by virtue of their position as Directors.

The effect of passing Resolution 12 will be to allow the Company to issue the Shares to the Directors (or their nominees) in accordance with Listing Rule 10.11.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required.

#### **12.4 Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the issue of the Shares:

- (a) the Shares are proposed to be issued to the Directors as follows:
  - (i) Thomas Soulsby 437,340 Shares;
  - (ii) Christopher Newton 437,340 Shares; and
  - (iii) Russell Brimage 633,308 Shares.
- (b) the maximum number of Shares to be issued is 1,507,988;
- (c) the Company intends to issue the Shares as soon as practicable after the date of the Meeting and in any event, no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (d) Thomas Soulsby, Christopher Newton, and Russell Brimage are Directors;
- (e) the deemed issue price of the Shares will be \$0.05 per Share;
- (f) the Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (g) the Shares are being issued for nil cash consideration as follows:
  - (i) in lieu of \$21,867.01 worth of Director fees in respect of Thomas Soulsby and Chris Newton; and
  - (ii) in lieu of \$31,665.40 worth of Director fees in respect of Russell Brimage; and
- (h) a voting exclusion statement is included in the Notice.

#### **12.5 Additional information**

Thomas Soulsby, who has a personal interest in Resolution 12(a), declines to make a recommendation to Shareholders due to his interest in Resolution 12(a).

Christopher Newton, who has a personal interest in Resolution 12(b), declines to make a recommendation to Shareholders due to his interest in Resolution 12(b).

Russell Brimage, who has a personal interest in Resolution 12(c), declines to make a recommendation to Shareholders due to his interest in Resolution 12(c).

The remaining and non-conflicted Directors recommend Shareholders vote in favour of Resolution 12.

Resolution 12 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 12.

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## **13. Resolution 12 - Approval to issue Shares to Mr Kim Morrison**

### **13.1 General**

The Company is proposing to issue a total of 2,363,636 Shares to an entity associated with the former director Mr Kim Morrison in consideration for assisting the Company with the disposal of non-core assets.

### **13.2 Chapter 2E of the Corporations Act**

A description of Chapter 2E of the Corporations Act is set out at Section 9.2.

Mr Kim Morrison is a related party of the Company by virtue of being a Director of the Company within the last 6 months.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Shares under Resolution 13 because the giving of the financial benefit is considered to be on arm's length terms.

### **13.3 Listing Rule 10.11**

In accordance with Listing Rule 10.11, the Company must not issue Equity Securities to a related party of the Company unless it obtains Shareholder approval.

Mr Kim Morrison is a related party of the Company by virtue of being a Director of the Company within the last 6 months.

The effect of passing Resolution 13 will be to allow the Company to issue the Shares to the Directors (or their nominees) in accordance with Listing Rule 10.11.

As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required.

### **13.4 Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the issue of the Shares:

- (i) the Shares are proposed to be issued to Mr Kim Morrison;
- (j) the maximum number of Shares to be issued is 2,363,636;
- (k) the Company intends to issue the Shares as soon as practicable after the date of the Meeting and in any event, no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (l) Mr Kim Morrison ceased to be a Director of the Company on 13 February 2018 and under the Corporations Act remains a related party of the Company until 13 August 2018;
- (m) the Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;

- (n) the Shares are being issued to an entity associated with Mr Morrison in consideration for Mr Morrison assisting the Company with the disposal of non-core assets; and
- (o) a voting exclusion statement is included in the Notice.

### **13.5 Additional information**

The Directors recommend Shareholders vote in favour of Resolution 13.

Resolution 13 is an ordinary resolution.

The Chair intends to exercise all available proxies in favour of Resolution 13.

## Schedule 1 - Definitions

In the Notice, words importing the singular include the plural and vice versa.

**\$** means Australian Dollars.

**US\$** means United States Dollars.

**10% Placement Facility** has the meaning given in Section 7.1.

**10% Placement Period** has the meaning given in Section (f).

**Advisor Shares** means the Shares to be issued to SmallCap Corporate in accordance with Resolution 9.

**Annual Report** means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 31 December 2017.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the board of Directors.

**Chair** means the person appointed to chair the Meeting of the Company convened by the Notice.

**Child Entities** has the same meaning as in the Listing Rules.

**Clause** means a clause of the Constitution.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Lion Energy Limited ACN 004 080 460.

**Constitution** means the constitution of the Company as at the date of the Meeting.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Equity Security** has the same meaning as in the Listing Rules and **Equity Securities** has the corresponding meaning.

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.



**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Listing Rules** means the listing rules of ASX.

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Notice** means this notice of annual general meeting.

**Option** means an option to acquire a Share.

**Performance Rights** has the meaning given in Section 11.1.

**Proxy Form** means the proxy form attached to the Notice.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution** means a resolution referred to in the Notice.

**Schedule** means a schedule to the Notice.

**Section** means a section of the Explanatory Memorandum.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**SmallCap Corporate** means SmallCap Corporate Pty Ltd ACN 152 033 826.

**Strike** means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

**Trading Day** has the meaning given in the Listing Rules.

**VWAP** means volume weighted average price.

**WST** means Western Standard Time, being the time in Perth, Western Australia.

## Schedule 2 - Terms and conditions of Performance Rights

1. **(Definitions)** Words with capitalised letters in this Schedule 2 have the meaning given below, or otherwise as set out in this Notice.
2. **(Entitlement):** Subject to the terms and conditions set out below, each Performance Right, once vested, entitles the holder to the issue of one Share of the Company on conversion.
3. **(Milestones):** The Performance Rights will have the following milestones attached to them:
  - (i) Tranche 1 Performance Rights will vest if the average monthly volume of shares traded on the ASX from 1 July 2018 to 31 December 2018 exceeds 1.25% of the total shares on issue as at 31 December 2018.
  - (ii) Tranche 2 Performance Rights will vest on the satisfactory achievement of Total Shareholder Return. The quantum of performance rights that vest will be calculated as follows:

TSR % < 35% = Nil Performance Rights vest,

TSR % >= 35% and < 200% = Pro rata of total Performance Rights,

TSR % >= 200% = 100% of total Performance Rights.

TSR % is defined as:

$$\left( \frac{\text{Finish Date Price} - \text{Start Date Price}}{\text{Start Date Price}} \right) \times 100$$

Whereby the Start Date Price is the 5-day VWAP of Lion's shares immediately before the Start Date and Finish Date Price is the 5-day VWAP of Lion's shares as of 31 December 2018,

(each referred to as a **Milestone**).

4. **(Notification to holder):** The Company shall notify the holder in writing when the relevant Milestones have been satisfied.
5. **(Vesting):** The Performance Rights will vest on the date the Milestone relating to that Performance Right has been satisfied (**Vesting Date**).
6. **(Consideration):** The Performance Rights will be issued for no consideration and no consideration will be payable upon the issue of Shares after vesting.
7. **(Conversion):** Upon vesting, each Performance Right will, at the election of the holder, convert into one fully paid ordinary share in the Company (**Share**).
8. **(Expiry):** A Performance Right will lapse upon the earlier to occur of:
  - (a) the relevant Director ceasing to be a director, employee or consultant of the Company, in the case of an unvested Performance Right only;
  - (b) the Board deeming that a Performance Right lapses due to fraud, dishonesty or other improper behaviour; and
  - (c) 31 March 2019.

9. **(Share ranking):** All Shares issued upon the vesting of Performance Rights will upon issue rank *pari passu* in all respects with other Shares.
10. **(Quotation on ASX):** The Company will not apply for quotation of the Performance Rights on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the vesting of Performance Rights on ASX within the period required by ASX.
11. **(Timing of Issue of Shares):** Within 15 Business Days after receipt of a written notice of conversion in respect of Performance Rights, the Company will:
  - (a) issue the number of Shares required under these terms and conditions in respect of the number of Performance Rights specified in the notice of conversation;
  - (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
  - (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph 11(b) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

12. **(Transfer of Performance Rights):** The Performance Rights are not transferable.
13. **(Participation in entitlements and bonus issues):** Subject always to the rights under items 14 and 15, holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
14. **(Adjustment for bonus issue):** If securities are issued pro-rata to shareholders generally by way of bonus issue (other than an issue in lieu of dividends by way of dividend reinvestment), the number of Performance Rights to which each holder is entitled will be increased by that number of securities which the holder would have been entitled if the Performance Rights held by the holder were vested immediately prior to the record date of the bonus issue, and in any event in a manner consistent with the Corporations Act and the Listing Rules at the time of the bonus issue.
15. **(Reorganisation of capital):** In the event that the issued capital of the Company is reconstructed, all rights of a holder will be changed to the extent necessary to comply with the Listing Rules at the time of reorganisation provided that, subject to compliance with the Listing Rules, following such reorganisation the economic and other rights of the holder are not diminished or terminated.
16. **(Dividend and voting rights):** The Performance Rights do not confer on the holder an entitlement to vote or receive dividends.
17. **(Change in control):** Upon:
  - (a) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:

- (i) having received acceptances for not less than 50.1% of the Company's shares on issue; and
  - (ii) having been declared unconditional by the bidder; or
- (b) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of the Company or its amalgamation with any other company or companies,

then, to the extent Performance Rights have not converted into Shares due to satisfaction of a Milestone, such Performance Rights will automatically and immediately convert to Shares on a one Performance Right for one Share basis.

**PROXY  
FORM  
APPOINTMENT OF PROXY  
FORM**

LION ENERGY LIMITED  
ACN 000 753 640

**ANNUAL GENERAL MEETING**

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR:  the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10.00 am (WST), on Thursday, 31 May 2018 at Suite 7 / 295 Rokeby Road Subiaco WA 6008, and at any adjournment thereof.

**AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS**

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 8, 10 and 11 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 8, 10 and 11 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

**CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES**

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

**Voting on business of the Meeting**

		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Director - Damien Servant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director - Zane Lewis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Director - Thomas Soulsby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Re-election of Director - Russell Brimage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Ratification of Prior Issue Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval to issue Shares to SmallCap Corporate	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval to issue termination benefits to Stuart Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10(a)	Approval to issue Performance Rights - Thomas Soulsby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10(b)	Approval to issue Performance Rights - Damien Servant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10(c)	Approval to issue Performance Rights - Chris Newton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10(d)	Approval to issue Performance Rights - Russell Brimage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10(e)	Approval to issue Performance Rights - Zane Lewis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11(a)	Approval to issue Shares in lieu of Director Fees - Thomas Soulsby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11(b)	Approval to issue Shares in lieu of Director Fees - Chris Newton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11(c)	Approval to issue Shares in lieu of Director Fees - Russell Brimage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Approval to issue Shares to Kim Morrison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

Signature of Shareholder(s):

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Date: \_\_\_\_\_

Contact name: \_\_\_\_\_

Contact ph (daytime): \_\_\_\_\_

E-mail address: \_\_\_\_\_

Consent for contact by e-mail: YES  NO

## Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to the Company Secretary, Suite 7, 295 Rokeby Rd, Subiaco, WA 6008; or
  - (b) facsimile to the Company on facsimile number +61 8 6166 0261.

so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**