



PETREL ENERGY LIMITED

ACN 125 394 667
(Company)

Notice of Extraordinary General Meeting

The Extraordinary General Meeting of Shareholders of Petrel Energy Limited will be held at BDO, Level 11, 1 Margaret Street, Sydney NSW 2000 on 8 August 2018 at 10.30am (Sydney time)

AGENDA

Ordinary Resolutions

To consider and, if thought fit, to pass the following as ordinary resolutions:

Resolution 1: Approval and ratification of issue of placement shares

"That for the purpose of ASX Listing Rule 7.4 and for all other purposes, approval and ratification is given to the issue and allotment of 177,904,762 fully paid ordinary shares, as detailed in the explanatory statement."

Resolution 2: Approval of the issue of placement shares to related parties

2A – "That for the purpose of ASX Listing Rule 10.11, and all other purposes, approval is given to the issue and allotment of 142,857,143 fully paid ordinary shares to Mr Greg Columbus, as detailed in the Explanatory Statement."

2B – "That for the purpose of ASX Listing Rule 10.11, and all other purposes, approval is given to the issue and allotment of 29,238,095 fully paid ordinary shares to Mr Alexander Sundich, as detailed in the Explanatory Statement."

Resolution 3: Approval of the issue of shortfall shares under share purchase plan

"That for the purpose of ASX Listing Rule 7.1 and all other purposes, approval is given to the issue and allotment of such number of shares which make up the shortfall from the share purchase plan, being up to a maximum of 476,190,476 shares, as detailed in the Explanatory Statement."

Resolution 4: Approval of the issue of shares to Directors and senior managers in lieu of fees

4A – "That for the purpose of ASX Listing Rule 10.11, and all other purposes, approval is given to the issue and allotment of 84,487,179 fully paid ordinary shares to Mr David Casey in lieu of outstanding fees, as detailed in the Explanatory Statement."

4B – "That for the purpose of ASX Listing Rule 10.11, and all other purposes, approval is given to the issue and allotment of 9,367,857 fully paid ordinary shares to Mr Alexander Sundich in lieu of outstanding fees, as detailed in the Explanatory Statement."

4C – "That for the purpose of ASX Listing Rule 10.11, and all other purposes, approval is given to the issue and allotment of 9,367,857 fully paid ordinary shares to Mr Russell Porter in lieu of outstanding fees, as detailed in the Explanatory Statement."

4D – "That for the purpose of ASX Listing Rule 10.11, and all other purposes, approval is given to the issue and allotment of 9,367,857 fully paid ordinary shares to Mr Andrew Williams in lieu of outstanding fees, as detailed in the Explanatory Statement."

4E – “That for the purpose of ASX Listing Rule 7.1 and all other purposes, approval is given to the issue and allotment of 35,178,571 fully paid ordinary shares to Mr Ian Kirkham in lieu of outstanding fees, as detailed in the Explanatory Statement”

Voting Exclusion Statement

For the purposes of Listing Rule 14.11, the following exclusion statements apply to the resolutions. The Company will disregard any votes on the following resolutions cast by or on behalf of the following persons:

Resolution	Excluded Party(s)
Resolution 1	Any person who participated in the placement
Resolution 2A	Greg Columbus and any of his associates
Resolution 2B	Alexander Sundich and any of his associates
Resolution 3	Any person who may participate in the placement of the shortfall under the share purchase plan
Resolution 4A	David Casey and any of his associates
Resolution 4B	Alexander Sundich and any of his associates
Resolution 4C	Russell Porter and any of his associates
Resolution 4D	Andrew Williams and any of his associates
Resolution 4E	Ian Kirkham and any of his associates

However, the Company need not disregard a vote on the above Resolutions if it is cast by:

- (a) the person as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form; or
- (b) the person chairing the meeting 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.

For the purposes of section 250BD of the Corporations Act 2001 (Cth) (**Corporations Act**), a person appointed as a proxy must not vote on Resolutions 4A to 4E (inclusive) on the basis of that appointment if that person is member of the key management personnel of the Company, details of whose remuneration are included in the Remuneration Report or a closely related party of such a member (referred to as an **Excluded Person**), and the appointment does not specify how the Excluded Person is to vote on that Resolution.

However, the Excluded Person may vote on any of Resolutions 4A to 4E (inclusive) if they are the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though that Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

Shareholders may also choose to direct the Chair to vote against any of Resolutions 4A to 4E (inclusive), or to abstain from voting.

Ian Kirkham

Company Secretary

6 July 2018

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Extraordinary General Meeting to be held at BDO, Level 11, 1 Margaret Street, Sydney NSW 2000 on 8 August 2018 at 10.30am (Sydney time) **(Meeting)**.

The purpose of this Explanatory Statement is to provide information that the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of the Extraordinary General Meeting.

Voting Entitlement

In accordance with regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that person set out in the Company's share register as at 7:00pm (Sydney time) on Monday, 6 August 2018, will be entitled to attend and vote at the Meeting. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Your Vote is Important

The business of the Meeting affects your shareholding and your vote is important.

Voting in Person

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

Proxy Voting and Undirected Proxies

Shareholders may appoint a proxy to attend the meeting and vote on their behalf. To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- post (in the reply paid envelope) to Petrel Energy Limited, C/- Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 Australia;
- in person to Petrel Energy Limited, C/- Boardroom Pty Limited, Level 12, 225 George Street Sydney NSW 2000; or

so that it is received not later than 10.30am (Sydney time) on Monday, 6 August 2018.

Proxy Forms received later than this time will be invalid and not accepted.

Resolution 1 – Approval and ratification of issue of placement shares

Background

As announced on 4 July 2018, the Company undertook a share placement of 350,000,000 fully paid ordinary shares to sophisticated and professional investors at \$0.0021 per share to raise \$735,000. Of the 350,000,000 shares, 177,904,762 shares were issued under the company's placement capacity under listing rule 7.1

Application of ASX Listing Rules

Under Listing Rule 7.4, Shareholders may approve the issue of securities made within the limitation of Listing Rule 7.1. By obtaining the approval of Shareholders under Listing Rule 7.4 under this Resolution 1, the Company will retain the flexibility to issue up to 15% of its issued capital, if required, in the next 12 months without the need to obtain prior shareholder approval.

Listing Rules Information

ASX Listing Rule 7.5 requires the following information to be provided to Shareholders:

- the total number of securities issued was 177,904,762 fully paid ordinary shares in the capital of the Company;
- the issue price of these shares was \$0.0021 per share;

- these shares rank equally in all respects with other existing fully paid ordinary shares in the capital of the Company;
- the allottees were sophisticated and professional investors (including institutional investors) identified by the Board;
- the proceeds of the placement will be used by the Company as working capital to allow it to follow up corporate or new low cost exploration initiatives such as its North Perth Basin, and manage its existing Spain and Uruguay assets; and
- Resolution 1 is subject to a voting exclusion statement (see the Notice of Meeting).

Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 1.

Resolution 2 – Approval of the issue of placement shares to related parties

Background

As announced on 4 July 2018, the Company undertook a share placement of 350,000,000 fully paid ordinary shares to sophisticated and professional investors at \$0.0021 per share to raise \$735,000. Some of the shares the subject of that placement will be issued to related parties of the Company, being Alexander Sundich and Greg Columbus, subject to this Resolution 2 being passed.

Application of ASX Listing Rules

ASX Listing Rule 10.11 requires shareholder approval be sought for an issue of securities to related parties or their associate. Accordingly, approval is sought for the issue of:

- 142,857,143 fully paid ordinary shares to Greg Columbus, who may become a director of the company subject to his other contractual commitments and obligations; and
- 29,238,095 fully paid ordinary shares to Alexander Sundich, who is a Director of the Company.

Listing Rules Information

ASX Listing Rule 10.13 requires the following information to be provided to Shareholders:

- the maximum number of securities to be issued is 172,095,238 fully paid ordinary shares;
- Greg Columbus will be issued 142,857,143 shares, and Alexander Sundich will be issued 29,238,095 shares, under this Resolution;
- the shares will be issued as soon as practicable after the passing of this Resolution, but in any event, within 1 month of this Resolution being passed;
- the issue price of these shares is \$0.0021 per share;
- these shares rank equally in all respects with other existing fully paid ordinary shares in the capital of the Company;
- the proceeds of the share issue will be used by the Company as working capital to allow it to follow up corporate or new low cost exploration initiatives such as its North Perth Basin, and manage its existing Spain and Uruguay assets; and
- Resolutions 2A and 2B are subject to a voting exclusion statement (see the Notice of Meeting).

If approval is given under ASX Listing Rule 10.11, under ASX Listing Rule 7.2 Exception 14 no further approval is required under ASX Listing Rule 7.1. This means that if the Resolutions is passed, the Company can issue the shares without using any of its 15% placement capacity.

Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 2.

Resolution 3 – Approval of the issue of shortfall shares

Background

As noted in respect of Resolutions 1 and 2 above, on 4 July 2018, in conjunction with a share placement to sophisticated and professional investors the Company announced a share purchase plan targeted to raise up to \$1,000,000 under which shareholders may apply for up to \$15,000 of fully paid ordinary shares in capital of the Company (**SPP**). Under the terms of the SPP, the Company has reserved the right to place the shortfall to new investors, subject to shareholder approval or otherwise within its capacity ASX Listing Rule 7.1. Accordingly, this Resolution 3 seeks the approval of Shareholders to place any shortfall under the SPP to new investors.

Application of ASX Listing Rules

Listing Rule 7.1 provides that a listed entity must not issue equity securities that total more than 15% of its fully paid ordinary shares in a 12 month period without the approval of shareholders. As the issue of the shares the subject of this Resolution 3 may exceed the Company's 15% capacity, the Company requires the approval of Shareholders to issue those shares.

Listing Rules Information

ASX Listing Rule 7.3 requires the following information to be provided to Shareholders:

- the total number of securities to be issued is the number of shortfall shares under the SPP. This is a function of the number of shares subscribed for under the share purchase plan, but can be a maximum of 476,190,476;
- the shares the subject of this Resolution 3 will be issued progressively to sophisticated and professional investors identified by the Company within 3 months of this Resolution being passed;
- the issue price of these shares will be \$0.0021 per share;
- these shares rank equally in all respects with other existing fully paid ordinary shares in the capital of the Company;
- the proceeds of the share purchase plan will primarily be used as working capital to give PRL the scope and capacity to restructure both the company and its portfolio to give shareholders better access to a more diversified range of assets at varying stages of development. While this will entail refocusing on its near fully funded Spanish asset and finalising permitting on its North Perth Basin option, efforts will also go into progressing other strategic asset and corporate opportunities; and
- Resolution 3 is subject to a voting exclusion statement (see the Notice of Meeting).

Directors' Recommendation

The Board recommends Shareholders vote in favour of Resolution 3.

Resolution 4A, 4B, 4C, 4D and 4E – Approval of the issue of shares to Directors and senior managers in lieu of fees

Background

As announced on 4 July 2018, Directors and senior managers of the Company did not take fees for the months of January 2018 to June 2018 (inclusive) in order to allow the Company to retain sufficient cash to fund its ongoing costs. The Board has resolved to issue fully paid ordinary shares in the capital of the Company in lieu of the foregone fees. The shares to be issued to the Directors and senior managers in lieu of the foregone fees for the months of January 2018 to June 2018 (inclusive) are detailed in the following tables.

Officer	Outstanding fees for the period Jan-Mar 18 [^]	Issue price [^]	Shares to be issued [^]
David Casey	\$116,343	\$0.004	29,085,750
Alex Sundich	\$12,900	\$0.004	3,225,000
Andrew Williams	\$12,900	\$0.004	3,225,000
Russell Porter	\$12,900	\$0.004	3,225,000
Ian Kirkham – CFO & Company Sec.	\$55,000	\$0.004	13,750,000
Total	\$210,043		52,510,750

[^] As disclosed in Rights Issue Offer Document dated 1 March 2018

Officer	Outstanding fees for the period Apr-Jun 18	Issue price ^{^^}	Shares to be issued
David Casey	\$116,343	\$0.0021	55,401,429
Alex Sundich	\$12,900	\$0.0021	6,142,857
Andrew Williams	\$12,900	\$0.0021	6,142,857
Russell Porter	\$12,900	\$0.0021	6,142,857
Ian Kirkham – CFO & Company Sec.	\$45,000	\$0.0021	21,428,571
Total	\$200,043		95,258,571

^{^^} Issue price equal to 3 July 2018 Placement and 4 July 2018 Share Purchase Plan

Application of ASX Listing Rules for the purposes of Resolutions 4A to 4D

ASX Listing Rule 10.11 requires shareholder approval be sought for an issue of securities to a Director or their associate. Accordingly, approval is sought for the issue of:

- 38,760,750 fully paid ordinary shares, at the issue price of \$0.004 for outstanding remuneration of directors and senior managers for the period of January 2018 to March 2018 (inclusive); and
- 73,830,000 fully paid ordinary shares, at the issue price of \$0.0021 for outstanding remuneration of directors and senior managers for the period of April 2018 to June 2018 (inclusive),

to Mr David Casey, Mr Alexander Sundich, Mr Russell Porter and Mr Andrew Williams, as set out in the tables above.

Listing Rule Information

ASX Listing Rule 10.13 requires the following information to be provided to Shareholders:

- the maximum number of securities to be issued is 112,590,750 fully paid ordinary shares;
- Mr David Casey, will be issued 84,487,179 shares, Mr Alexander Sundich will be issued 9,367,857 shares, Mr Russell Porter will be issued 9,367,857 shares, and Mr Andrew Williams will be issued 9,367,857 shares, under this Resolution;
- the shares will be issued as soon as practicable after the passing of this Resolution, but in any event, within 1 month of this Resolution being passed;
- the issue price of the shares is \$0.004 per share for shares issued in lieu of Directors' fees for the months of January, February and March 2018;
- the issue price of the shares is \$0.0021 per share for shares issued in lieu of Directors' fees for the months of April, May and June 2018;
- these shares rank equally in all respects with other existing fully paid ordinary shares in the capital of the Company;
- as the shares are being issued in lieu of directors' fees and salaries, there are no proceeds from the issue of the shares; and
- Resolutions 4A, 4B, 4C and 4D are subject to a voting exclusion statement (see the Notice of Meeting).

If approval is given under ASX Listing Rule 10.11, under ASX Listing Rule 7.2 Exception 14 no further approval is required under ASX Listing Rule 7.1. This means that if the Resolutions are passed, the Company can issue the shares without using any of its 15% placement capacity.

Application of ASX Listing Rules for the purposes of Resolution 4E

Listing Rule 7.1 provides that a listed entity must not issue equity securities that total more than 15% of its fully paid ordinary shares in a 12 month period without the approval of shareholders. By obtaining Shareholder approval of this resolution the Company will retain the flexibility to issue up to 15% of its issued capital, if required, in the next 12 months without the need to obtain prior shareholder approval.

Listing Rule Information

ASX Listing Rule 7.3 requires the following information to be provided to Shareholders:

- the maximum number of securities to be issued is 35,178,571 fully paid ordinary shares;
- the shares will be issued to Mr Ian Kirkham, the Company Secretary;
- the shares will be issued as soon as practicable after the passing of this Resolution, but in any event, within 3 months of this Resolution being passed;
- the issue price of the shares is \$0.004 per share for shares issued in lieu of senior management fees for the months of January, February and March 2018;
- the issue price of the shares is \$0.0021 per share for shares issued in lieu of senior management fees for the months of April, May and June 2018;
- these shares rank equally in all respects with other existing fully paid ordinary shares in the capital of the Company;
- as the shares are being issued in lieu of senior management fees and salaries, there are no proceeds from the issue of the shares; and
- Resolution 4E is subject to a voting exclusion statement (see the Notice of Meeting).

Directors' Recommendation

The Board (with Mr David Casey abstaining in respect of Resolution 4A, Mr Alexander Sundich abstaining in respect of Resolution 4B, Mr Russell Porter abstaining in respect of Resolution 4C and Mr Andrew Williams abstaining in respect of Resolution 4D) recommends Shareholders vote in favour of Resolutions 4A, 4B, 4C, 4D and 4E.

All Correspondence to:

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

📠 **By Fax:** +61 2 9290 9655

💻 **Online:** www.boardroomlimited.com.au

☎ **By Phone:** (within Australia) 1300 737 760
(outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10:30am (AEST) on Monday 6 August 2018.**

🖥 TO VOTE ONLINE

STEP 1: VISIT <https://www.votingonline.com.au/petrelegm2018>

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):

📱 BY SMARTPHONE



Scan QR Code using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 VOTING DIRECTIONS TO YOUR PROXY

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3 SIGN THE FORM

The form **must** be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:30am (AEST) on Monday 6 August 2018.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

🖥 **Online** <https://www.votingonline.com.au/petrelegm2018>

📠 **By Fax** +61 2 9290 9655

✉ **By Mail** Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001 Australia

👤 **In Person** Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

Petrel Energy Limited

ACN 125 394 667

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

PROXY FORM

STEP 1 APPOINT A PROXY

I/We being a member/s of **Petrel Energy Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting (mark box)**

OR if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Extraordinary General Meeting of the Company to be held at **BDO, Level 11, 1 Margaret Street, Sydney NSW 2000 on Wednesday 8 August 2018 at 10:30am (AEST)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote all undirected proxies in favour of all Items of business.

STEP 2 VOTING DIRECTIONS
* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	Approval and ratification of issue of placement shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2A	Approval of the issue of placement shares to related parties - Mr Greg Columbus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2B	Approval of the issue of placement shares to related parties - Mr Alexander Sundich	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of the issue of shortfall shares under share purchase plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4A	Approval of the issue of shares to Directors and senior managers in lieu of fees - Mr David Casey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4B	Approval of the issue of shares to Directors and senior managers in lieu of fees - Mr Alexander Sundich	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4C	Approval of the issue of shares to Directors and senior managers in lieu of fees - Mr Russell Porter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4D	Approval of the issue of shares to Directors and senior managers in lieu of fees - Mr Andrew Williams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4E	Approval of the issue of shares to Directors and senior managers in lieu of fees - Mr Ian Kirkham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS
This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / /2018