

ASX Announcement



16 July 2019

The Company Announcement Officer ASX Ltd
via electronic lodgement

Notice of General Meeting

Strike Energy Limited (ASX:STX) ("Company" or "Strike") is pleased to advise shareholders that a General Meeting (GM) of the Company will be held on Friday 16 August 2019 commencing at 11.00 am (Adelaide time).

For the information of shareholders, a copy of the Notice of Meeting is attached.

Yours faithfully

A handwritten signature in black ink, appearing to read "Justin Ferravant".

Justin Ferravant
Chief Financial Officer & Company Secretary



Strike Energy Limited
(ACN 078 012 745)

**NOTICE OF GENERAL MEETING
AND EXPLANATORY STATEMENT**

General Meeting to be held at the offices of Strike Energy Limited 1/31-35 George St, Thebarton, South Australia on Friday, 16 August 2019 commencing at 11.00am (Adelaide time)

This Notice of Meeting and Explanatory Statement should be read in its entirety.
If you are in doubt as to how to vote, you should seek advice from your accountant,
Solicitor, or other professional adviser without delay.

**NOTICE OF GENERAL MEETING
STRIKE ENERGY LIMITED
ACN 078 012 745**

Notice is hereby given that a Meeting of Shareholders of Strike Energy Limited ACN 078 012 745 (**Company**) will be held at the offices of **Strike Energy Limited, 1/31-35 George St, Thebarton, South Australia** on **Friday, 16 August 2019** commencing at **11.00am (Adelaide time)**.

Further details of each Resolution to be considered at the Meeting are set out in the Explanatory Statement. Definitions of capitalised terms used in the Notice of Meeting and Explanatory Statement are set out in the Glossary in Section 4 of the Explanatory Statement.

Resolution 1 – Ratification of Prior Share Placement

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 7.4 and for all other purposes, the issue and allotment by the Company of 180,000,000 fully paid ordinary shares at an issue price of \$0.065 per Share on 6 and 7 June 2019 on the terms and conditions set out in the Explanatory Statement, is approved."

Voting exclusion:

The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of any person who participated in the issue of shares the subject of Resolution 1 and each of their associates unless:

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

The Chairman intends to vote all undirected proxies in favour of Resolution 1.

Resolution 2 – Issue of Shares to Non-Executive Director – Mr Stephen Bizzell

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

"That, for the purposes of section 208 of the Corporations Act 2001 (Cth) and ASX Listing Rule 10.11 and for all other purposes, the issue by the Company of 3,076,923 fully paid ordinary shares to Non-Executive Director, Mr Stephen Bizzell or this nominee on the terms and conditions set out in the Explanatory Statement, is approved."

Voting exclusion:

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of any person who will participate in, or who will obtain a material benefit as a result of, the proposed issue of shares the subject of Resolution 2 and each of their associates unless:

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

The Chairman intends to vote all undirected proxies in favour of Resolution 2.

Resolution 3 – Issue of Shares to Chairman – Mr John Poynton AO

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

“That, for the purposes of section 208 of the Corporations Act 2001 (Cth) and ASX Listing Rule 10.11 and for all other purposes, the issue by the Company of 1,538,462 fully paid ordinary shares to Chairman, Mr John Poynton AO or this nominee on the terms and conditions set out in the Explanatory Statement, is approved.”

Voting exclusion:

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of any person who will participate in, or who will obtain a material benefit as a result of, the issue of shares the subject of Resolution 3 and each of their associates unless:

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

The Chairman intends to vote all undirected proxies in favour of Resolution 3.

Resolution 4 – Grant of Options to or for the benefit of Non-Executive Director, Mr Stephen Bizzell

“That, for the purposes of section 208 of the Corporations Act 2001 (Cth) and ASX Listing Rule 10.11 and for all other purposes, the grant to Non-Executive Director, Mr Stephen Bizzell or his nominee, of 5,000,000 Options, with an exercise price of \$0.15, and otherwise on the terms and conditions set out in the Explanatory Statement, is approved.”

Voting exclusion:

The company will disregard any votes cast on Resolution 4:

- (a) by a person who is to receive securities the subject of the Resolution 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 of their respective associates; or
- (b) by a person appointed as proxy if that person is either a member of the Key Management Personnel or a Closely Related Party of a member of the Key Management Personnel and the appointment does not specify the way the proxy is to vote on the relevant Resolution.

However, the Company will not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii) if 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 and the appointment expressly authorises the Chair of the meeting to exercise the proxy even though the Resolution is connected with the remuneration of a member of the Key Management Personnel.

Resolution 5 - Grant of Performance Rights to or for the benefit of Mr Stuart Nicholls, Managing Director

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 10.14 and for all other purposes, the grant to the Managing Director, Mr Stuart Nicholls or his nominee, of up to the number of Performance Rights determined in accordance with the Strike Energy FY20 Long-term Incentive Plan as described in, and otherwise on the terms and conditions set out in, the Explanatory Statement, is approved.”

Resolution 6 - Grant of Performance Rights to or for the benefit of Mr Stuart Nicholls, Managing Director

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 10.14 and for all other purposes, the grant to the Managing Director, Mr Stuart Nicholls or his nominee of up to the number of Performance Rights determined in accordance with the Strike

Energy FY19 Short-term Incentive Plan as described in, and otherwise on the terms and conditions set out in, the Explanatory Statement, is approved."

Voting exclusion:

The Company will disregard any votes cast in favour of Resolutions 5 and 6 by or on behalf of:

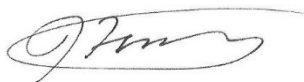
- (a) any Director who is eligible to participate in the Company's Employee Share Incentive Plan or any of the Director's associates; or
- (b) by a person appointed as proxy if that person is either a member of the Key Management Personnel or a Closely Related Party of a member of the Key Management Personnel and the appointment does not specify the way the proxy is to vote on the Resolution.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) if 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 and the appointment expressly authorises the Chair of the meeting to exercise the proxy even though the Resolution is connected with the remuneration of a member of the Key Management Personnel.

The Chairman intends to vote all undirected proxies in favour of Resolution 5 and 6.

By order of the Board



Justin Ferravant
Company Secretary
Strike Energy Limited
8 July 2019

IMPORTANT NOTES FOR SHAREHOLDERS

These notes and the Explanatory Statement form part of the Notice of Meeting.

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice of Meeting and should be read in conjunction with it. Section 7 of the Explanatory Statement contains definitions of capitalised terms used in this Notice of Meeting and the Explanatory Statement.

Required majorities

All the Resolutions are ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by Shareholders present (in person, by proxy or representative) and entitled to vote on the Resolution.

How to vote

You may vote by attending the Meeting in person or by proxy, attorney or authorised representative.

Vote in person

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

Proxies

All Shareholders who are entitled to attend and vote at the Meeting have the right to appoint a proxy to attend and vote for them. The proxy may be, but need not be, a Shareholder and can be an individual or body corporate. Shareholders holding two or more Shares can appoint either one or two proxies. If two proxies are appointed, the appointing Shareholder can specify what proportion of their votes they want each proxy to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion, each proxy may exercise half of the votes.

To vote by proxy, please complete and return the proxy form enclosed with this Notice of Meeting as soon as possible and in accordance with the instructions on the proxy form.

To be effective, a completed proxy form must be received **by no later than 48 hours prior to the commencement of the Meeting**. Proxy forms received later than this time will be invalid.

Where the proxy form is executed under power of attorney, the power of attorney (or a certified copy of the authority) must be lodged in the same way as the proxy form.

Corporate representatives

A body corporate may appoint an individual as its representative to attend and vote at the Meeting and exercise any other powers the body corporate can exercise at the Meeting. The appointment, which must comply with section 250D of the Corporations Act, may be a standing one. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Voting entitlements

The Directors have determined that, for the purpose of voting at the Meeting, Shareholders are those persons who are the registered holders of the Company's Shares at 6.30pm (Adelaide time) on **Wednesday 14 August 2019**.

EXPLANATORY STATEMENT

1. INTRODUCTION

1.1 Purpose

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Meeting.

This Explanatory Statement should be read in full and in conjunction with the Notice of Meeting. Capitalised terms in this Explanatory Statement are defined in the Glossary in Section 7 of this Explanatory Statement. You should consult with your professional advisers if you have any questions in relation to how to vote on the Resolutions.

1.2 Resolutions and recommendations

There are 6 Resolutions to be considered at the Meeting.

Certain voting exclusions are imposed by the Corporations Act and the Listing Rules in relation to the Resolutions as detailed in the accompanying Notice of Meeting. The Directors intend to vote in favour of each Resolution (subject to any applicable voting exclusions) and recommend that Shareholders vote in favour of each Resolution.

2. Resolution 1 - Ratification of Prior Share Placement

2.1 Background

As announced on 30 May 2019, the Company completed a placement of 184,615,385 new Shares at \$0.065 per Share to sophisticated and professional investors (as those terms are defined in sections 708(8) and 708(11) of the Corporations Act, respectively) (**May Placement**). The May Placement raised a total of \$12 million (before issue costs).

The new Shares were placed within the Company's 15% placement capacity under ASX Listing Rule 7.1 and without the issue of a prospectus or disclosure document in accordance with Chapter 6D of the Corporations Act.

Of the 184,615,385 new Shares placed as part of the May Placement, 180,000,000 of those new Shares (**Issued Placement Shares**) were issued on 6 and 7 June 2019. The remaining 4,615,385 new Shares are the subject of Resolutions 2 and 3.

2.2 ASX Listing Rule 7.4

As the Issued Placement Shares were issued within the Company's available placement capacity under Listing Rule 7.1, Shareholder approval was not required for their issue.

Listing Rule 7.4 allows a company to seek Shareholder ratification of an issue of securities after the issue has been made without approval under Listing Rule 7.1 (so long as that issue did not breach Listing Rule 7.1 at the time). Accordingly, the Company now seeks Shareholder approval to ratify the issue of the Issued Placement Shares. Approval of this Resolution will provide the Company with enhanced flexibility to issue further equity securities as and when required.

The following information is required by Listing Rule 7.5 in relation to the issue of the Issued Placement Shares.

- (a) The number of Issued Placement Shares was 180,000,000.
- (b) The issue price for each Issued Placement Share was \$0.065.

- (c) The Issued Placement Shares are fully paid ordinary shares which rank equally in all respects with existing Shares.
- (d) The Issued Placement Shares were issued to certain sophisticated and professional investors identified by Petra Capital, broker to the May Placement.
- (e) The proceeds from the May Placement are being used to fund the drilling and completion of the West Erregulla 2 well; ongoing operations of the Jaws Project pilot test; repayment of the remaining CBA facility; seismic preparation activities across the Company's Southern Cooper Basin and other Perth Basin projects; and general working capital.
- (f) A voting exclusion statement is set out in the Notice of Meeting.

2.3 Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1 and intend to vote any Shares they own or control in favour of this Resolution.

The Chairman of the Meeting intends to vote all undirected proxies in favour of Resolution 1.

3. Resolutions 2 and 3 - Issue of Shares to Non-Executive Directors, Mr John Poynton AO and Mr Stephen Bizzell

3.1 Background

Directors, Mr John Poynton AO and Mr Stephen Bizzell, each participated in the May Placement referred to in section 2 above for the following number of Shares:

- Mr Poynton - 1,538,462 Shares
- Mr Bizzell - 3,076,923 Shares

3.2 Chapter 2E of the Corporations Act

Under section 208 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 must:

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

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

The Directors (other than Mr Poynton and Mr Bizzell who have material personal interests in Resolutions 2 and 3) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of their participation in the May Placement because the Shares to be issued to Mr Poynton and Mr Bizzell (or their respective nominees) will be issued on the same terms Shares issued to non-related parties who participated in the May Placement, as detailed in section 2 above. Accordingly, the remaining Directors consider that the issue of the Shares to Mr Poynton and Mr Bizzell (or their respective nominees) is on arm's length terms in accordance with section 210 of the Corporations Act.

3.3 Listing Rule 10.11

Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party unless an exception in Listing Rule 10.12 applies.

As the Company is proposing to issue Shares to Director (or their nominees) who are related parties 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 (other than Mr Poynton and Mr Bizzell) that the exceptions set out in Listing Rule 10.12 do not apply to the issue of the Shares the subject of Resolutions 2 and 3.

3.4 Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the Resolutions 2 and 3:

- (a) The Shares the subject of Resolution 2 will be issued to Mr Stephen Bizzell or his nominee, and the Shares the subject of Resolution 3 will be issued to Mr John Poynton or his nominee, as set out in Section 3.4(b) below.
- (b) The maximum number of Shares to be issued to Mr Stephen Bizzell (or his nominee) is 3,076,923 Shares. The maximum number of Shares to be issued to Mr John Poynton (or his nominee) is 1,538,462 Shares.
- (c) The Shares to be issued pursuant to Resolutions 2 and 3 will be issued as soon as practicable and in any event no later than 1 month after the date of the Meeting.
- (d) The issue price will be \$0.065 per Share, being the same issue price as that of the Issued Placement Shares issued to participants in the May Placement who are not related parties of the Company.
- (e) The Shares to be issued to Mr Stephen Bizzell and Mr John Poynton (or their respective nominees) 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.
- (f) The proceeds from the issue of these Shares will be used as per the use of funds from the May Placement set out in paragraph 2.2(e) above.
- (g) A voting exclusion statement is set out in Notice of Meeting.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Shares to Mr Stephen Bizzell and Mr John Poynton (or their respective nominees) as Shareholder approval is being obtained under Listing Rule 10.11. Accordingly, the issue of these will not use up any of the Company's 15% annual placement capacity under Listing Rule 7.1.

3.5 Recommendation

The Directors (other than Mr Bizzell and Mr Poynton who have material personal interests in the outcome of Resolutions 2 and 3) unanimously recommend that Shareholders vote in favour of Resolutions 2 and 3 and intend to vote any Shares they own or control in favour of this Resolution.

The Chairman of the Meeting intends to vote all undirected proxies in favour of Resolutions 2 and 3.

4. Resolution 4 – Issue of Options to or for the benefit of Non-Executive Director, Mr Stephen Bizzell**4.1 Background**

On 31 December 2018, Mr Bizzell was elected to the Board. In consideration for Mr Bizzell's service on the Board and subject to obtaining Shareholder approval, the Board approved the grant to Mr Bizzell (or his nominee) of 5,000,000 Options to subscribe for Shares with an exercise price of \$0.15 over a 2-year exercise period from grant, as announced to ASX on 31 December 2019.

The rationale for the grant of the Options to Mr Bizzell is detailed in paragraph 4.6(f) below.

4.2 Terms and conditions of Options

The terms and conditions of the Options proposed to be granted are:

- (1) Each Option will entitle the holder (**Optionholder**) to subscribe for one Share (subject to possible adjustments referred to in paragraphs (9) and (10) below).

- (2) Each Option will be exercisable during the period from the date it is granted until 5.00pm (Adelaide time) on 17 May 2021 (**Expiry Date**). Options not exercised before the Expiry Date will lapse.
- (3) The exercise price of each Option will be 15 cents (subject to any adjustment in accordance with the formula set out below in paragraph 11) (**Exercise Price**).
- (4) The Options will be exercisable by notice in writing to the Company, delivered to the registered address of the Company and accompanied by the full payment of the Exercise Price in cleared funds.
- (5) Shares issued pursuant to the exercise of any of the Options will rank in all respects on equal terms with the existing Shares. The Company will apply for official quotation by ASX of the Shares issued upon exercise of the Options within 5 business days (in South Australia) of the date of allotment of the Shares.
- (6) The Options will not be quoted on ASX.
- (7) The legal or a beneficial interest in an Option may not be sold, transferred or otherwise disposed without the prior written consent of the Board.
- (8) The Options will not entitle the Optionholder to participate in any new issue of securities by the Company unless the Option has been duly exercised prior to the relevant record date. The Company will ensure that for the purposes of determining entitlements to participate in any new issues of securities to holders of Shares, the record date will comply with the timetables prescribed by the ASX Listing Rules.
- (9) If there is a bonus issue to the holders of Shares:
 - (a) the number of Shares over which each Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus issue; and
 - (b) no change will be made to the Exercise Price.
- (10) If, prior to the Expiry Date the issued capital of the Company is reorganised, the rights of the holders of the Options may be varied to comply with the ASX Listing Rules which apply to the reorganisation.
- (11) If the Company makes a rights issue (other than a bonus issue), the Exercise Price of the Options will be reduced in accordance with the following formula:

$$\text{Reduced Option Exercise Price} = \left(O - \frac{E(P - (S + D))}{(N + 1)} \right)$$

Where:

- | | | |
|---|---|---|
| O | = | the old Exercise Price of the Option; |
| E | = | the number of underlying Shares into which one Option is exercisable; |
| P | = | the volume weighted average price per Share recorded on the stock market of ASX during the 5 trading days immediately preceding the ex-rights date or ex-entitlements date; |
| S | = | the subscription price for a Share under the pro rata issue; |
| D | = | the dividend due but not yet paid on existing underlying Shares (except those to be issued under the pro rata issue); and |

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

4.3 Chapter 2E of the Corporations Act

The grant of Options to Director, Mr Bizzell, constitutes the giving of a financial benefit to a related party for the purpose of section 208 of the Corporations Act (explained in section 3.2 above), as a Director is a related party of the Company. Consequently, the grant of the Options to Mr Bizzell (or his nominee) requires shareholder approval for the purposes of section 208 of the Corporations Act, unless an exception applies.

The grant of the Options to Mr Bizzell might be said to fall within one of the exceptions in sections 210 to 217 (eg. reasonable remuneration of an officer or director), however, your Directors (other than Mr Bizzell who has a material personal interest in Resolution 4) consider it prudent to seek Shareholder approval nonetheless under the Corporations Act.

4.4 Listing Rule 10.11

Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party unless an exception in Listing Rule 10.12 applies. It is the view of the Directors (other than Mr Bizzell) that the exceptions set out in Listing Rule 10.12 do not apply to the grant of the Options to Mr Bizzell.

4.5 Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the grant of the Options to Mr Bizzell:

- (a) The Options will be granted to Director, Mr Stephen Bizzell (or his nominee).
- (b) The maximum number of Options to be issued is 5,000,000 Options.
- (c) The Options will be granted as soon as practicable and, in any event, no later than 1 month after the date of the Meeting.
- (d) The Options will be granted for nil cash consideration, and as such no funds will be raised from the grant of the Options. The exercise price of each Option is \$0.15.
- (e) Each Option is an option to subscribe for a fully paid ordinary share in the capital of the Company, on the same terms and conditions as the Company's existing Shares. The terms of the Options are set out in Section 3.2.
- (f) A voting exclusion statement is set out in Notice of Meeting.

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

4.6 Other Information

The following additional disclosures are made for the purposes of Chapter 2E of the Corporations Act and for all other purposes.

(a) Nature of financial benefit

The proposed financial benefit to be given is the grant of Options (and the consequent issue of Shares upon the exercise of the Options) to or for the benefit of Mr Bizzell for nil consideration, other than the payment of the \$0.15 exercise price upon exercise.

(b) Valuation of Options

The Directors have had the fair value of the Options to be awarded valued on a preliminary basis using a Black-Scholes model. The actual value of the Options will however be determined on a similar basis as at the actual date of the grant.

The assumptions underlying the Black-Scholes model used in calculating the preliminary value of the Options were as follows:

- Share price = \$0.079 per Share
- Expected life = 2 years
- Risk-free rate (r) = 1.83%
- Expected share volatility (q)* = 66%
- Dividend yield = 0%

Using this method of valuation, the Company has determined a preliminary value per Option of \$0.01 per Option.

The expected total financial benefit of the Options to be issued to or for the benefit of Mr Bizzell is \$50,000.

(c) Effect of grant of Options

As at the date of this Notice of Meeting, the Company has the following equity securities on issue. See the Company's Appendix 3B released to ASX on 7 June 2019 for further information.

Type of security	Number on issue
Shares	1,544,087,301
Options	46,190,029 (exercisable into 46,190,029 Shares)
Performance Rights	13,494,982 (exercisable into 13,494,982 Shares)

If Resolution 4 is approved and the Options are granted, the Company will have on issue an additional 5,000,000 Options.

If any of the Options to be granted to or for the benefit of Mr Bizzell are exercised the effect would be to dilute the shareholding of existing Shareholders.

As at the date of this Notice of Meeting, on a fully diluted basis (i.e. assuming all of the existing options and Performance Rights on issue are exercised and no other securities are issued, including pursuant to Resolutions 2-6), the Company has an equivalent of a maximum of 1,603,772,312 Shares. The issue of up to 5,000,000 Shares upon the exercise of the Options to be issued to or for the benefit of Mr Bizzell would result in a dilution of approximately 0.3% (i.e. 5,000,000 Shares expressed as a percentage of the expanded Share capital of 1,603,772,312).

(d) Individual security holdings

* The volatility assumption is representative of the level of uncertainty expected in the movements of the Company's Share price over the life of the Options.

The equity securities in the Company currently held directly and indirectly by Mr Bizzell as at the date of this Notice of Meeting are set out below.

Director	Shares	Number of other Securities held as at date of this Notice of Meeting	Percentage of Share capital on a fully diluted basis as at date of this Notice of Meeting
Mr Stephen Bizzell	7,267,280	363,750 options, at \$0.155, expiring 31 Dec 2020	0.1% (approx.)

(e) **Other aspects of remuneration packages**

Mr Bizzell, as a Non-Executive Director, is entitled to an annual director's fee, which is currently \$50,400 (excluding superannuation).

(f) **Rationale and Recommendation**

The Options proposed to be granted to or for the benefit of Non-Executive Director, Mr Bizzell, (per Resolution 4) were approved for grant by the Board (subject to obtaining Shareholder approval):

- as a means of retaining on the Board persons of the calibre and with the skills and experience that Mr Bizzell has; and
- to incentivise him to work towards, and to reward him for, achieving increases in the Company's value as determined by the market price of Shares. For this last reason, the exercise price is set at a 96% premium to the share price as at 31 December 2018.

Whilst the grant of the Options to a Non-Executive Director will mean the Company is not complying with Recommendation 8.2 of the ASX's Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition), for the above reasons the Board (other than Mr Bizzell who has a material personal interests in Resolution 4) consider the grant of the Options appropriate in the circumstances and recommend Shareholders vote in favour of Resolution 4.

(g) **Effect on earnings and other**

There will be an effect on the Company's earnings for the 2-year period subsequent to the grant of the Options in that the Company will likely recognise a share-based payment expense in the Company's profit and loss statement of approximately \$25,000 per annum. This amount is based on the Options amortising over the 2-year exercise period.

The opportunity costs, taxation consequences (such as fringe benefits tax) and benefits foregone by the Company is nil.

5. Resolutions 5 and 6— Grant of Performance Rights to or for the benefit of Mr Stuart Nicholls, Managing Director

5.1 Background

Under resolutions 5 and 6, Shareholder approval is sought to the grant to or for the benefit of Managing Director, Mr Stuart Nicholls, of Performance Rights:

- In the case of Resolution 5, by way of an award under the Company's Long-term Incentive program for the financial year ending 30 June 2020 (**FY20 LTIP**);
- In the case of Resolution 6, by way of an award under the Company's Short-Term Incentive program for the financial year ending (or ended, as the case may be) 30 June 2019 (**FY19 STIP**),

each administered under and in accordance with the Company's Employee Share Incentive Plan (**ESP**).

The award of Performance Rights to or for the benefit of Mr Nicholls is subject to and to be determined in accordance with the FY19 STIP and FY20 LTIP, as detailed below.

5.2 FY20 LTIP

Details of the FY20 LTIP are as follows:

- The objective of the FY20 LTIP is to reward senior management in a manner that aligns remuneration with the creation of shareholder wealth over the longer term.
- The FY20 LTIP is based on total shareholder returns (**TSR**) over a three-year period commencing from 1 July 2019 and is a non-cash award delivered in the form of Performance Rights which vest (become convertible to Shares) dependent on the achievement of TSR hurdles.
- The award of FY20 LTIP Performance Rights under the LTIP is at the discretion of the Board, acting on the recommendation of the Company's Nomination and Remuneration Committee.
- The TSR hurdles/vesting criteria for the Performance Rights are as set out in the table below and are assessed at the end of the three-year period commencing 1 July 2019 (**Performance Period**).

Measure		Weighting	Hurdles	Vesting Percentage
Absolute TSR	Company	50%	Below 10% p.a.	0
			10% to < 15% p.a.	25%
			15% to < 20% p.a.	50%
			20% to < 25% p.a.	75%
			Above 25% p.a.	100%
Relative TSR		50%	Below 60 th percentile	0
			60 th percentile	60%
			61 st to 75 th percentile	61% to 99%
			> 76 th percentile and above	100%

- The number of granted Performance Rights that vest and become convertible for Shares will depend on the rate of return achieved, with 50% of the LTIP Performance Rights weighted on achievement of Company specific hurdle rates of return (as set out above) (**Absolute Company TSR**) and 50% of the LTIP Performance Rights weighted on the Company's rate of return relative to the rate of return achieved by a comparative group of 12 ASX listed Australian exploration and production companies with varying market capitalisation (**Relative TSR**). The peer group is reviewed for relevance and amended annually as appropriate.
- Executive Key Management Personnel are eligible for the FY20 LTIP with the following maximum award opportunity as a percentage of fixed remuneration:
 - Managing Director – 100%
 - CFO & Company Secretary – 60%
- The 5 trading day volume weighted average price to and including 30 June 2019 will be applied to calculate the number of Performance Rights to be issued at face value.
- Where a recipient of Performance Rights under FY20 LTIP ceases employment prior to the required vesting conditions being met, the Performance Rights are forfeited unless otherwise determined by the Board. Performance Rights that have already vested automatically expire 90 days after the date of cessation of employment of the recipient unless otherwise determined by the Board.

In accordance with the above, Managing Director, Mr Nicholls, will be eligible for an award of Performance Rights pursuant to the FY20 LTIP up to a maximum number equal to 100% of Mr Nicholls' base remuneration of \$300,000 calculated at the 5 trading day volume weighted average price up to and including 30 June 2019, with the actual number of Performance Rights (if any) at the discretion of the Board.

5.3 FY19 STIP

Details of the FY19 STIP are as follows:

- The objective of the FY19 STIP is to link the achievement of the Company's short term performance objectives with the remuneration received by senior management and employees charged with achieving those measures, and is designed to retain staff over the vesting period of the award.
- The Company's performance over the period 1 July 2018 to 30 June 2019 is measured against a Board set scorecard, which is broken into four core components that the Board believes are key to delivering the Company's strategy over the year. The scorecard for the FY STIP and relative target weightings are as follows:

Measure	Weighting	Rationale
Safety	20%	Managing health and safety performance is a critical business activity.
Key operational milestones	40%	Reliable operations and achieving commercial gas flow rates at the Southern Cooper Basin Gas Project to underpin a reserve booking.
Exploration drilling	10%	Achieving drilling outcomes at West Erregulla
Cost Management	20%	Working towards efficient operations and execution programs.
Board Discretionary	10%	The Board recognises exceptional performance not covered by the metrics in the scorecard.

- The performance measures are assigned a base level of performance (minimum score 0% of base remuneration). The FY19 STIP awards performance that exceeds the base level such that the target levels are set to be challenging and the maximum award opportunity is a stretch target and is only expected to be awarded for outstanding delivery.
- The safety component includes a metric that is only awarded if there are no lost time injuries throughout the year and there is a discretionary component which allows the Board to assign an award for performance not considered in the scorecard.
- All staff share the same scorecard and there is no individual performance weighting.
- The award is non-cash and is delivered in the form of Performance Rights.
- The Performance Rights are granted after the financial year has closed and once the Board has assessed the performance of the Company. The Performance Rights vest on 1 July the following year. Employees maintain the Performance Rights on the condition of remaining in employment with the Company until the vesting date, unless otherwise approved by the Board.
- The maximum award of Performance Rights that may be granted is:
 - For the Managing Director or a member of senior management – a number equal in value to 50% of the employee's base remuneration;
 - For other employees – a number equal in value to 10-25% of the employee's base remuneration.
- Where a recipient of Performance Rights under the FY19 STIP ceases employment prior to the vesting date, the Performance Rights are forfeited unless otherwise determined by the Board. Performance Rights that have already vested automatically expire 90 days after the date of cessation of employment of the recipient unless otherwise determined by the Board.

In accordance with the above, Managing Director, Mr Nicholls, will be eligible for an award of Performance Rights pursuant to the FY19 STIP and Resolution 6 seeks approval for up to a maximum number equal to 50% of Mr Nicholls' base remuneration of \$300,000 calculated at the 5 trading day volume weighted average price up to and including 30 June 2019, with the actual number of Performance Rights (if any) to be determined based on the Company's performance against the above scorecard over the financial year ending 30 June 2019.

5.4 Chapter 2E of the Corporations Act

Approval of Resolutions 5 and 6 will, if and to the extent Mr Nicholls receives an award of Performance Rights pursuant to the FY19 STIP or FY20 LTIP, result in the granting of a conditional right to subscribe for Shares for nil consideration to a Director. This constitutes the giving of a financial benefit to a related party of the Company, as Directors are related parties of the Company, and will require Shareholder approval for the purposes of section 208 of the Corporations Act (as explained in section 3.2 above) unless an exception to the Shareholder approval requirement applies.

The Board has determined that any grant of Performance Rights to Mr Nicholls pursuant to the FY20 LTIP and/or FY19 STIP, as part remuneration for his services, is reasonable in the Company's circumstances and those of Mr Nicholls, and as such does not require Shareholder approval for the purposes of Chapter 2E of the Corporations Act by virtue of the exception to shareholder approval in section 211 of the Corporations Act. The Company has a need for highly skilled personnel to deliver on the Company's strategic objectives, but limited cash reserves to attract and reward such personnel. The grant of Performance Rights not only assists preserve cash for the Company's business activities, but also incentivises personnel to achieve the Company set strategic objectives and, in the case of the Performance Rights proposed to be granted to Mr Nicholls, ultimately deliver a return on investment to its Shareholders. The grant of the Performance Rights when taken together with the balance of Mr Nicholls' remuneration package is also considered reasonable by the Board when compared with the remuneration packages of managing directors and chief executive officers of companies of a similar size and in the same industry to that of the Company.

5.5 Listing Rule 10.14

ASX Listing Rule 10.11 states that a listed company must not issue, or agree to issue, equity securities (which include ordinary shares and options or performance rights to acquire ordinary shares) to a related party without the approval of ordinary shares, unless an exception in ASX Listing Rule 10.12 applies. As noted above, each of the Directors is a related party of the Company.

One of the exceptions to ASX Listing Rule 10.11 (being in Rule 10.12, Exception 4) is that the relevant equity securities are issued under an employee incentive scheme with ordinary shareholder approval under ASX Listing Rule 10.14. As noted above, any Performance Rights awarded to Mr Nicholls will be pursuant to the ESP. Accordingly, the Company seeks Shareholder approval to the potential award of Performance Rights to Mr Nicholls under ASX Listing Rule 10.14.

In accordance with ASX Listing Rule 7.2, Exception 9(b), the Performance Rights (and Shares issued upon the exercise of the Performance Rights), if and to the extent awarded, will not be counted towards any future calculation of the Company's 15% annual placement capacity under ASX Listing Rule 7.1 or, in circumstances where ASX Listing Rule 7.1A applies, of the Company's 10% annual placement capacity under ASX Listing Rule 7.1A.

5.6 Information required by Listing Rule 10.15

In accordance with ASX Listing Rule 10.15, the following information is provided.

- (a) The Performance Rights the subject of Resolutions 5 and 6, if and to the extent granted, will be granted to, or for the benefit of, Managing Director, Mr Nicholls.
- (b) The maximum number of Performance Rights that may be granted to, or for the benefit of, Mr Nicholls is as follows:
 - Pursuant to the FY19 STIP – the number that is equal to 50% of Mr Nicholls' base remuneration of \$300,000 calculated at the 5 trading day volume weighted average price of the Company's

Shares up to and including 30 June 2019, with the actual number of Performance Rights (if any) to be determined based on the Company's performance against the scorecard set out in section 5.3 above over the financial year ending 30 June 2019;

- Pursuant to the FY20 LTIP – the number that is equal 100% of his fixed remuneration of \$300,000 calculated at the 5 trading day volume weighted average price of the Company's Shares up to and including 30 June 2019.

Each Performance Right is convertible into one Share. In each case the Shares will be issued only if the vesting conditions (as described earlier) are satisfied.

- (c) The price for each Performance Right is nil. There is also no consideration payable for each Share issued upon the exercise of each Performance Right.
- (d) The names of all persons referred to in ASX Listing Rule 10.14 (being Directors of the Company, associates of any director of the Company and any person whose relationship with any such director or associate is, in ASX's opinion, such that shareholders' approval should be obtained) who received securities under the ESP since the last Shareholders' approval, the number of securities received and the acquisition price for each security are:

Recipient	Number of securities	Price per security
Mr Stuart Nicholls (Managing Director)	2,500,000 Performance Rights, each a right to subscribe for one Share, subject to satisfaction of vesting conditions, approved at the meeting of Shareholders held on 17 May 2018.	Nil
	689,655 Performance Rights, each a right to subscribe for one Share, subject to satisfaction of vesting conditions, approved at the meeting of Shareholders held on 14 December 2018.	Nil
	2,273,089 Performance Rights, granted subject to performance or vesting conditions that are directly linked to Shareholder returns over a three-year period and which must be satisfied before the Performance Rights can be exercised and converted to Shares. Approved at the meeting of Shareholders held on 14 December 2018.	Nil

- (e) Each Director of the Company is an "Eligible Person" under the ESP and therefore potentially entitled to participate in the ESP. However, the Board has determined that non-executive Directors are not entitled to participate in the ESP.
- (f) A voting exclusion statement is set out in the Notice of Meeting.
- (g) There will be no loan in relation to the grant of the Performance Rights.
- (h) The Performance Rights will, if approved by Shareholders and awarded to Mr Nicholls, be granted to Mr Nicholls or his nominee as soon as reasonably practicable after determination of the award and in any event within 12 months after the meeting.

5.7 Other Information

The following additional information is provided in relation to Resolutions 5 and 6.

(a) Effect of grant of Performance Rights

As at the date of the Notice of Meeting, the Company has the following equity securities on issue. See the Company's Appendix 3B released to ASX on 7 June 2019 for further information.

Assuming Mr Nicholls is eligible to receive a 50% award of Performance Rights pursuant to the FY19 STIP and 100% award Performance Rights pursuant to the FY20 LTIP, and a 5 trading day volume weighted average price up to and including 30 June 2019 equal to the closing share price as at 28 June 2019 of \$0.058, the maximum number of Performance Rights that Mr Nicholls could be awarded is:

- Under the FY19 STIP – 2,586,207 at 50% of Mr Nicholls' base remuneration of \$300,000
- Under the FY20 LTIP – 5,172,414 at 100% of Mr Nicholls' base remuneration of \$300,000

As an example, if Resolutions 5 and 6 are approved and the maximum number of Performance Rights as specified above are awarded and in turn granted, the Company will have on issue an additional 7,758,621 Performance Rights. If any of those Performance Rights granted to or for the benefit of Mr Nicholls are converted the effect would be to dilute the shareholding of existing Shareholders. The possible effect on Shareholders of the issue of up to 7,758,621 Shares on conversion of those Performance Rights, on a fully diluted basis (i.e. assuming all of the existing options and Performance Rights on issue are exercised and no other securities are issued) is set out in the final row of the table below.

Type of security	Number on issue
Shares	1,544,087,301
Options	46,190,029 (exercisable into 46,190,029 Shares)
Performance Rights	13,494,982 (convertible into 13,494,982 Shares)
Total Shares	1,603,772,312
Shareholder Dilution	0.484%

(b) Individual Security holdings

The equity securities in the Company currently held directly and indirectly by Mr Nicholls as at the date of this Notice of Meeting are set out below.

Director	Shares	Number of Incentive Securities held as at date of this Notice of Meeting	Percentage of Share capital on a fully diluted basis as at date of this Notice of Meeting
Mr Stuart Nicholls	455,434	2,000,000 Options 5,462,744 Performance Rights	0.494% (approx.)

(c) Other aspects of remuneration package

As Managing Director of the Company, and in accordance with Mr Nicholls' Executive Employment Agreement, Mr Nicholls is entitled to total fixed remuneration of \$300,000 per annum, subject to review from time to time. In addition, Mr Nicholls is eligible to be considered for a discretionary annual short-term incentive award and an annual long-term incentive award of up to 100% of his total fixed remuneration as determined by the Board. The Performance Rights proposed to be granted to Mr Nicholls constitute the discretionary annual incentive awards contemplated by Mr Nicholls' Executive Employment Agreement. The other key terms of Mr Nicholls' Executive Employment Agreement were set out in the ASX announcement dated 10 April 2017.

5.8 Recommendation

The Directors (other than Mr Nicholls) unanimously recommend that Shareholders vote in favour of Resolutions 5 and 6. Mr Nicholls makes no recommendation because he has an interest in the outcome of Resolutions 5 and 6.

The Chairman of the Meeting intends to vote all undirected proxies in favour of Resolutions 5 and 6.

Mr Nicholls did not vote on the proposed issue of Performance Rights to or for his benefit at the meeting of the Board which considered that matter.

6. Important Information for Shareholders

Please note the Chair will not vote any undirected proxies in favour of Resolutions 4, 5 or 6 unless the Shareholder expressly authorizes the Chair to exercise the proxy even though it is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel. Please note that if the Chair of the meeting is your proxy (or becomes your proxy by default), by completing the attached proxy form, you will expressly so authorize the Chair. The Chair intends to vote undirected proxies where such authorization is given in favour of Resolutions 4, 5 and 6.

Alternatively, if you appoint the Chair of the meeting as your proxy, you may direct the Chair to vote for, against or abstain from voting on the Resolution by marking the appropriate box on the proxy form.

As a further alternative, Shareholders can nominate as their proxy for the purposes of Resolution 4, 5 and/or 6 a proxy who is not a member of the Company's Key Management Personnel or any of their Closely Related Parties. That person would be permitted to vote undirected proxies (subject to the ASX Listing Rules).

7. DEFINITIONS

In this Explanatory Statement:

Associate has the meaning given to that term in sections 11 to 17 of the Corporations Act.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as appropriate.

Board means the Board of Directors of the Company.

Closely Related Party of a member of Key Management Personnel for an entity means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependent of the member or of the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company or Strike means Strike Energy Limited (ACN 078 012 745).

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

Director means a director of the Company.

Explanatory Statement means the Explanatory Statement accompanying the Notice of Meeting.

ESP has the meaning in Section 5.1

Key Management Personnel means those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any Director.

Listing Rules means the Listing Rules of ASX.

Meeting means the meeting of the Shareholders convened for the purposes of considering the Resolutions.

Notice of Meeting means the notice convening the Meeting accompanying this Explanatory Statement.

Option means an option to subscribe for a Share on the terms and conditions set out in section 4.2 of the Explanatory Statement.

Performance Right means an entitlement to subscribe for a Share for nil consideration, subject to the satisfaction of any applicable exercise conditions.

Related Bodies Corporate has the meaning provided under section 9 of the Corporations Act.

Resolution means a resolution to be considered at the Meeting as set out in the notice of Meeting.

Section means a section of this Explanatory Statement.

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

Shareholder means a holder of Shares.

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 11:00am (Adelaide Time) on Wednesday 14 August 2019.**

🖥 TO VOTE ONLINE

📱 BY SMARTPHONE

STEP 1: VISIT <https://www.votingonline.com.au/stxgm2019>

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

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



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 **11:00am (Adelaide Time) on Wednesday 14 August 2019.** 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/stxgm2019>

📠 **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.

☐**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 **Strike 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 General Meeting of the Company to be held at the **offices of Strike Energy Limited, 1/31-35 George Street, Thebarton, South Australia on Friday, 16 August 2019 at 11:00am (Adelaide Time)** 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 Resolutions 4,5 and 6. I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 4,5 and 6 are 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 Resolutions 4,5 and 6). 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*
Resolution 1	Ratification of Prior Share Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Issue of Shares to Non-Executive Director – Mr Stephen Bizzell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Issue of Shares to Chairman – Mr John Poynton AO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Grant of Options to or for the benefit of Non-Executive Director, Mr Stephen Bizzell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Grant of Performance Rights to or for the benefit of Mr Stuart Nicholls, Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Grant of Performance Rights to or for the benefit of Mr Stuart Nicholls, Managing 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 / / 2019