



# **AusTex Oil Limited**

**ACN 118 585 649**

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**NOTICE OF ANNUAL GENERAL MEETING  
EXPLANATORY MEMORANDUM  
PROXY FORM**

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**Date of Meeting**

31 May 2017

**Time of Meeting**

3.00 p.m. (AEST)

**Place of Meeting**

BDO  
Level 11  
1 Margaret Street  
Sydney NSW 2000

## **NOTICE OF ANNUAL GENERAL MEETING**

**AusTex Oil Limited (Company)** hereby gives notice that the eleventh Annual General Meeting of Shareholders will be held at the offices of BDO, Level 11, 1 Margaret Street, Sydney on Wednesday **31 May 2017** commencing at **3.00 p.m.** (AEST).

An Explanatory Memorandum accompanies this Notice and provides additional information on the Resolutions to be considered at the Meeting. The Explanatory Memorandum forms part of this Notice and should be read in conjunction with it. We refer Shareholders to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used in this Notice and the Explanatory Memorandum.

### **AGENDA**

#### **ITEM 1 – FINANCIAL REPORT**

To receive and consider the consolidated financial report of the Company, together with the reports of the Directors and Auditor, for the year ended 31 December 2016.

Note:

*There is no requirement for Shareholders to approve these reports.*

#### **ITEM 2 - ORDINARY BUSINESS**

To consider and, if thought fit, pass the following ordinary resolutions of the Company:

##### **Resolution 1:**

##### **Adoption of Remuneration Report**

*“That the Shareholders adopt the Remuneration Report for the year ending 31 December 2016.”*

Voting Exclusion Statement:

*In accordance with section 250R (4) of the Act, no member of the key management personnel of the Company or a closely related party of such a member may vote on Resolution 1.*

*However, in accordance with the Act, a person described above may vote on Resolution 1 if:*

- *It is cast by such person as proxy for a person who is permitted to vote, in accordance with the direction specified on the proxy form how to vote; or*
- *It is cast by the Chairman as proxy for a person who is permitted to vote, in accordance with an express direction specified on the proxy form to vote as the proxy decides.*

Chairman appointed as proxy:

*If the Chairman is appointed as a proxy for a person who is permitted to vote on this Resolution 1, the Chairman will vote any proxies which do not indicate on their proxy form the way the Chairman must vote, in favour of Resolution 1.*

Note:

*The outcome of Resolution 1 is advisory only and does not bind the Company or the Directors.*

**Resolution 2:**

**Re-election of Mr Nicholas James Stone as a Non-Executive Director**

*“That, for the purposes of clause 12.12 of the Company’s Constitution and for all other purposes, Mr Nicholas James Stone retires as a Non-Executive Director of the Company by rotation and, being eligible, is re-elected as a Non-Executive Director of the Company.”*

**Resolution 3:**

**Re-election of Mr Mark Paton as a Non-Executive Director**

*“That, for the purposes of clause 12.7 of the Company’s Constitution and for all other purposes, Mr Mark Paton, being a Director appointed to fill a casual vacancy, retires as a Director of the Company and, being eligible, is elected as a Director of the Company.”*

Further information in relation to these resolutions is set out in the Explanatory Memorandum below.

Dated at Sydney, 21st day of April 2017.

**BY ORDER OF THE BOARD**

**Richard Adrey**  
Co-Managing Director

## **NOTES**

### **1. Explanatory Memorandum**

An Explanatory Memorandum accompanies this Notice and provides additional information on the Resolutions to be considered at the Meeting. The Explanatory Memorandum forms part of this Notice and should be read in conjunction with it. We refer Shareholders to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used in this Notice and the Explanatory Memorandum.

### **2. Record Date**

For the purposes of regulation 7.11.37 of the Corporations Regulations, the Company determines that Shareholders recorded on the Company's register at 7.00pm (AEST) on Monday 29 May 2017 (**Record Date**) will be entitled to attend and vote at the Meeting. If you are not the registered Shareholder in respect of a particular Share on the Record Date, you will not be entitled to vote in respect of that Share.

If you cannot attend the Meeting in person, you are encouraged to sign and deliver the proxy form attached to this Notice and return it in accordance with the instructions set out below.

### **3. Appointment of Proxies**

A Shareholder entitled to attend and vote at the Meeting may appoint an individual or a body corporate as a proxy to attend the meeting and, on a poll, vote on the Shareholder's behalf. A proxy need not be a Shareholder.

A Shareholder entitled to cast two or more votes may appoint not more than two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

Unless under Power of Attorney (which should have been noted by the Company), a proxy form completed by a body corporate should be executed under its common seal or in accordance with the Act. The enclosed proxy form provides further details on proxies and lodging proxy forms.

If a Shareholder appoints the Chairman of the Meeting as the Shareholder's proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote, as proxy for that Shareholder, in favour of that item on a poll.

For Shareholders registered on the Australian register, section 250B of the Act stipulates that proxies must be delivered at least 48 hours prior to the Meeting. For the purposes of section 250B, the Board has determined that all proxies must be received by no later than 3.00 p.m. (AEST) on Monday 29 May 2017 or in the event of the meeting being adjourned at least 48 hours prior to the adjourned meeting, to the Company's Share Registry Service Provider, Boardroom Pty Limited as follows:

**By mail:** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001

**In person:** Boardroom Pty Limited  
Level 12, 225 George Street  
Sydney NSW 2000

**By fax:** +61 2 9290 9655

**Online:** [www.votingonline.com.au/aokagm2017](http://www.votingonline.com.au/aokagm2017)

### **4. Corporate Representative**

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Act authorising him or her to act as the Company's representative. The authority may be sent to the Company in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

## **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum forms part of the Notice convening the Annual General Meeting of the Shareholders of **AusTex Oil Limited** to be held on **Wednesday 31 May 2017** at the offices of **BDO, Level 11, 1 Margaret Street, Sydney** at **3.00 p.m.** (AEST).

The purpose of this Explanatory Memorandum is to assist Shareholders in determining how they wish to vote on the Resolutions. Specifically, the Explanatory Memorandum contains information to help Shareholders understand the background to, and the legal and other implications of, the Notice and the reasons for the Resolutions. The Notice and Explanatory Memorandum should be read in their entirety and in conjunction with each other.

All Resolutions are ordinary resolutions.

### **ORDINARY RESOLUTIONS**

#### **Resolution 1:**

##### **Remuneration Report**

*“That the Shareholders adopt the Remuneration Report for the year ending 31 December 2016.”*

##### **Background**

The Remuneration Report is set out on pages 10 to 16 of the Company’s Annual Report for the year ending 31 December 2016 which was lodged with the ASX together with a copy of this Notice of Annual General Meeting. The Remuneration Report sets out the Company’s remuneration policy and reports on the remuneration arrangements in place for the Directors and key executives of the Company.

Section 250R (2) of the Act stipulates that the Company must propose a resolution to the Shareholders that the Remuneration Report be adopted. The outcome of the Resolution is advisory only and does not bind the Directors or the Company. The Directors will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the meeting at which the Directors review the Company’s remuneration policies.

At the Meeting, the Chairman must allow a reasonable opportunity for the Shareholders at the Meeting, as a whole, to ask questions about or make comments on the management of the Company or the Remuneration Report.

Under recent amendments to the Act:

- the Company is required to disregard any votes cast on this Resolution by any member of the “Key Management Personnel” (**KMP**) of the Company and their closely related parties, except as directed by any proxies; and
- a ‘two-strike’ process in relation to the advisory and non-binding vote on the remuneration report has been introduced. Under the two-strike process if, at two consecutive AGMs, at least 25% of votes cast on a resolution that the remuneration report be adopted are against the adoption of the report, at the second of these AGMs, there must be put to the vote a resolution that another meeting be held within 90 days at which all Directors (except the Managing Director) who were Directors when the 25% ‘no’ vote was passed must stand for re-election.

KMP are people having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, and include Directors. “Closely related parties” include certain family members and dependents of KMP and companies they control.

## **2016 AGM result**

At the 2016 AGM, the Company did not receive a ‘strike’ in respect of the remuneration report. That is, less than 25% of the votes cast on the resolution considering the remuneration report were cast against the adoption of the report. It follows that, if the Company receives a ‘strike’ at the Meeting, this would be the ‘first strike’ for the purposes of section 250U of the Act.

### **Chairman as proxy**

It is very important that the Shareholders appointing the Chairman as their proxy clearly indicate on the attached proxy form the way the Chairman must vote their proxy on Resolution 1. Otherwise, if the Chairman is appointed as a proxy for a person who is permitted to vote on this Resolution 1 and the Shareholder does not indicate on their proxy form the way the Chairman must vote, the Chairman will vote that proxy in favour of Resolution 1. Please see the proxy form attached to the Notice for further information.

### **Recommendation**

*Noting that each Director of the Company has a personal interest in their own remuneration the subject of this Resolution, the Board does not consider it appropriate to make a recommendation to Shareholders in relation to voting on this Resolution.*

### **Resolution 2:**

#### **Re-election of Mr Nicholas James Stone as a Non-Executive Director**

*“That, for the purposes of clause 12.12 of the Company’s Constitution and for all other purposes, Mr Nicholas James Stone retires as a Non-Executive Director of the Company by rotation and, being eligible, is re-elected as a Non-Executive Director of the Company.”*

#### **Information about Mr Nicholas James Stone**

Mr Nicholas Stone was appointed as a Director pursuant to clause 12.7 of the Company’s Constitution on 19 November 2013 to fill a casual vacancy and then reappointed at the Company’s Annual General Meeting on 29 July 2014. Under the Company’s Constitution, Mr Stone retires and, being eligible, offers himself for election.

Nicholas Stone was previously an investment banker with TPG Capital and KKR in the USA. He has an MBA from Stanford University and an Undergraduate Degree from Harvard University. He is a partner at California based Freestyle Investors which is a substantial shareholder in AusTex Oil.

### **Recommendation**

*The Board, with the exception of Mr Stone, unanimously recommends that the Shareholders approve Resolution 2 as each Director allowed to vote intends to do with regard to their own shareholdings in the Company.*

### **Resolution 3:**

#### **Re-election of Mr Mark Paton**

*“That, for the purposes of clause 12.7 of the Company’s Constitution and for all other purposes, Mr Mark Paton, being a Director appointed to fill a casual vacancy, retires as a Director of the Company and, being eligible, is elected as a Director of the Company.”*

### **Information about Mr Mark Paton**

Mr Mark Paton was appointed as a Director pursuant to clause 12.7 of the Company's Constitution on 20 April 2017 to fill a casual vacancy. Under the Company's Constitution, Mr Paton retires and, being eligible, offers himself for election.

Mark has 36 years' experience in the oil and gas industry, both in the services, and exploration and production sectors and began his career with BP Exploration in 1980, as a Production and Commissioning Engineer before taking on other roles managing advanced production technology research projects, leading field development activities and assisting in the development of BP's corporate plans and strategy.

In 1989, Mark joined BHP Petroleum and held positions including Well Services Supervisor, Production Manager and thereafter, as General Manager for BHP Petroleum's Northern Australia Operations. His responsibilities included drilling, well completion, overseeing production from three Floating Production, Storage and Offloading (FPSO) production facilities and the management of the Darwin office and logistics base.

In 1997, Mark founded an oil and gas service company, Upstream Petroleum, with a colleague from BHP Petroleum. Upstream Petroleum became the dominant provider of operations, maintenance services and marginal field development solutions to the Australian oil and gas industry. The company grew rapidly to employ over 400 employees with offices in Darwin, Perth, Melbourne and Brisbane and an oil and gas service and logistics centre in Darwin.

In 2007, subsequent to the trade sale of Upstream Petroleum to the AGR Group ASA of Norway, the AGR Group sought Mark's assistance to establish the company's office in Kuala Lumpur, a first step by the company into the South-East Asia region. Mark served as AGR's Managing Director in Asia Pacific for two years before returning to Australia as an independent consultant in 2009. After two years of independent consultancy work, in February 2011, Mark joined ASX-listed Cue Energy Resource Ltd as Chief Executive Officer.

In 2013 Mark joined Hibiscus Petroleum based in Kuala Lumpur, Malaysia as Chief Business Development Officer. In this role, as part of the executive leadership team, he assisted in the growth of this newly listed oil and gas company through the identification and acquisition of oil and gas assets for the company.

### **Recommendation**

*The Board, with the exception of Mark Paton, unanimously recommends that the Shareholders approve Resolution 3 as each Director allowed to vote intends to do with regard to their own shareholdings in the Company.*

**GLOSSARY**

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

**AGM** means an annual general meeting of the Company held in accordance with the Act.

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

**ASX** means the Australian Securities Exchange.

**Chairman** means the chairman of the Meeting;

**Company** means AusTex Oil Limited ACN 118 585 649.

**Listing Rules** means the ASX Listing Rules.

**Meeting** means the Annual General Meeting convened by this Notice.

**Notice** means this document, including the Explanatory Memorandum.

**Resolutions** means Resolution 1, 2 and 3 proposed to be considered at the Meeting.

**Shareholder** means a holder of Shares in the capital of the Company.





#### 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](http://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 3:00pm (AEST) on Monday 29 May 2017.**

### TO VOTE ONLINE

- STEP 1: VISIT** [www.votingonline.com.au/aokagm2017](http://www.votingonline.com.au/aokagm2017)
- 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:

- (a) 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.
- (b) 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 **3:00pm (AEST) on Monday 29 May 2017.** 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:**

💻 <b>Online</b>	<a href="http://www.votingonline.com.au/aokagm2017">www.votingonline.com.au/aokagm2017</a>
☎ <b>By Fax</b>	+61 2 9290 9655
✉ <b>By Mail</b>	Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001 Australia
👤 <b>In Person</b>	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.

☐

**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 **AusTex Oil 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 Annual General Meeting of the Company to be held at **BDO, Level 11, 1 Margaret Street, Sydney NSW 2000 on Wednesday 31 May 2017 at 3:00pm 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.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 1, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 1 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 1). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

### 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*
<b>Resolution 1</b>	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2</b>	Re-election of Mr Nicholas James Stone as a Non-Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3</b>	Re-election of Mr Mark Paton as a Non-Executive Director	<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 / /2017