

## **Notice of Extraordinary General Meeting**

The Directors of Talon Petroleum Limited ("Talon" or "Company") are pleased to provide shareholders with the following Notice of Extraordinary General Meeting. The meeting is to be held at 10:00am WST, Monday, 4 December 2017 at:

The Offices of Chieftain Securities Pty Ltd  
Level 7, 1008 Hay Street  
Perth, Western Australia, 6000

As announced on 9 October 2017, the Company was proposing, amongst other things, to raise \$1,900,000 through the issue of 633,333,333 shares at an issue price of \$0.003 per share to professional and sophisticated investors. The Company has now decided to increase this amount to \$2,300,000 through the issue of 766,666,667 shares.

For further information, please contact Peter Love (Chairman): [peter.love@talonpetroleum.com.au](mailto:peter.love@talonpetroleum.com.au)

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## **TALON PETROLEUM LIMITED**

**ACN 153 229 086**

### **NOTICE OF GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 10.00 am (WST)

**DATE:** Monday, 4 December 2017

**PLACE:** The Offices of Chieftain Securities Pty Ltd  
Level 7, 1008 Hay Street  
Perth, Western Australia, 6000

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

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***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 Shareholders at 7pm WST on Saturday, 2 December 2017.***



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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – PLACEMENT – SHARES

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 766,666,667 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if 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, it is cast by 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.

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#### 2. RESOLUTION 2 – APPROVAL TO PARTICIPATE IN PLACEMENT – ROGER STEINEPREIS

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

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 75,000,000 Shares to Mr Roger Steinepreis (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Roger Steinepreis (and his nominee) and any of their associates. However, the Company need not disregard a vote if 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, it is cast by 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.

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#### 3. RESOLUTION 3 – APPROVAL TO PARTICIPATE IN PLACEMENT – TROY HARRY

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

*"That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 100,000,000 Shares to Mr Troy Harry (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Troy Harry (or his nominee) and any of their associates. However, the Company need not disregard a vote if 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, it is cast by 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.

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#### 4. RESOLUTION 4 – PLACEMENT – OPTIONS TO CHIEFTAIN

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 47,500,000 Options to Chieftain Securities Pty Ltd (or its nominees) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if 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, it is cast by 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.

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#### 5. RESOLUTION 5 – ISSUE OF OPTIONS TO RELATED PARTY – ROGER STEINEPREIS

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 12,500,000 Options to Mr Roger Steinepreis (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Roger Steinepreis (or his nominee) and any of their associates. However, the Company need not disregard a vote if 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, it is cast by 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.

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#### 6. RESOLUTION 6 – ISSUE OF OPTIONS TO RELATED PARTY – MATTHEW WORNER

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 30,000,000 Options to Mr Matthew Worner (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast on this Resolution by Mr Matthew Worner (or his nominee) and any of their associates. However, the Company need not disregard a vote if 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, it is cast by 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.

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**7. RESOLUTION 7 – ELECTION OF DIRECTOR – MATTHEW WORNER**

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

*“That, for the purposes of clause 56.1 of the Constitution and for all other purposes, Matthew Worner, being eligible and having consented to act, be elected as a director of the Company, on and from the date of the Meeting.”*

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**8. RESOLUTION 8 – ELECTION OF DIRECTOR – ROGER STEINEPREIS**

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

*“That, for the purposes of clause 56.1 of the Constitution and for all other purposes, Roger Steinepreis, being eligible and having consented to act, be elected as a director of the Company, on and from the date of the Meeting.”*

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**Dated: 01 November 2017**

**By order of the Board**

**PETER LOVE**  
**Chairman**

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**Voting in person**

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

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**Voting by proxy**

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

**Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 7 3121 5674.**

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. RESOLUTION 1 – PLACEMENT – SHARES

#### 1.1 Background

As announced on 9 October 2017, the Company was proposing, amongst other things, to raise \$1,900,000 through the issue of 633,333,333 Shares at an issue price of \$0.003 per Share to professional and sophisticated investors. The Company has now decided to increase this amount to \$2,300,000 through the issue of 766,666,667 Shares (**Placement**).

Pursuant to a placement mandate between the Company and Chieftain Securities Pty Ltd (ACN 608 580 285) (AFSL 492850) (**Chieftain**) dated 6 October 2017 (**Mandate**), the Company has engaged the services of Chieftain to act as lead manager in relation the Placement. Chieftain will not receive any fees in relation to these services

The Company has agreed, in consideration for the facilitation of the Placement to issue 60,000,000 options exercisable at \$0.005 on or before 31 December 2020 (**Options**), comprising of 47,500,000 Options to Chieftain (or its nominees) and 12,500,000 Options to proposed director, Mr Roger Steinepreis (or his nominee). The issue of the Options to Chieftain and Mr Steinepreis are the subject of Resolutions 4 and 5 respectively.

#### 1.2 General

Resolution 1 seeks Shareholder approval for the issue of up to 766,666,667 Shares at an issue price of \$0.003 per Share to raise up to \$2,300,000 pursuant to the Placement.

ASX 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.

The effect of Resolution 1 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

#### 1.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) the maximum number of Shares to be issued is 766,666,667;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the issue price will be \$0.003 per Share;

- (d) the Shares will be issued to parties nominated by Chieftain. None of these subscribers are related parties of the Company (other than as set out in Resolution 2 and 3);
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Placement towards repayment of the loan owing to a Director related entity, for technical studies on and maintaining the Company's existing assets, as a provision for legal costs on the MR Olmos project, to seek new investment opportunities and towards corporate and administration costs and working capital.

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## **2. RESOLUTION 2 – APPROVAL TO PARTICIPATE IN PLACEMENT – ROGER STEINEPREIS**

### **2.1 General**

As set out in section 1.1 above the Company is proposing to undertake the Placement. Roger Steinepreis, a proposed director of the Company, wishes to participate in the Placement.

Resolution 2 seeks Shareholder approval for the issue of up to 75,000,000 Shares to Mr Steinepreis (or his nominee) arising from the participation by Mr Steinepreis in the Placement (**Steinepreis Participation**).

### **2.2 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 Steinepreis Participation will result in the issue of Shares which constitutes giving a financial benefit and Mr Steinepreis is a related party of the Company by virtue of being a proposed director. Mr Steinepreis' appointment as a director is the subject of Resolution 8 below.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Steinepreis Participation because the Shares to be issued to Mr Steinepreis are on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

### **2.3 ASX Listing Rule 10.11**

ASX Listing Rule 10.11 also 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 ASX Listing Rule 10.12 applies.

As the Steinepreis Participation involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

## **2.4 Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Steinepreis Participation:

- (a) the Shares will be issued to Roger Steinepreis (or his nominee);
- (b) the maximum number of Shares to be issued is 75,000,000;
- (c) the Shares 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 ASX Listing Rules);
- (d) the issue price will be \$0.003 per Share, being the same as all other Shares issued under the Placement;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the funds raised will be used for the same purposes as all other funds raised under the Placement as set out in section 1.3(f) of this Explanatory Statement.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Steinepreis Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Roger Steinepreis (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **3. RESOLUTION 3 – APPROVAL TO PARTICIPATE IN PLACEMENT – TROY HARRY**

### **3.1 Background**

The Company has an unsecured debt of \$300,000 owing to Rocket Science Pty Ltd (ACN 074 032 214) ATF The Trojan Capital Fund (**Rocket Science**), an entity associated with a Director, Troy Harry (**Unsecured Debt**). The Company has agreed to repay the Unsecured Debt upon receipt of cleared funds for the issue of 100,000,000 Shares to Mr Harry (or his nominee) at an issue price of \$0.003 per Share to raise \$300,000 as part of the Placement on the terms and conditions set out below.

### **3.2 General**

Resolution 3 seeks Shareholder approval for the issue of up to 100,000,000 Shares to Mr Troy Harry (or his nominee) arising from the participation by Mr Harry in the Placement (**Harry Participation**).

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in sections 2.2 and 2.3 above respectively.

The grant of the Shares constitutes giving a financial benefit and Mr Harry is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Harry who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Harry Participation because the agreement to grant the Shares to Mr Harry (or his nominee) and repay the Unsecured Debt was negotiated on an arm's length basis.

### **3.3 Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Harry Participation:

- (a) the Shares will be granted to Mr Harry (or his nominee);
- (b) the maximum number of Shares to be issued is 100,000,000;
- (c) the Shares 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 ASX Listing Rules);
- (d) the issue price will be \$0.003 per Share, being the same as all other Shares issued under the Placement;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the funds raised from the issue of the Shares will be used to repay the Unsecured Debt.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Harry Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to Mr Harry (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **4. RESOLUTION 4 – PLACEMENT – OPTIONS TO CHIEFTAIN**

### **4.1 Background in relation to Resolutions 4 and 5**

As set out above in Section 1.1, the Company has agreed to issue a total of 60,000,000 Options comprising of:

- (a) 47,500,000 Options to Chieftain (or its nominees) (**Chieftain Options**); and
- (b) 12,500,000 Options to Mr Roger Steinepreis (or his nominee), a proposed director of the Company (**Steinepreis Options**),

(together, the **Option Placement**).

The Option Placement is being undertaken in consideration for the facilitation of the Placement.

## **4.2 General**

Resolution 4 seeks Shareholder approval for the issue of the Chieftain Options to Chieftain (or its nominee).

A summary of ASX Listing Rule 7.1 is set out in section 1.2 above.

The effect of Resolution 4 will be to allow the Company to issue the Chieftain Options during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

## **4.3 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 4:

- (a) the maximum number of Chieftain Options to be issued is 47,500,000;
- (b) the Chieftain Options will be granted no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the Chieftain Options will be issued for nil cash consideration and rather are issued as consideration for the facilitation of the Placement;
- (d) the Chieftain Options will be issued to Chieftain, who is not a related party of the Company;
- (e) the Chieftain Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the issue of the Chieftain Options as the Chieftain Options are being issued in consideration for the facilitation of the Placement.

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## **5. RESOLUTION 5 – ISSUE OF OPTIONS TO RELATED PARTY – ROGER STEINEPREIS**

### **5.1 General**

As set out in Section 4.1 above the Company has agreed, subject to obtaining Shareholder approval, to issue the Steinepreis Options to Roger Steinepreis (or his nominee) on the terms and conditions set out below.

Resolution 5 seeks Shareholder approval for the grant of the Steinepreis Options to Roger Steinepreis (or his nominee).

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in sections 2.2 and 2.3 above respectively.

The grant of Steinepreis Options constitutes giving a financial benefit and Mr Steinepreis is a related party of the Company by virtue of being a proposed director. Mr Steinepreis' appointment as a director is the subject of Resolution 7.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Steinepreis Options to Mr Steinepreis because the Steinepreis Options are being issued on the same terms and conditions as the issue of Options to unrelated parties pursuant to the

Option Placement and the agreement to grant the Steinepreis Options was negotiated on an arm's length basis.

## **5.2 Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 5:

- (a) the Steinepreis Options will be granted to Mr Steinepreis (or his nominee);
- (b) the number of Steinepreis Options to be issued is 12,500,000;
- (c) the Steinepreis Options will be granted 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 ASX Listing Rules);
- (d) the Steinepreis Options will be issued for nil cash consideration. Accordingly, no funds will be raised; and
- (e) the terms and conditions of the Steinepreis Options are set out in Schedule 1.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Steinepreis Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Steinepreis Options to Mr Steinepreis (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **6. RESOLUTION 6 – ISSUE OF OPTIONS TO RELATED PARTY – MATTHEW WORNER**

### **6.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to issue 30,000,000 Options to Matthew Worner (or his nominee) (**Worner Options**) as an incentive payment to seek new investment opportunities for the Company on the terms and conditions set out below.

Resolution 6 seeks Shareholder approval for the grant of the Worner Options to Mr Worner (or his nominee).

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in sections 2.2 and 2.3 above respectively.

The grant of the Worner Options constitutes giving a financial benefit and Mr Worner is a related party of the Company by virtue of being a proposed director. Mr Worner's appointment as a director is the subject of Resolution 7.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the Worner Options because the agreement to issue the Worner Options was negotiated on an arm's length basis.

## **6.2 Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 6:

- (a) the Worner Options will be granted to Mr Worner (or his nominee);
- (b) the number of Worner Options to be issued is 30,000,000;
- (c) the Worner Options will be granted 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 ASX Listing Rules);
- (d) the Worner Options will be issued for nil cash consideration. Accordingly no funds will be raised; and
- (e) the terms and conditions of the Worner Options are set out in Schedule 1.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Worner Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Worner Options to Mr Worner (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

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## **7. RESOLUTION 7 – ELECTION OF DIRECTOR – MATTHEW WORNER**

### **7.1 Background to Resolutions 7 and 8**

In accordance with the terms of the Mandate, the Company has agreed to appoint two nominees to the Board of the Company, being Matthew Worner and Roger Steinepreis respectively. Subject to approval by Shareholders, these appointments will take effect from the date of the Meeting.

### **7.2 General**

Pursuant to Resolution 7, Mr Worner seeks election from Shareholders to be appointed as a Director of the Company.

### **7.3 Qualifications**

Mr Worner is a former corporate lawyer with over 15 years' experience working with and for listed companies both in Australia and London.

He is an experienced oil and gas executive, having held various legal, commercial and company secretarial positions in listed companies and worked in countries throughout Africa, South East Asia, Australasia and the United States.

Most recently, Mr Worner held the position of Commercial Manager at Otto Energy Limited, where he assisted in that company's successful entry into the shallow water Gulf of Mexico region of the United States.

### **7.4 Independence**

If elected, the Board does not consider that Mr Worner will be an independent director.

## **7.5 Proposed remuneration**

The remuneration (inclusive of superannuation) proposed to be paid to Mr Worner on an annual basis following his appointment is yet to be determined.

## **7.6 Board Recommendation**

The Board supports the election of Mr Worner, and recommends that Shareholders vote in favour of Resolution 7.

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## **8. RESOLUTION 8 – ELECTION OF DIRECTOR – ROGER STEINEPREIS**

### **8.1 General**

Refer to section 7.1 above for a background to Resolution 8.

Pursuant to Resolution 8, Mr Steinepreis seeks election from Shareholders to be appointed as a Director of the Company.

### **8.2 Qualifications**

Mr Steinepreis graduated from the University of Western Australia with a Bachelor of Jurisprudence (1984) and Bachelor of Laws (1985) and has over 25 years' experience as a corporate and resources lawyer. Mr Steinepreis was the Managing Partner of corporate law firm, Steinepreis Paganin, from the commencement of the firm in 1997 to 2014. Effective 2015, Mr Steinepreis has now taken the role of Executive Chairman.

Mr Steinepreis has acted as the legal adviser on in excess of 40 initial public offers and has advised numerous companies, large and small, on strategic acquisitions, whether by takeover, scheme of arrangement, trade sale or other means.

### **8.3 Independence**

If elected, the Board does not consider that Mr Steinepreis will be an independent director.

### **8.4 Proposed remuneration**

The remuneration (inclusive of superannuation) proposed to be paid to Mr Steinepreis on an annual basis following his appointment is yet to be determined.

### **8.5 Board Recommendation**

The Board supports the election of Mr Steinepreis, and recommends that Shareholders vote in favour of Resolution 8.

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## GLOSSARY

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**\$** means Australian dollars.

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

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

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

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Chieftain** means Chieftain Securities Pty Ltd (ACN 608 580 285).

**Company** means Talon Petroleum Limited (ACN 153 229 086).

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**General Meeting** or **Meeting** means the meeting convened by the Notice.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share with the terms and conditions set out in Schedule 1.

**Optionholder** means a holder of an Option.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Rocket Science** means Rocket Science Pty Ltd ATF the Trojan Capital Fund, an entity associated with Mr Troy Harry, a Director of the Company.

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

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

**Shareholder** means a registered holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

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The terms and conditions of the Options to be issued pursuant to Resolutions 4, 5 and 6 are as follows:

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.005 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 December 2020 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, 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; and
- (iii) 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 (g)(ii) 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.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.



## Lodge your vote:



**Online:**

[www.investorvote.com.au](http://www.investorvote.com.au)



**By Mail:**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

## For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

TPD

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form

XX



### Vote online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

**Control Number: 999999**

**SRN/HIN: I999999999**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



 **For your vote to be effective it must be received by 10:00am (WST) Saturday, 2 December 2017**

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

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

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form →**

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1

#### Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Talon Petroleum Limited hereby appoint

☐

the Chairman  
of the Meeting **OR**



**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Talon Petroleum Limited to be held at **The Offices of Chieftain Securities Pty Ltd, Level 7, 1008 Hay Street, Perth, Western Australia, 6000 on Monday, 4 December 2017 at 10:00am (WST)** and at any adjournment or postponement of that Meeting.

☐

**Important for Items 5 & 6 - If the Chairman of the Meeting is your proxy or is appointed as your proxy by default.**

By marking this box, you are expressly authorising the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on **Items 5 & 6** as set out in the Notice of Meeting. If you do not mark this box, and you have not otherwise directed your proxy how to vote on **Items 5 & 6**, the Chairman of the Meeting will not cast your votes on **Items 5 & 6** and your votes will not be counted in computing the required majority if a poll is called on these items.

If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on **Items 5 & 6** by marking the appropriate box in step 2 below.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

I/We expressly authorise the Chairman of the Meeting to vote in accordance with the Chairman's voting intentions on **Items 5 & 6** (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my/our proxy even though **Items 5 & 6** are connected directly or indirectly with the remuneration of a member of key management personnel (which includes the Chairman).

### STEP 2

#### Items of Business



**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain		For	Against	Abstain
1 Placement – Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Election of Director – Matthew Worner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval to participate in Placement – Roger Steinepreis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Election of Director – Roger Steinepreis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval to participate in Placement – Troy Harry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Placement – Options to Chieftain	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Issue of Option to Related Party – Roger Steinepreis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Issue of Options to Related Party – Matthew Worner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### SIGN

#### Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_

Date / /

TPD

233019A

Computershare +