



# **Notice of General Meeting and Explanatory Statement**

*General Meeting of*

***OIL BASINS LIMITED***

*ACN 006 024 764*

*to be held at  
2:00 pm (AEST) on Tuesday 9 June 2015*

*at*

*Institute of Chartered Accountants  
Level 3, 600 Bourke Street, Melbourne, Victoria*

This Notice of General Meeting, Explanatory Statement and proxy form should be read in its entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor without delay.

# OIL BASINS LIMITED

ACN 006 024 764

Registered office: Level 4, 100 Albert Road, South Melbourne Victoria 3205

## NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders of Oil Basins Limited ("Company") will be held at Institute of Chartered Accountants, Level 3, 600 Bourke Street, Melbourne, Victoria at 2:00 pm (AEST) on Tuesday 9 June 2015.

## AGENDA

The Explanatory Statement and proxy form which accompany and form part of this Notice of General Meeting, describe in more detail the matters to be considered. Please consider this Notice of General Meeting, the Explanatory Statement and the proxy form in their entirety.

### ORDINARY BUSINESS

#### Item 1: Approval and Agreement for a Reduction in Salary and for Limited Issues of Shares to Mr Neil Francis James Doyle (or his nominee(s))

To consider and, if thought fit, pass each of the following resolutions as an ordinary resolution:

##### Resolution 1(a)

*IT IS APPROVED AND AGREED THAT for the purposes of ASX Listing Rule 10.11 and for all other purposes the specified base salary component (including superannuation contribution) of \$A300,000 per annum, provided for in the Schedule of the Executive Services Agreement between Oil Basins Limited ("Company") and Neil Francis James Doyle ("Executive") be varied effectively as and from 1 January 2015 to be A\$180,000 per annum, and that the Company shall for the period from 1 January 2015 to 31 May 2015 inclusive allot and issue to the Executive and/or his nominee(s) such number of fully paid shares in the Company that equates per calendar month to A\$10,000 (A\$50,000 in total) at 0.5 cents per share (being 10 million shares in total) WHILE IT IS FURTHER APPROVED AND AGREED THAT such variance of the specified base salary component shall have no effect in respect to (including from time to time the on-going calculated value of and/or any obligations concerning) annual leave, personal leave, compassionate leave, long service leave, superannuation, and the effects of termination of the Executive Service Agreement or employment thereunder.*

##### Resolution 1(b)

*IT IS APPROVED AND AGREED THAT for the purposes of ASX Listing Rule 10.11 and for all other purposes the Company shall for the period from 1 January 2015 to 31 May 2015 inclusive allot and issue to Neil Francis James Doyle as a Director of the Company and/or his nominee(s) such number of fully paid shares in the Company that equates per calendar month to \$A1,500 (A\$7,500 in total) at 0.5 cents per share (being 1.5 million shares in total).*

##### **Voting Exclusion**

A vote in respect of this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

The Company will disregard any votes cast on this resolutions 1(a), and 1(b) by a member of the Key Management Personnel or a Closely Related party of such member ("Proxy Voter") where they are acting as proxy in contravention of section 250BD of the Corporations Act.

A vote may be cast by a Proxy Voter where the vote is not cast on behalf of the Proxy Voter and either:

(a) the proxy form specifies how that Proxy Voter is to vote; or

(b) that Proxy Voter is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

##### **Listing Rules**

The Company will, in accordance with Listing Rule 14.11, disregard any votes cast on resolutions 1(a) and 1(b) by Mr Neil Francis James Doyle and his associates.

However, the Company need 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) 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

**Item 2: Approval and Agreement for a Reduction in Salary and for Limited Issues of Shares to Mr Kim Warren McGrath (or his nominee(s))**

To consider and, if thought fit, pass each of the following resolutions as an ordinary resolution:

**Resolution 2(a)**

IT IS APPROVED AND AGREED THAT for the purposes of ASX Listing Rule 10.11 and for all other purposes the specified base salary component (including superannuation contribution) of \$A300,000 per annum, provided for in the Schedule of the Executive Services Agreement between Oil Basins Limited ("Company") and Kim Warren McGrath ("Executive") be varied effectively as and from 1 January 2015 to be A\$180,000 per annum, and that the Company shall for the period from 1 January 2015 to 31 May 2015 inclusive allot and issue to the Executive and/or his nominee(s) such number of fully paid shares in the Company that equates per calendar month to A\$10,000 (A\$50,000 in total) at 0.5 cents per share (being 10 million shares in total) WHILE IT IS FURTHER APPROVED AND AGREED THAT such variance of the specified base salary component shall have no effect in respect to (including from time to time the on-going calculated value of and/or any obligations concerning) annual leave, personal leave, compassionate leave, long service leave, superannuation, and the effects of termination of the Executive Service Agreement or employment thereunder.

**Resolution 2(b)**

IT IS APPROVED AND AGREED THAT for the purposes of ASX Listing Rule 10.11 and for all other purposes the Company shall for the period from 1 January 2015 to 31 May 2015 inclusive allot and issue to Kim Warren McGrath as a Director of the Company and/or his nominee(s) such number of fully paid shares in the Company that equates per calendar month to \$A1,500 (A\$7,500 in total) at 0.5 cents per share (being 1.5 million shares in total).

**Voting Exclusion**

A vote in respect of this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

The Company will disregard any votes cast on resolutions (2(a) and 2(b) by a member of the Key Management Personnel or a Closely Related party of such member ("Proxy Voter") where they are acting as proxy in contravention of section 250BD of the Corporations Act.

A vote may be cast by a Proxy Voter where the vote is not cast on behalf of the Proxy Voter and either:

(a) the proxy form specifies how that Proxy Voter is to vote; or

(b) that Proxy Voter is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

**Listing Rules**

The Company will, in accordance with Listing Rule 14.11, disregard any votes cast on resolutions 2(a) and 2(b) by Mr Kim Warren McGrath and his associates.

However, the Company need 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) 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

**Item 3: Approval and Agreement for a Limited Issue of Shares to Mr Nigel Howard Harvey (or his nominee(s))**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

**Resolution 3**

IT IS APPROVED AND AGREED THAT for the purposes of ASX Listing Rule 10.11 and for all other purposes the Company shall for the period from 1 January 2015 to 31 May 2015 inclusive allot and issue to Nigel Howard Harvey as a Director of the Company and/or his nominee(s) such number of fully paid shares in the Company that equates per calendar month to \$A1,500 (A\$7,500 in total) at 0.5 cents per share (being 1.5 million shares in total).

**Voting Exclusion**

A vote in respect of this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

The Company will disregard any votes cast on resolution 3 by a member of the Key Management Personnel or a Closely Related party of such member ("Proxy Voter") where they are acting as proxy in contravention of section 250BD of the Corporations Act.

A vote may be cast by a Proxy Voter where the vote is not cast on behalf of the Proxy Voter and either:

(a) the proxy form specifies how that Proxy Voter is to vote; or

(b) that Proxy Voter is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

**Listing Rules**

The Company will, in accordance with Listing Rule 14.11, disregard any votes cast on resolution 3 by Mr Nigel Howard Harvey and his associates.

However, the Company need 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) 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

**Item 4: Ratification of Prior Issue of Shares**

**Resolution 4**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve and confirm the issue and allotment on 9 January 2015 of 47,000,000 fully paid ordinary shares in the Company to sophisticated and professional investors to fund working capital and ongoing projects on the basis set out in the Explanatory Statement."*

Voting Exclusion for Resolution 4:

The Company will disregard any votes cast on Resolution 4 by a person who participated in the issue and any associate of that person. However the Company need not disregard a vote if:

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

**Item 5: Ratification of Prior Issue of Shares**

**Resolution 5**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

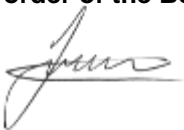
*"That for the purposes of ASX Listing Rule 7.4, and for all other purposes, shareholders approve and confirm the issue and allotment on or about 4 May 2015 of 72,500,000 fully paid ordinary shares to sophisticated and professional investors to fund working capital and ongoing projects on the basis set out in the Explanatory Statement."*

Voting Exclusion for Resolution 5:

The Company will disregard any votes cast on Resolution 5 by a person who participated in the issue and any associate of that person. However the Company need not disregard a vote if:

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

**By order of the Board**



Justin Mouchacca  
Company Secretary  
Melbourne  
8 May 2015

## EXPLANATORY STATEMENT

This Explanatory Statement and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Statement or the Notice of General Meeting, please contact the Company, your stockbroker or other professional adviser.

### **Item 1: Approval and Agreement for a Reduction in Salary and for Limited Issues of Shares to Mr Neil Francis James Doyle (or his nominee(s))**

#### **Background to Item 1**

The Board of the Company recognises that the oil and gas exploration industry is going through a 'down' period and that cash preservation is an important consideration for the Company which, with this resolution, now seeks to have shareholders approve a realignment of the payment of Executive Directors' remuneration in particular. Already the Board of the Company has reduced by thirty percent (from A\$60,000 to A\$42,000 per annum) the fees payable to each Director from 1 January 2015 going forward in respect of the membership of the Board and its various committees, and the associated responsibilities and duties thereof, with it still being the case that no extra payments are made concerning chairmanship of the Company or any Board committee.

The Board has also approved and agreed that the specified base salary component (including superannuation contribution) of A\$300,000 per annum provided for in the Schedule of the Executive Services Agreement between Oil Basins Limited ('Company') and Neil Francis James Doyle ("Executive") be varied effectively as and from 1 January 2015 to be A\$180,000 per annum, and now seeks shareholder approval and agreement to implement the change.

The Company will continue to pay director remuneration only when it is proper and prudent to do so.

**The Board notes that no remuneration has been paid by the Company to the Executive Directors and to the Non-Executive Director in respect of the first quarter from 1 January 2015 to 31 March 2015 inclusive.**

**Each of the Executive Directors and the Non-executive Director of the Company has agreed to the changes if approved and agreed by shareholders and recommends that shareholders vote for these resolutions, which recognise a reduction in the salary/fee component going forward from 1 January 2015 with some compensation by way of shares for the limited period 1 January 2015 to 31 May 2015.**

Resolution 1(a) of the Notice of General Meeting seeks shareholder approval for the purposes of ASX Listing Rule 10.11 and for all other purposes for the issue of fully paid ordinary shares in the Company to Mr Neil Francis James Doyle (or his nominee(s)) as consideration for the reduction in the Executives base salary. The shares proposed to be issued equate to A\$10,000 per calendar month (A\$50,000 in total) at 0.5 cents per share (being 10 million shares in total).

Resolution 1(b) of the Notice of General Meeting seeks shareholder approval for the purposes of ASX Listing Rule 10.11 and for all other purposes for the issue of fully paid ordinary shares in the Company to Mr Neil Francis James Doyle (or his nominee(s)) as consideration for the reduction in Director's fees. The shares proposed to be issued equate to A\$1,500 per calendar month (A\$7,500 in total) at 0.5 cents per share (being 1.5 million shares in total).

It is the view of the Directors that the proposed issue of shares pursuant to Resolutions 1(a) and 1(b) fall within the exception under section 211 of the Corporations Act 2001 (reasonable remuneration) given the circumstances of the Company and the position held by the Directors. Accordingly, the Directors are not seeking shareholder approval under section 208 of the Corporations Act 2001, although shareholder approval must be obtained pursuant to ASX Listing Rule 10.11.

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

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party of the company. Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the shares to the Directors as approval is being obtained under ASX Listing Rule 10.11.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 1(a) and 1(b):

- (a) the related party is Mr Neil Francis James Doyle and he is a related party by virtue of being a Director of the Company;
- (b) the formula for issuing fully paid ordinary shares under these resolutions are as follows:
  - Resolution 1(a) equates to \$A10,000 per calendar month (A\$50,000 in total) at 0.5 cents per share (being 10 million shares in total) for the limited period 1 January 2015 to 31 May 2015 inclusive;
  - Resolution 1(b) equates to \$A1,500 per calendar month (A\$7,500 in total) at 0.5 cents per share (being 1.5 million shares in total) for the limited period 1 January 2015 to 31 May 2015 inclusive.
- (c) the Shares will be issued not later than one month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that the allotment will occur on the same date;
- (d) the Shares will be issued as consideration of the reduction in the Executive's base salary and Director's fees at a deemed issue price calculated at 0.5 cents per share; and
- (e) there will not be any funds raised through the issue of the shares.

A voting exclusion statement is included in the Notice of General Meeting of which this Explanatory Statement forms part.

## **Item 2: Approval and Agreement for a Reduction in Salary and for Limited Issues of Shares to Mr Kim Warren McGrath (or his nominee(s))**

### **Background to Item 2**

The Board of the Company recognises that the oil and gas exploration industry is going through a 'down' period and that cash preservation is an important consideration for the Company which, with this resolution, now seeks to have shareholders approve a realignment of the payment of Executive Directors' remuneration in particular. Already the Board of the Company has reduced by thirty percent (from A\$60,000 to A\$42,000 per annum) the fees payable to each Director from 1 January 2015 going forward in respect of the membership of the Board and its various committees, and the associated responsibilities and duties thereof, with it still being the case that no extra payments are made concerning chairmanship of the Company or any Board committee.

The Board has also approved and agreed that the specified base salary component (including superannuation contribution) of A\$300,000 per annum provided for in the Schedule of the Executive Services Agreement between Oil Basins Limited ('Company') and Kim Warren McGrath ("Executive") be varied effectively as and from 1 January 2015 to be A\$180,000 per annum, and now seeks shareholder approval and agreement to implement the change.

The Company will continue to pay director remuneration only when it is proper and prudent to do so.

**The Board notes that no remuneration has been paid by the Company to the Executive Directors and to the Non-Executive Director in respect of the first quarter from 1 January 2015 to 31 March 2015 inclusive.**

**Each of the Executive Directors and the Non-executive Director of the Company has agreed to the changes if approved and agreed by shareholders and recommends that shareholders vote for these resolutions, which recognise a reduction in the salary/fee component going forward from 1 January 2015 with some compensation by way of shares for the limited period 1 January 2015 to 31 May 2015.**

Resolution 2(a) of the Notice of General Meeting seeks shareholder approval for the purpose of ASX Listing Rule 10.11 and for all other purposes for the issue of fully paid ordinary shares in the Company to Mr Kim Warren McGrath (or his nominee(s)) as consideration for the reduction in the Executives base salary. The shares proposed to be issued equate to A\$10,000 per calendar month (A\$50,000 in total) at 0.5 cents per share (being 10 million shares in total).

Resolution 2(b) of the Notice of General Meeting seeks shareholder approval for the purpose of ASX Listing Rule 10.11 and all for other purposes for the issue of fully paid ordinary shares in the Company to Mr Kim Warren McGrath (or his nominee(s)) as consideration for the reduction in Directors fees. The shares proposed to be issued equate to \$A1,500 per calendar month (A\$7,500 in total) at 0.5 cents per share (being 1.5 million in total).

It is the view of the Directors that the proposed issue of shares pursuant to Resolutions 2(a) and 2(b) fall within the exception under section 211 of the Corporations Act 2001 (reasonable remuneration) given the circumstances of the Company and the position held by the Directors. Accordingly, the Directors are not seeking shareholder approval under section 208 of the Corporations Act 2001, although shareholder approval must be obtained pursuant to ASX Listing Rule 10.11.

### **ASX Listing Rule 10.11**

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party of the company. Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the shares to the Directors as approval is being obtained under ASX Listing Rule 10.11.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 2(a) and 2(b):

- (a) the related party is Mr Kim Warren McGrath and he is a related party by virtue of being a Director of the Company;
- (b) the formula for issuing fully paid ordinary shares under these resolutions are as follows:
  - Resolution 2(a) equates to \$A10,000 per calendar month (A\$50,000 in total) at 0.5 cents per share (being 10 million shares in total) for the limited period 1 January 2015 to 31 May 2015 inclusive;
  - Resolution 2(b) equates to A\$1,500 per calendar month (A\$7,500 in total) at 0.5 cents per share (being 1.5 million shares in total) for the limited period 1 January 2015 to 31 May 2015 inclusive.
- (c) the Shares will be issued not later than one month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that the allotment will occur on the same date;
- (d) the Shares will be issued as consideration of the reduction in the Executive's base salary and Director's fees at a deemed issue price calculated at 0.5 cents per share; and
- (e) there will not be any funds raised through the issue of the shares.

A voting exclusion statement is included in the Notice of General Meeting of which this Explanatory Statement forms part.

### **Item 3: Approval and Agreement for a Limited Issue of Shares to Mr Nigel Howard Harvey (or his nominee(s))**

#### **Background to Item 3**

The Board of the Company recognises that the oil and gas exploration industry is going through a 'down' period and that cash preservation is an important consideration for the Company which, with this resolution, now seeks to have shareholders approve a realignment of the payment of Executive Directors' remuneration in particular. Already the Board of the Company has reduced by thirty percent (from A\$60,000 to A\$42,000 per annum) the fees payable to each Director from 1 January 2015 going forward in respect of the membership of the Board and its various committees, and the associated responsibilities and duties thereof, with it still being the case that no extra payments are made concerning chairmanship of the Company or any Board committee.

The Company will continue to pay director remuneration only when it is proper and prudent to do so.

**The Board notes that no remuneration has been paid by the Company to the Executive Directors and to the Non-Executive Director in respect of the first quarter from 1 January 2015 to 31 March 2015 inclusive.**

**Each of the Executive Directors and the Non-executive Director of the Company has agreed to the changes if approved and agreed by shareholders and recommends that shareholders vote for this resolution, which recognises a reduction in the salary/fee component going forward from 1 January 2015 with some compensation by way of shares for the limited period 1 January 2015 to 31 May 2015.**

Resolution 3 of the Notice of General Meeting seeks shareholder approval for the purpose of ASX Listing Rule 10.11 and for all other purposes for the issue of fully paid ordinary shares in the Company to Mr Nigel Howard

Harvey (or his nominee(s)) as consideration for the reduction in Directors fees. The shares proposed to be issued equate to \$A1,500 per calendar month (A\$7,500 in total) at 0.5 cents per share (being 1.5 million shares in total).

It is the view of the Directors that the proposed issue of shares pursuant to Resolution 3 falls within the exception under section 211 of the Corporations Act 2001 (reasonable remuneration) given the circumstances of the Company and the position held by the Directors. Accordingly, the Directors are not seeking shareholder approval under section 208 of the Corporations Act 2001, although shareholder approval must be obtained pursuant to ASX Listing Rule 10.11.

### ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party of the company. Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the shares to the Directors as approval is being obtained under ASX Listing Rule 10.11.

ASX Listing Rule 10.13 sets out a number of matters which must be included in a notice of meeting proposing an approval under ASX Listing Rule 10.11. For the purposes of ASX Listing Rule 10.13, the following information is provided in relation to Resolution 3:

- (a) the related party is Mr Nigel Howard Harvey and he is a related party by virtue of being a Director of the Company;
- (b) the formula for issuing fully paid ordinary shares under this resolution is as follows:
  - Resolution 3 equates to \$A1,500 per calendar month (A\$7,500 in total) at 0.5 cents per share (being 1.5 million shares in total).
- (c) the Shares will be issued not later than one month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated that the allotment will occur on the same date;
- (d) the Shares will be issued as consideration of the reduction in the Directors fees at a deemed issue price calculated at 0.5 cents per share; and
- (e) there will not be any funds raised through the issue of the shares.

A voting exclusion statement is included in the Notice of General Meeting of which this Explanatory Statement forms part.

### Item 4: Ratification of Prior Issue of Shares

#### Background to Item 4

On 7 January 2015, the Company announced that it had completed a placement of 47,000,000 fully paid ordinary shares to raise A\$235,000 before costs, to provide funds for general working capital purposes and to maintain and/or assist the Company's leverage to attractive and highly prospective assets (e.g. Derby Block) within its portfolio. The placement was made to sophisticated and/or professional investors.

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue during any twelve (12) month period, any equity securities or other securities with rights to conversion to equity (such as an option) if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that twelve (12) month period.

ASX Listing Rule 7.4 provides that a company may reinstate its capacity to issue up to 15% of the ordinary securities on issue in a twelve (12) month period if shareholders ratify the previous issue of securities.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) The number of shares allotted and issued was 47,000,000 fully paid ordinary shares in the Company.
- (b) The shares were issued at an issue price of A\$0.005 (0.5 cents) each.
- (c) The securities issued rank pari passu with all existing securities of their class.
- (d) The shares were allotted and issued to the following applicants:

	<b>Shares</b>
- Romanna Pty Ltd <ICM Superannuation Fund A/C>	4,000,000
- Murray Harris	5,000,000



- John F Barrett	2,000,000
- Paul Stanley Harris	14,000,000
- Gwendolen Joy Dettmar	16,000,000
- Lindsay Downs Pty Ltd <ATF A L Harris Super Fund A/C>	2,000,000
- Henry Stenning	<u>4,000,000</u>
	<b>47,000,000</b>

- (e) Approximately A\$235,000 was raised from the issue of these shares, and the proceeds from the raising being used primarily to fund ongoing working capital purposes and to maintain and/or assist the Company's leverage to attractive and highly prospective assets (eg Derby Block) within its portfolio.
- (f) A voting exclusion statement is included in the Notice of General Meeting of which this Explanatory Statement forms part.

## Item 5: Ratification of Prior Issue of Shares

### Background to Item 5

On 27 April 2015, the Company announced that it had agreed a placement of 72,500,000 fully paid ordinary shares to raise \$290,000 before costs, to provide funds for general working capital purposes and to maintain and/or assist the Company's funding of its EP487 Derby Block and Gippsland Basin work programs within its portfolio. The placement was made on or about 4 May 2015 to sophisticated professional investors.

ASX Listing Rule 7.1 provides that a company must not, subject to certain exceptions, issue or agree to issue during any twelve (12) month period, any equity securities or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that twelve (12) month period.

ASX Listing Rule 7.4 provides that a company may reinstate its capacity to issue up to 15% of the ordinary securities on issue in a twelve (12) month period if shareholders ratify the previous issue of securities.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) The number of shares allotted and issued was 72,500,000 fully paid ordinary shares in the Company.
- (b) The shares were issued at an issue price of \$0.004 (0.4 cents) each.
- (c) The securities issued rank pari passu with all existing securities of their class.
- (d) The shares were allotted and issued to the following applicants:

	<b>Shares</b>
- Navigator Australia Ltd <MLC Investment Sett A/C>	6,250,000
- Colin Robert Searl & Cynda Searl	10,000,000
- Jimco Developments Pty Ltd <Iliopoulos Family Super A/C>	2,500,000
- Mr William Joseph O'Brien	25,000,000
- Stephen Gamble	3,750,000
- SJ Bedwell Pty Ltd <SJ Bedwell S/F A/C>	2,500,000
- Paul Stanley Harris	10,000,000
- Lindsay Downs Pty Ltd <ATF A L Harris Super Fund A/C>	7,500,000
- Murray Harris	3,750,000
- Mr Justin Wallis	<u>1,250,000</u>
	<b>72,500,000</b>

- (e) Approximately \$290,000 was raised from the issue of these shares, and the proceeds from the raising being used primarily to fund ongoing general working capital purposes and to maintain and/or assist the Company's funding of its EP487 (Derby Block) and Gippsland Basin work programs within its portfolio.
- (f) A voting exclusion statement is included in the Notice of General Meeting of which this Explanatory Statement forms part.

## PROXY AND VOTING INSTRUCTIONS

1. For the purposes of the *Corporations Act 2001*, the Company has determined that all securities of the Company recorded on the Company's registers as at 7.00 pm (AEST) on the date 48 hours before the date of the General Meeting will be taken, for the purposes of the General Meeting, to be held by the persons who held them at that time.
2. The details of the Resolutions contained in the Explanatory Statement accompanying this Notice of General Meeting should be read together with, and forms part of this Notice of General Meeting.
3. A shareholder entitled to attend and vote is entitled to appoint not more than two (2) proxies. Where more than one (1) proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights. If the shareholder appoints two (2) proxies and the appointment does not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company.
4. If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting on that resolution as they think fit.
5. If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
6. Shareholders who return their proxy forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf.
7. If a proxy form is returned but the nominated proxy does not attend the meeting, or does not vote on the resolution, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.
8. Proxy appointments in favour of the Chairman of the meeting, the Company Secretary or any Director that do not contain a direction on how to vote will be used where possible to support each of the resolutions proposed in this Notice of General Meeting.
9. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person excluded from voting as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or where it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.
10. A proxy form is attached. If required it should be completed, signed and returned to the Company's registered office or Computershare Investor Services Pty Ltd in accordance with the instructions set out in the proxy form by no later than 2:00pm (AEST) on Sunday 7 June 2015.

### **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

Relevant custodians may lodge their proxy forms online by visiting [www.intermediaryonline.com](http://www.intermediaryonline.com).

## GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“**ASIC**” means the Australian Securities and Investments Commission;

“**ASX**” means ASX Limited or the Australian Securities Exchange, as the context requires;

“**AEST**” means Australian Eastern Standard Time.

“**Board**” means the Directors acting as the board of directors of the Company or a committee appointed by such board of directors;

“**Company**” means Oil Basins Limited ABN 56 006 024 764;

“**Corporations Act 2001**” means the *Corporations Act 2001* (Cth);

“**Director**” means a director of the Company;

“**Listing Rules**” means the Listing Rules of the ASX; and

“**Notice**” means the Notice of General Meeting of which the Explanatory Statement forms part.

# Oil Basins Limited

ACN 006 024 764

## Lodge your vote:



### 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

000001 000 OBL

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

## Proxy Form

For your vote to be effective it must be received by 2:00pm (AEST) Sunday, 7 June 2015

### 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

**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.

**Turn over to complete the form** ➔



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**



**Review your securityholding**



**Update your securityholding**

**Your secure access information is:**

**SRN/HIN: I9999999999**



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

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 Oil Basins 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 General Meeting of Oil Basins Limited to be held at the Institute of Chartered Accountants, Level 3, 600 Bourke Street, Melbourne on Tuesday, 9 June 2015 at 2:00pm (AEST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1(a), 1(b), 2(a), 2(b) and 3 (except where I/we have indicated a different voting intention below) even though Items 1(a), 1(b), 2(a), 2(b) and 3 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** 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 1(a), 1(b), 2(a), 2(b) and 3 by marking the appropriate box in step 2 below.

### 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
Item 1(a)	Reduction in Salary - Mr Neil Francis James Doyle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 1(b)	Limited Issues of Shares - Mr Neil Francis James Doyle (or his nominee(s))	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2(a)	Reduction in Salary - Mr Kim Warren McGrath	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2(b)	Limited Issues of Shares - Mr Kim Warren McGrath (or his nominee(s))	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Limited Issue of Shares - Mr Nigel Howard Harvey (or his nominee(s))	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Ratification of Prior Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	Ratification of Prior Issue of Shares	<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 / /

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Computershare +