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## **COSSACK ENERGY LIMITED**

**ACN 110 184 355**

### **NOTICE OF GENERAL MEETING**

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**TIME:** 10am (Perth time)

**DATE:** Friday 15<sup>th</sup> August 2014

**PLACE:** The Melbourne Hotel  
942 Hay Street  
Perth WA 6000

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

*Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9322 7600.*

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## IMPORTANT INFORMATION

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### Time and place of Meeting

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Notice is given that the meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:00am on Friday 15<sup>th</sup> August 2014 at:

The Melbourne Hotel  
942 Hay Street  
Perth WA 6000

### Your vote is important

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

### Voting eligibility

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The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 10:00am on Wednesday 13<sup>th</sup> August 2014.

### Voting in person

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

### Voting by proxy

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

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

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

Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be

aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

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

Further details on these changes are set out below.

***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- (c) if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- (d) if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
  - (i) the proxy is not recorded as attending the meeting; or
  - (ii) the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## NOTICE OF GENERAL MEETING

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Notice is given that the General Meeting of Shareholders will be held at 10:00am (WST) on Friday 15<sup>th</sup> August 2014 at The Melbourne Hotel, 942 Hay Street, Perth WA 6000.

The Explanatory Statement provides additional information on matters to be considered at the General Meeting. The Explanatory Statement, the Schedule and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 10am (WST) on Wednesday 13<sup>th</sup> August 2014.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

### AGENDA

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#### 2. RESOLUTION 1 – AUTHORITY FOR PETER WALL TO PARTICIPATE IN THE PLACEMENT

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

*“That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders authorise and approve Peter Wall and/or his nominees to participate in the Placement to the extent of up to 3,333,333 Placement Shares each at an issue price of \$0.03 and up to 1,666,667 free attaching Placement Options on the terms and conditions in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Peter Wall and his nominees and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 3. RESOLUTION 2 – AUTHORITY FOR MR DOUG JENDRY TO PARTICIPATE IN THE PLACEMENT

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

*“That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders authorise and approve Doug Jendry and/or his nominees to participate in the Placement to the extent of up to 2,000,000 Placement Shares each at an issue price of \$0.03 and up to 1,000,000 free attaching Placement Options on the terms and conditions in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Doug Jendry and his nominees and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 4. RESOLUTION 3 – CHANGE OF COMPANY NAME

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

*"That, for the purposes of section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to "Galicia Energy Corporation Limited"."*

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#### 5. RESOLUTION 4 – RATIFICATION OF ADDITIONAL PLACEMENT OPTIONS

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

*"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 15,883,333 Additional Placement Options on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 6. RESOLUTION 5 – PLACEMENT OF SHARES

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to that number of Shares which, when multiplied by the issue price, will raise up to \$2,000,000 on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### 7. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – FURTHER SHARES AND OPTIONS

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, Shareholders ratify the issue of 5,219,284 Shares and 2,609,642 Options on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**8. RESOLUTION 7 – ISSUE OF OPTIONS TO ADVISORS AND CONSULTANTS**

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and grant a total of up to 40 million Options on the terms set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Dated: 10 JULY 2014**

**By order of the Board**

**MR PETER WALL  
NON-EXECUTIVE CHAIRMAN**

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## EXPLANATORY STATEMENT

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

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### 9. RESOLUTIONS 1 AND 2 – AUTHORITY FOR MR PETER WALL AND MR DOUG JENDRY TO PARTICIPATE IN THE PLACEMENT

#### 9.1 General

On 5 June 2014 the Company announced that it had received commitments to raise \$2.5 Million through the placement of 83,333,333 Shares (**Placement Shares**) at \$0.03 per Placement Share with free attaching Options (**Placement Options**) on the basis of one Placement Option for every two Placement Shares (the **Placement**).

The Placement Options will be issued on the same terms and conditions as Company's listed class of Options trading under ASX Code "CODO".

The terms of these Placement Options are the same as the terms of the Additional Placement Options (defined below) as set out in Schedule 1.

Approval of the Placement was granted by Shareholders in the Company's 12 June 2014 General Meeting, therefore Placement Shares and Placement Options issued to investors other than related parties of the Company within three months after that meeting do not reduce the Company's 15% placement capacity under Listing Rule 7.1.

On 23 June 2014, the Company announced that the Placement was oversubscribed for the issue of 87,616,678 Placement Shares and 43,808,339 free attaching Placement Options. The announcement confirmed that two of the Directors, Messrs Peter Wall and Doug Gendry had committed \$100,000 and \$60,000 respectively to participate in the Placement, subject to Shareholders' approval and that excluding their participation, the above Placement Shares and Placement Options have been issued.

Resolutions 1 and 2 seek Shareholder approval pursuant to Listing Rule 10.11 for Messrs Peter Wall and Doug Gendry and/or their nominees to subscribe for a total of up to 5,333,333 Placement Shares and 2,666,667 Placement Options.

Shareholder approval is required under Listing Rule 10.11 because the Directors are related parties of the Company.

Resolutions 1 and 2 are ordinary resolutions.

#### 9.2 Technical Information Required by Listing Rule 10.13

For the purposes of Listing Rule 10.13 information regarding the issue of the Placement Shares and Placement Options is provided as follows:

- (a) the Placement Shares will be issued to Directors Peter Wall and Doug Jendry (and/or their nominees);
- (b) the maximum number of Placement Shares and Placement Options the Company can issue to each of those Directors and/or their nominees under Resolutions 1 and 2 is as follows:

- (i) Peter Wall – 3,333,333 Placement Shares and 1,666,667 Placement Options; and
- (ii) Doug Jendry – 2,000,000 Placement Shares and 1,000,000 Placement Options;
- (c) the Placement Shares to be issued are fully paid ordinary shares and will rank equally in all respects with the Company's existing Shares on issue;
- (d) the terms of the Placement Options are the same as the terms of the Additional Placement Options as set out in Schedule 1;
- (e) the Placement Shares will be issued at an issue price of \$0.03 per Share and the Placement Options will be issued for free;
- (f) the funds raised from the issue of the Placement Shares will be used to assist with the acquisition and development of the Company's Bieszczady Project in Poland, ongoing operations of the Limnytska Licence, and for general working capital;
- (g) no funds will be raised pursuant to the issue of the Placement Options as the Placement Options are being issued for nil cash consideration;
- (h) the Company will issue and allot the Placement Shares and Placement Options to Messrs Peter Wall and Doug Jendry and/or their nominees no later than one month after the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Placement Shares and Placement Options will occur the same date; and
- (i) a voting exclusion statement is included in the Notice.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Placement Shares and Placement Options to Messrs Wall and Jendry (and/or their nominees) as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Placement Shares and Placement Options pursuant to Resolutions 1 and 2 will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1 and 10% annual placement pursuant to ASX Listing Rule 7.1A.

### **9.3 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

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

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

The issue of Placement Shares and Placement Options constitutes giving a financial benefit, and, Peter Wall and Doug Jendry are related parties of the Company by virtue of being Directors.



The Directors (other than Peter Wall and Doug Jendry, who have a material personal interest in Resolution 2 or 3 respectively) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the proposal for Messrs Wall and Jendry to participate in the Placement pursuant to Resolutions 1 and 2 because the Placement Shares and Placement Options will be issued pursuant to those Resolutions on the same terms as such securities issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

#### **9.4 Directors' Recommendations**

The Directors (other than Peter Wall with respect to Resolution 1 and Doug Jendry with respect to Resolution 2) recommend that Shareholders vote in favour of Resolutions 1 and 2 so that Placement funds of \$160,000 can be accepted by the Company.

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### **10. RESOLUTION 3 – CHANGE OF COMPANY NAME**

#### **10.1 General**

Section 157(1)(a) of the Corporations Act provides that a company may change its name if the company passes a special resolution adopting a new name.

Resolution 3 seeks the approval of Shareholders for the Company to change its name to "Galicia Energy Corporation Limited".

If Resolution 3 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

If Resolution 3 is passed, the Company will lodge a copy of the special resolution with ASIC following the Meeting in order the effect the change.

The Board proposes this change of name on the basis that it more accurately reflects the proposed future operations of the Company.

#### **10.2 Directors' Recommendations**

The Directors believe that the proposed new name more accurately reflects the proposed future operations of the Company.

The Directors recommend that Shareholders vote in favour of Resolution 3.

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### **11. RESOLUTION 4 – RATIFICATION OF ADDITIONAL PLACEMENT OPTIONS**

#### **11.1 General**

On 23 June 2014, the Company issued 15,883,333 Options to Placement participants (**Additional Placement Options**). The terms of the Additional Placement Options are set out in Schedule 1.

The Additional Placement Options were issued on the same terms and conditions as Company's listed class of Options trading under ASX Code "CODO".

The 15,883,333 Options were issued pursuant to the Company's capacity under ASX Listing Rule 7.1.

Resolution 4 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Additional Placement Options.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been issued with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

## **11.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 4:

- (a) 15,883,333 Additional Placement Options were issued;
- (b) the Additional Placement Options were free attaching to Placement Shares;
- (c) the Additional Placement Options were issued on the terms and conditions set out in Schedule 1;
- (d) the Additional Placement Options were issued at the Company's discretion as incentives to certain Placement participants who are not related parties of the Company; and
- (e) no funds were raised from the issue of these Options as they were issued for nil cash consideration.

## **11.3 Directors' Recommendations**

The Directors recommend that Shareholders vote in favour of Resolution 4, as it allows the Company to ratify the above issue of securities and retain the flexibility to issue further securities under the Company's placement capacity pursuant to the Listing Rules during the next 12 months.

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## **12. RESOLUTION 5 – PLACEMENT – SHARES**

### **12.1 General**

Resolution 5 seeks Shareholder approval for the issue of up to that number of Shares which, when multiplied by the issue price, will raise up to \$2,000,000 (**Further Placement**).

A summary of ASX Listing Rule 7.1 is set out in section 11.1 above.

The effect of Resolution 5 will be to allow the Company to issue the Shares pursuant to the Further Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

## 12.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Shares to be issued is up to that number of Shares which, when multiplied by the issue price, equals \$2,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (c) the issue price will be not less than 80% of the volume weighted average market price for Shares calculated over the 5 days on which sales in the Shares are recorded before the day on which the issue is made or, if there is a prospectus, over the last 5 days on which sales in the Shares were recorded before the date the prospectus is signed;
- (d) the Shares will be issued to sophisticated investors, who have not been identified as yet. None of these subscribers will be related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the proposed issue of Shares pursuant to Resolution 5 to assist with the development of the Company's Bieszczady Project in Poland, ongoing operations of the Limnyska Licence, and for general working capital.

## 12.3 Directors' Recommendations

The Directors recommend that Shareholders vote in favour of Resolution 5, as it allows the Company to approve the above issue of securities and retain the flexibility to issue further securities under the Company's placement capacity pursuant to the Listing Rules during the next 12 months.

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## 13. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE – FURTHER SHARES AND OPTIONS

### 13.1 General

On 8 July 2014, the Company announced the completion of a further capital raising of \$688,078 through the issue of 22,935,939 Placement Shares at an issue price of \$0.03 per Share together with one free attaching Option for every two Shares subscribed for and issued (**Further Capital Raising**).

17,716,655 Placement Shares and associated free attaching Options were issued under an earlier Shareholder approval obtained by the Company.

The Options were issued on the same terms and conditions as Company's listed class of Options trading under ASX Code "CODO".

The Company issued the 5,219,284 Shares and associated free attaching Options the subject of the Further Capital Raising without prior Shareholder approval out of its 15% annual placement capacity pursuant to Listing Rule 7.1.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares and Options.

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 11.1 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### **13.2 Technical information required by ASX Listing Rule 7.4**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 6:

- (a) 5,219,284 Shares and 2,609,642 Options were issued;
- (b) the issue price per Share was \$0.03 and the issue price of the Options was nil as they were issued free attaching with the Shares on the basis of one free attaching Option for every two Shares subscribed for and issued;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Options will be issued on the terms and conditions set out in Schedule 1;
- (e) the Shares and Options were issued to sophisticated investors clients and contacts of BBY Limited. None of these subscribers are related parties of the Company; and
- (f) the funds raised from this issue were and will be used to assist with the acquisition and development of the Company's Bieszczady Project in Poland, ongoing operations of the Limnytska Licence, and for general working capital.

### **13.3 Directors' Recommendations**

The Directors recommend that Shareholders vote in favour of Resolution 6, as it allows the Company to ratify the above issue of securities and retain the flexibility to issue further securities under the Company's placement capacity pursuant to the Listing Rules during the next 12 months.

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## **14. RESOLUTION 7 – ISSUE OF OPTIONS TO ADVISORS AND CONSULTANTS**

### **14.1 General**

The Company has agreed, subject to obtaining shareholder approval, to issue a total of up to 40 million Options to advisors and consultants to the Company.

The Options will be issued on the same terms and conditions as Company's existing listed class of Options trading under ASX Code "CODO".

A summary of ASX Listing Rules 7.1 is set out in section 11.1 above.

Resolution 7 seeks Shareholder seeks shareholder approval for the allotment and issue of up to 40 million Options (**Option Placement**).

The effect of Resolution 11 will be to allow the Directors to issue Options pursuant to the Option Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's annual 15% placement capacity.

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

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

- (a) the maximum number of Options to be issued is 40 million;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Options will be issued for at an issue price of \$0.0001 each;
- (d) the Options will be issued on the terms and conditions set out in Schedule 1;
- (e) the Options will be allotted and issued to advisers and consultants to the Company or their nominees. None of these subscribers are related parties of the Company; and
- (f) the funds raised from the Option Placement (a maximum of \$4,000) will be used for working capital purposes.

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## GLOSSARY

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**\$** means Australian dollars.

**Additional Placement Options** has the meaning given in section 11.1 of the Explanatory Statement.

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

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

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

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

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

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

**Company** means Cossack Energy Limited (ACN 110 184 355).

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

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

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

**Further Capital Raising** has the meaning given in section 13.1 of the Explanatory Statement.

**Further Placement** has the meaning given in section 12.1 of the Explanatory Statement.

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

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

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

**Option** means an option to acquire a Share.

**Optionholder** means a holder of one or more Options.

**Placement** has the meaning given in section 9.1 of the Explanatory Statement.

**Placement Options** has the meaning given in section 9.1 of the Explanatory Statement.

**Placement Shares** has the meaning given in section 9.1 of the Explanatory Statement.

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

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

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

**Shareholder** means a registered holder of one or more Shares.

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

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## SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

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**(a) Entitlement**

Each Option entitles the holder to subscribe for one Share and one Option upon exercise of the Option (**Additional Option**).

**(b) Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.08 (**Exercise Price**).

**(c) Expiry Date**

Each Option will expire at 5:00 pm (WST) on 30 June 2015 (**Expiry Date**). A Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

**(d) Exercise Period**

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

**(e) Notice of Exercise**

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

**(f) Exercise Date**

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

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

Within 15 Business Days after the later of the following:

- (i) the Exercise Date; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

but in any case no later than 20 Business Days after the Exercise Date, the Company will:

- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(iv) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

**(h) Shares and Additional Options issued on exercise**

- (i) Shares issued on exercise of the Options rank equally with the then issued shares of the Company.
- (ii) Additional Options issued on exercise of Options will have an exercise price of \$0.14 each and an expiry date of 31 January 2016, otherwise they will be identical in nature to the Options except that:
  - (A) on exercise of the Additional Options, each holder will only be entitled to one new Share (and no additional Options); and
  - (B) the Company will only apply for quotation of the Additional Options on ASX if the listing requirements in the ASX Listing Rules are satisfied.

**(i) Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

**(j) Reconstruction of capital**

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

**(k) Participation in new issues**

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

**(l) No change in exercise price or number of underlying securities**

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

**(m) Quoted**

The Company will apply for quotation of the Options on ASX.

**(n) Transferability**

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