
ELIXIR PETROLEUM LIMITED

ACN 108 230 995

NOTICE OF ANNUAL GENERAL MEETING

**The Annual General Meeting of the Company will be held at 338 Hay Street,
Subiaco WA 6008 on Thursday 30 November 2017 at 10.00am (WST)**

This Notice of Annual General Meeting 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 adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 9226 2111.

ELIXIR PETROLEUM LIMITED

ACN 108 230 995

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of Shareholders of Elixir Petroleum Limited (**Company**) will be held at 338 Hay Street, Subiaco WA 6008 on Thursday 30 November 2017 at 10.00am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

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 as Shareholders on Tuesday 28 November 2017 at 4.00pm (WST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 14.

AGENDA

Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2017, which includes the Financial Report, the Directors' Report and the Auditor's Report.

1. Resolution 1 – Adoption of Remuneration Report

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

"That the Remuneration Report be adopted by the Shareholders on the terms and conditions in the Explanatory Memorandum."

Note: the vote on this Resolution is advisory and does not bind the Directors of the Company.

Voting Exclusion

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by, or on behalf of:

- (a) a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report; or
- (b) a Closely Related Party of such member.

However, a person described above may cast a vote on this Resolution if the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above and either:

- (a) the person does so as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; or

- (b) the person is the Chairman voting an undirected proxy which expressly authorises the Chairman to vote the proxy on a resolution connected with the remuneration of a member of the Key Management Personnel.

2. Resolution 2 – Re-election of Mr Ray Barnes as a Director

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

"That Mr Ray Barnes, who retires in accordance with Article 6.3(c) of the Constitution, being eligible and offering himself for re-election, be re-elected as a Director."

3. Resolution 3 – Ratification of Placement under Listing Rule 7.1 Capacity

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

"That for the purposes of Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 24,342,031 Shares (LR 7.1 Placement Shares) at an issue price of \$0.04 each on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who participated in the issue of the LR 7.1 Placement Shares and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with 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.

4. Resolution 4 – Ratification of Placement under Listing Rule 7.1A Capacity

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

"That for the purposes of Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 15,657,969 Shares (LR 7.1A Placement Shares) at an issue price of \$0.04 each on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who participated in the issue of the LR 7.1A Placement Shares and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with 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.

5. Resolution 5 – Ratification of issue of Fee 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 Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the prior issue by the Company of 2,500,000 Shares (**Fee Shares**) on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who participated in the issue of the Fee Shares and any of their associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with 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.

6. Resolution 6 – Approval to issue Consideration 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 Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 79,000,000 Shares (**Consideration Shares**) to the GOH Shareholders (or their nominees) in consideration for the Acquisition on the terms and conditions set out in the Explanatory Memorandum".*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the GOH Shareholders and their nominees, 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 will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with 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."

7. Resolution 7 – Approval of grant of Performance Rights to Mr Neil Young

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

"That, subject to Resolution 6 being passed, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to grant up to 17,500,000 Performance Rights (comprising 10,000,000 Class B Performance Rights and 7,500,000 Class C Performance Rights) to Mr Neil Young (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Neil Young and his nominee, 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 will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with 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.

8. Resolution 8 – Approval of grant of Performance Rights to Mr Greg Channon

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

"That, subject to Resolution 6 being passed, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to grant up to 1,000,000 Performance Rights (comprising 500,000 Class A Performance Rights and 500,000 Class B Performance Rights) to Mr Greg Channon (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Greg Channon and his nominee, 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 will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with 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.

9. Resolution 9 – Approval of grant of Performance Rights to Mr Dougal Ferguson

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

"That, subject to Resolution 6 being passed, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to grant up to 4,000,000 Performance (comprising 2,000,000 Class A Performance Rights and 2,000,000 Class B Performance Rights) to Mr Dougal Ferguson (or his nominee) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Mr Dougal Ferguson and his nominee and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with 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.

10. Resolution 10 – Approval of 10% Placement Facility

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

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the 10% Placement Facility issue and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if this Resolution is passed, and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman 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 30 October 2017

BY ORDER OF THE BOARD

Dougal Ferguson
Managing Director

ELIXIR PETROLEUM LIMITED

ACN 108 230 995

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 338 Hay Street, West Perth on 30 November 2017 at 10.00am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy Holders

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment on Resolutions 1 and 9 if:

- (a) the person is either:
 - (i) a member of the Key Management Personnel of the Company; or
 - (ii) a Closely Related Party of such a member, and

- (b) the appointment does not specify the way the proxy is to vote on Resolutions 1 and 9.

However, the prohibition does not apply if:

- (a) the proxy is the Chairman; and
- (b) the appointment expressly authorises the Chairman to exercise the proxy even if Resolutions 1 and 9 are connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

3. Annual Report

Shareholders will be offered the opportunity to discuss the Annual Report at the Meeting. Copies of the report can be found on the Company's website www.elixirpetroleum.com or by contacting the Company on +61 8 9226 2111.

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report for the financial year ended 30 June 2017;
- (b) ask questions about, or make comment on, the management of the Company;
- (c) ask questions about, or make comment on, the Remuneration Report;
- (d) ask the auditor questions about:
 - (i) the conduct of the audit;
 - (ii) the preparation and content of the Auditor's Report;
 - (iii) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
 - (iv) the independence of the auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- (a) the content of the Auditor's Report; and
- (b) the conduct of the audit of the Financial Report,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

4. Resolution 1 – Adoption of Remuneration Report

Section 250R(2) of the Corporations Act provides that the Company is required to put the Remuneration Report to the vote of Shareholders. The Directors' Report contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive and non-executive directors.

Section 250R(3) of the Corporations Act provides that this Resolution is advisory only and does not bind the Directors of the Company. Of itself, a failure of Shareholders to pass this Resolution will not require the Directors to alter any of the arrangements in the Remuneration Report.

However, if at least 25% of the votes cast are voted against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put to shareholders at the second annual general meeting a resolution proposing that another

general meeting be held within 90 days, at which all of the Company's Directors (other than the Managing Director) who were in office at the date of approval of the applicable Directors' Report would go up for re-election.

At the Company's 2016 Annual General Meeting the remuneration report was approved by over 75% of shareholders.

The Chairman will allow a reasonable opportunity for Shareholders as a whole to ask about, or make comments on the Remuneration Report.

The Chairman intends to exercise all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairman with an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

5. Resolution 2 – Re-election of Mr Ray Barnes as a Director

Article 6.3(c) of the Constitution requires that one third of the Directors must retire at each annual general meeting (rounded down to the nearest whole number). Article 6.3(f) provides that a Director who retires under Article 6.3(c) is eligible for re-election.

Pursuant to these Articles Mr Ray Barnes will retire by rotation and, being eligible, seek re-election.

Mr Barnes is a Geoscientist with over 40 years of involvement in the oil and gas industry in Australasia, North Africa, India, North and South America, South East Asia and Europe. Mr Barnes has held geo-technical and management roles in a range of international and Australian companies while based in Australia and overseas. These companies include Delhi, Amax Petroleum, Union Texas, Ampolex / Mobile and Apache. Since 2002, Mr Barnes has served on the boards of Australian listed Voyager Energy and dual listed Oilex Limited as Technical Director. Mr Barnes has ongoing advisory roles with companies in Australia and South East Asia.

The Board believes that Mr Barnes has performed the duties and responsibilities of a Director diligently and professionally, in the best interests of all Shareholders.

The Board unanimously supports the re-election of Mr Ray Barnes.

Resolution 2 is an ordinary resolution.

6. Resolutions 3 and 4 – Ratification of Placement

6.1 General

On 20 October 2017, the Company issued 40,000,000 Shares at an issue price of \$0.04 each to sophisticated and professional investors, none of whom are related parties of the Company to raise \$1,600,000 (before costs) (**Placement**).

The funds raised from the issue of the Placement Shares will be used for general working capital for existing assets, business and administration costs (including the costs of the Placement) and, if the option to acquire GOH is exercised, to fund activities within the PSC area.

The Placement Shares were issued within the Company's 15% annual limit permitted under Listing Rule 7.1 and the additional 10% annual limit approved by Shareholders under Listing Rule 7.1A at the Company's 2016 Annual General Meeting, without the need for Shareholder approval.

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 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 ordinary securities on issue at the commencement of that 12 month period.

A summary of Listing Rule 7.1A is set out in Section 13.2.

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

Resolutions 3 and 4 seek Shareholder ratification of the issue of the Placement Shares pursuant to Listing Rule 7.4. Of these Placement Shares, 15,657,969 Shares were issued pursuant to the additional 10% capacity under Listing Rule 7.1A and 24,342,031 Shares were issued pursuant to the 15% capacity under Listing Rule 7.1. The effect of Shareholders passing Resolutions 3 and 4 will be to restore the Company's ability to issue securities within the 15% placement capacity under Listing Rule 7.1 during the next 12 months and within the additional 10% placement capacity under Listing Rule 7.1A during the balance of the 12 months from the date of the Company's 2016 Annual General Meeting, without the requirement to obtain prior Shareholder approval.

Resolutions 3 and 4 are ordinary resolutions.

6.2 Specific Information Required by Listing Rule 7.5

For the purposes of Listing Rule 7.5 information regarding the issue of the Placement Shares is provided as follows:

- (a) 40,000,000 Shares were issued by the Company on 20 October 2017.
- (b) The Placement Shares were issued at an issue price of \$0.04 per Share.
- (c) The Placement Shares are fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (d) The Placement Shares were issued to professional and sophisticated investors, none of whom are related parties of the Company.
- (e) The funds raised from the issue of the Shares will be used by the Company for general working capital for existing assets, business and administration costs (including the costs of the Placement) and, if the option to acquire GOH is exercised, to fund activities within the PSC area.
- (f) A voting exclusion statement is included in the Notice.

7. Resolution 5 – Ratification of issue of Fee Shares

7.1 General

On 20 October 2017, the Company issued 2,500,000 Shares to parties that assisted with the Placement in recognition of their assistance with the Placement.

The Placement Shares were issued within the Company's 15% annual limit permitted under Listing Rule 7.1 without the need for Shareholder approval.

A summary of Listing Rules 7.1 and 7.4 are set out in Section 6.1.

The effect of Shareholders passing Resolution 5 will be to restore the Company's ability to issue securities within the 15% placement capacity under Listing Rule 7.1 during the next 12 months without the requirement to obtain prior Shareholder approval.

Resolution 5 is an ordinary resolution.

7.2 Specific Information Required by Listing Rule 7.5

For the purposes of Listing Rule 7.5 information regarding the issue of the Fee Shares is provided as follows:

- (a) 2,500,000 Shares were issued by the Company on 20 October 2017.
- (b) The Fee Shares were issued to parties that assisted with the Placement for nil cash consideration in recognition of their assistance with the Placement. Accordingly no funds were raised from the issue of the Fee Shares.
- (c) The Fee Shares are fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (d) A voting exclusion statement is included in the Notice.

8. Overview of GOH Acquisition

8.1 GOH Acquisition

As announced on 17 October 2017, the Company has entered into a binding term sheet (**Term Sheet**) for an exclusive option to acquire 100% of the issued capital of Golden Horde Limited (**GOH Option**). Refer to Section 8.2 for further details in relation to GOH and the production sharing contract (**PSC**) that it is seeking to be awarded by the Mongolian Government.

The principal terms of the Term Sheet are as follows:

- (a) The Company has paid GOH a \$25,000 fee for the GOH Option (**Option Fee**).
- (b) The GOH Option may be exercised at any time until 30 September 2018, provided that if the Company does not exercise the GOH Option within 2 months of GOH advising the Company that it has been formally awarded the PSC then GOH may terminate the GOH Option.
- (c) The Company will complete detailed due diligence of GOH during the option period.
- (d) The consideration for the Acquisition is 79,000,000 Shares which, subject to Shareholder approval, will be issued pro rata to the GOH Shareholders on a one for one basis.
- (e) The majority shareholders, representing greater than 65% of the shares in GOH, (**Substantial Shareholders**) are parties to the Terms Sheet and have committed to the sale of their GOH shares to the Company, subject to the conditions precedents below being met.
- (f) Pursuant to the GOH Shareholder Agreement, GOH shareholders have the right to procure a superior offer for GOH in the 20 business days after the offer has been made by the Company. The offer by the Company to GOH has been made and the 20 business day period for a superior offer expires on 15 November 2017. Any superior offer must be made to GOH (rather than just the individual GOH shareholder) and must be made available to all GOH shareholders. If no superior offer is forthcoming by 15 November 2017, then the GOH Shareholder Agreement contains drag along rights that allow the Substantial Shareholders require the minority shareholders of GOH to accept the Company's offer for their GOH shares.

- (g) GOH and the Substantial Shareholders will procure all GOH shareholders enter into a share sale agreement for the Acquisition as soon as reasonably practicable.
 - (h) Completion of the Acquisition is subject to, and conditional upon, a number of conditions, including the following conditions which remain outstanding at the date of this Notice:
 - (i) GOH being awarded the PSC.
 - (ii) The Company exercising the GOH Option.
 - (iii) The Company remaining listed and trading on ASX.
 - (iv) Immediately prior to completion, the Company having at least \$2.5 million in cash and not more than 250 million shares on issue.
 - (v) Each of the GOH Shareholders signing the share sale agreement for the Acquisition.
 - (i) A break fee of US\$50,000, is payable to GOH if the Company elects to terminate the Terms Sheet within the exclusive option period unless the termination is made as a result of;
 - (i) a material adverse change event, including but not limited to material changes to the terms of the PSC, the Company determining after further due diligence there to be defect in title for the PSC or significant political upheaval or social unrest in Mongolia; or
 - (ii) failure by GOH or Mr Neil Young to effect the drag along rights under the GOH shareholders agreements and each of the GOH Shareholders signing the share sale agreement for the Acquisition. In which event, GOH will refund the Option Fee (plus interest) to the Company.
 - (j) Mr Neil Young will be appointed an Executive Director and Chief Executive Officer of the Company with effect from completion of the Acquisition. Mr Young will receive a salary of \$250,000 per annum including statutory superannuation and his employment may be terminated by either party giving three months notice.
 - (k) Approximately 75% of the GOH shareholders have signed voluntary escrow agreements such that when the Consideration Shares are issued, they will be subject to a 12 or 24 month voluntary escrow period. If the GOH shareholder is a promoter or related party, they will be subject to a 24 month voluntary escrow. If the GOH shareholder has received shares for services, they will be subject to a 12 month voluntary escrow. Other GOH shareholders who have paid cash for their GOH shares, will not be subject to any escrow.
- Mr Neil Young, who is the Managing Director of GOH will be subject to a 24 month voluntary escrow and will be the beneficial owner of 19,673,036 Consideration Shares if the Acquisition completes.

8.2 GOH Overview

GOH was established in 2011 with the sole purpose of acquiring coal bed methane (**CBM**) rights (also known as Coal Seam Gas or CSG) in Mongolia in an area directly adjacent to the existing gas markets of Northern China. GOH has raised approximately \$1.25 million since its inception and undertook a detailed prospecting study of the PSC area prior to commencing negotiations with the Mineral Resources and Petroleum Authority of Mongolia (**MRPAM**) on the commercial terms for a PSC. The MRPAM is a division of the Ministry of Mining and Heavy Industries, which in turn requires approval from the Cabinet of Mongolia (**Cabinet**) before any formal award of a PSC can be made. GOH has regularly received guidance on the expected timing of the award of the PSC from MRPAM and its in country advisors, but neither GOH or

the Company have any independent verification that the guidance provided is accurate. Given the nature of the extensive regulatory approvals required, together with the recent change of the Mongolian Prime Minister (and ongoing changes in the Cabinet), there is no guarantee of when or if the PSC will be awarded in the expected timeframe.

However, there is also a possibility that the formal award of the PSC could occur much sooner than anticipated and the Company has moved quickly to secure an exclusive option (through to 30 September 2018) to acquire GOH through upfront payment of a \$25,000 option fee. Refer to Section 8.1 above for further details.

The PSC, (provisionally named Nomgon IX) is located in what is considered to be one of the most prospective basins in Mongolia (and possibly globally) for CBM (see map below). The PSC surrounds one of the world's largest producing thermal coal deposits, Tavan Tolgoi, which has an estimated resource of over 6 billion tonnes¹ and produced over 14 million tonnes of coal in 2016². Data from wells within the Tavan Tolgoi mine indicate gas contents of up to 15m³/tonne (480 cf/ton) at depths of 467 metres below surface³ which is considered high by world CBM standards and is a good indication that surrounding areas are likely to contain similar gas content levels.



The Nomgon IX CBM PSC will be the first unconventional PSC issued pursuant to the country's updated Petroleum Law, which was passed by Cabinet in 2014. Nomgon IX, which covers an area of over 7 million acres, lies adjacent to the Chinese border and is ideally placed for future gas sales into the extensive Northern China gas transmission and distribution network. In addition to Chinese gas demand, Mongolia currently has no gas production and there is a strong political desire to replace high emission coal power and heat generation with low emission clean-burning gas fired generation. With the potential to find and develop multiple Tcfs of gas from CBM, both the Mongolian and Chinese markets could be supplied with Mongolian CBM.

The Company will commence planning activities and studies over the coming weeks which will complement the work already done by GOH with respect to the planned work programme,

¹ Coal Bed Methane Potential of the Nomgon 9 Area, South Gobi Basin, Mongolia - Nordic Geological Solutions (2016)

² Correspondence with the Ministry of Mining and Heavy Industries (Mongolia).

³ Erdenes Methane LLC.

including defining the prospective resource that can be assigned to the PSC area. Upon completion of due diligence and award of the PSC, the Company intends to exercise the option and commence on ground activities in the northern summer months. This includes the drilling of two wells where key data will be obtained to confirm gas contents and understand permeability, one of the last remaining key technical elements of the play that needs confirmation. Drilling costs for the wells are expected to be around \$500,000 each. The recently completed Placement, together with the existing cash resources of the Company, provides the Company with a fully funded programme in 2018.

9. Resolution 6 – Approval to issue Consideration Shares

9.1 General

Resolution 6 seeks Shareholder approval for the issue of up to 79,000,000 Shares to the GOH Shareholders (or their nominees) as consideration for the GOH Acquisition.

A summary of Listing Rule 7.1 is set out in Section 6.1.

The effect of Shareholders passing Resolution 6 will be to allow the Company to issue the Consideration Shares to the GOH Shareholders (or their nominees) during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

The Company notes that if Shareholders pass Resolution 6, the approval for the issue of the Consideration Shares will only be valid for three months after the Meeting (or a longer period, if allowed by ASX). If the PSC is not granted with sufficient time for the Acquisition to be completed in this timeframe, then the Company will need to seek another approval for the issue of the Consideration Shares pursuant to Listing Rule 7.1.

Resolution 6 is an ordinary resolution.

9.2 Specific Information required by Listing Rule 7.1

For the purposes of Listing Rule 7.3, information regarding the proposed issue of the Consideration Shares is provided as follows:

- (a) The maximum number of Shares to be issued is 79,000,000.
- (b) The Consideration Shares will be issued no later than three months after the date of 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 all of the Consideration Shares will be issued on the same date. If the PSC is not granted with sufficient time for the Acquisition to be completed in this timeframe, then the Company will need to seek another approval for the issue of the Consideration Shares pursuant to Listing Rule 7.1.
- (c) The Consideration Shares will be issued for nil cash consideration as consideration for the Acquisition. Accordingly, no funds will be raised from the issue of the Consideration Shares.
- (d) The Consideration Shares will be issued to the GOH Shareholders (or their nominees) none of whom are related parties of the Company, other than Mr Neil Young who is a related party of the Company by virtue of being a proposed Director of the Company (to be appointed with effect from completion of the Acquisition).
- (e) The Consideration Shares 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) A voting exclusion statement is included in the Notice.

10. Resolution 7 – Approval to grant Performance Rights to Mr Neil Young

10.1 General

It is proposed that, Mr Neil Young be appointed as an Executive Director and Chief Executive Officer of the Company with effect from completion of the Acquisition. Mr Young is one of the GOH Shareholders of GOH. Refer to Section 8.1 for further details.

As outlined above, the Company intends, subject to Shareholder approval, to issue 17,500,000 Performance Rights (comprising 10,000,000 Class B Performance Rights and 7,500,000 Class C Performance Rights) (**Young Performance Rights**) to Mr Young following his appointment to the Board of the Company on completion of the Acquisition.

A summary of Listing Rule 7.1 is set out in Section 6.1.

Resolution 7 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Young Performance Rights to Mr Young.

The effect of Shareholders passing Resolution 7 will be to allow the Company to issue the Young Performance Rights to Mr Young (or his nominees) during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

The Company notes that if Shareholders pass Resolution 7, the approval for the issue of the Young Performance Rights to Mr Neil Young will only be valid for three months after the Meeting (or a longer period, if allowed by ASX). If the PSC is not granted with sufficient time for the Acquisition to be completed and Mr Young appointed to the Board of the Company in this timeframe, then the Company will need to seek another approval for the issue of the Young Performance Rights pursuant to Listing Rule 7.1.

Resolution 7 is an ordinary resolution and is subject to Resolution 6 being passed.

10.2 Specific Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, information regarding the proposed issue of the Young Performance Rights is provided as follows:

- (a) The maximum number of Performance Rights to be issued to Mr Neil Young is 17,500,000 Performance Rights comprising:
 - (i) 10,000,000 Class B Performance Rights which are convertible into 10,000,000 Shares on satisfaction of Milestone B; and
 - (ii) 7,500,000 Class C Performance Rights which are convertible into 7,500,000 Shares on satisfaction of Milestone C.
- (b) The Young Performance Rights will be issued no later than three months after the date of 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 the issue of the Young and Channon Performance Rights will occur on completion of the Acquisition. If the PSC is not granted with sufficient time for the Acquisition to be completed and Mr Young appointed to the Board of the Company in this timeframe, then the Company will need to seek another approval for the issue of the Young Performance Rights pursuant to Listing Rule 7.1.
- (c) The Young Performance Rights will be issued for nil cash consideration. Accordingly no funds will be raised from the issue of the Young Performance Rights.
- (d) The terms and conditions of the Performance Rights are set out in Schedule 1.

- (e) A voting exclusion statement is included in the Notice.

11. Resolution 8 – Approval to grant Performance Rights to Mr Greg Channon

11.1 General

It is proposed, subject to Shareholder approval, to issue 1,000,000 Performance Rights (comprising 500,000 Class A Performance Right and 500,000 Class B Performance Rights) (**Channon Performance Rights**) to Mr Greg Channon, a technical consultant to the Company, in recognition of his role in assisting the Company with the technical evaluation of the GOH opportunity. It is proposed to issue the Channon Performance Rights following Shareholder approval.

A summary of Listing Rule 7.1 is set out in Section 6.1.

Resolution 8 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Channon Performance to Mr Channon.

The effect of Shareholders passing Resolution 8 will be to allow the Company to issue the Channon Performance Rights to Mr Channon (or his nominees) during the period of three months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Resolution 8 is an ordinary resolution and is subject to Resolution 6 being passed.

11.2 Specific Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, information regarding the proposed issue of the Channon Performance Rights is provided as follows:

- (a) The maximum number of Performance Rights to Mr Channon is 1,000,000 Performance Rights comprising:
 - (i) 500,000 Class A Performance Rights which are convertible into 500,000 Shares on satisfaction of Milestone A; and
 - (ii) 500,000 Class B Performance Rights which are convertible into 500,000 Shares on satisfaction of Milestone B.
- (b) The Channon Performance Rights will be issued no later than three months after the date of 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 the Channon Performance Rights will be issued on the same date.
- (c) The Channon Performance Rights will be issued for nil cash consideration. Accordingly no funds will be raised from the issue of the Channon Performance Rights.
- (d) The terms and conditions of the Performance Rights are set out in Schedule 1.
- (e) A voting exclusion statement is included in the Notice.

12. Resolution 9 – Approval to issue Performance Rights to Mr Dougal Ferguson

12.1 General

It is proposed, subject to Shareholder approval, to issue 4,000,000 Performance Rights (comprising 2,000,000 Class A Performance Rights and 2,000,000 Class B Performance Rights) (**Ferguson Performance Rights**) to the Managing Director of the Company, Mr Dougal Ferguson as part of the incentive based component of his remuneration. It is proposed to issue the Ferguson Performance Rights following Shareholder approval.

Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without the approval of shareholders. Mr Dougal Ferguson is a related party of the Company by virtue of being a Director. Therefore approval is required under Listing Rule 10.11 for the issue of the Ferguson Performance Rights to him.

Resolution 9 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of Ferguson Performance Rights. If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1.

Furthermore, Shareholder approval of the issue of the Ferguson Performance Rights means that the issue of the Ferguson Performance Rights will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 9 is an ordinary resolution and is subject to Resolution 6 being passed.

12.2 Specific Information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, information regarding the proposed issue of the Ferguson Performance Rights is provided as follows:

- (a) The maximum number of Performance Rights to be issued to Mr Dougal Ferguson is 4,000,000 Performance Rights comprising:
 - (i) 2,000,000 Class A Performance Rights which are convertible into 2,000,000 Shares on satisfaction of Milestone A; and
 - (ii) 2,000,000 Class B Performance Rights which are convertible into 2,000,000 Shares on satisfaction of Milestone B.
- (b) The Ferguson Performance Rights will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the ASX Listing Rules) and it is intended that the Ferguson Performance Rights will be issued on the same date.
- (c) Mr Ferguson is a related party of the Company by virtue of being a Director.
- (d) The Ferguson Performance Rights will be issued for nil cash consideration. Accordingly no funds will be raised from the issue of the Ferguson Performance Rights.
- (e) The terms and conditions of the Performance Rights are set out in Schedule 1.
- (f) As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required.
- (g) A voting exclusion statement is included in the Notice.

13. Resolution 10 – Approval of 10% Placement Facility

13.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

While the Company has no current intention to use the 10% Placement Facility, the Company is seeking Shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility.

If Shareholders approve Resolution 10 the number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 13.2(c) below).

The Directors of the Company believe that this Resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

13.2 Description of Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The Company, as at the date of the Notice, has only one class of quoted Equity Securities, being Shares (ASX Code: EXR).

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

Where:

A is the number of shares on issue 12 months before the date of issue or agreement:

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;

(D) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

(d) Listing Rule 7.1 and Listing Rule 7.1A

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 13.2(c) above).

(e) Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(f) 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(10% Placement Period).

13.3 Listing Rule 7.1A

The effect of Resolution 10 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 10 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

13.4 Specific information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:
- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 10 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities issued under the 10% Placement Facility may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of the consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities as at the date of this Meeting for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice.

The table shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A2		Dilution		
		\$0.033 50% decrease in Issue Price	\$0.065 Issue Price	\$0.130 100% increase in Issue Price
Current Variable A 221,446,872 Shares	10% voting dilution	22,144,687	22,144,687	22,144,687
	Funds raised	\$719,702	\$1,439,405	\$2,878,809
50% increase in current Variable A 332,170,308 Shares	10% voting dilution	33,217,031	33,217,031	33,217,031
	Funds raised	\$1,079,554	\$2,159,107	\$4,318,214

100% increase in current Variable A	10% voting dilution	44,289,374	44,289,374	44,289,374
442,893,744 Shares	Funds raised	\$1,439,405	\$2,878,809	\$5,757,619

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) No Options are exercised into Shares before the date of the issue of the Equity Securities.
 - (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
 - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes listed Options, it is assumed that those listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
 - (vii) The issue price is \$0.065, being the closing price of the Shares on ASX of \$0.065 on 19 October 2017.
- (c) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 10 for the issue of Equity Securities pursuant to the 10% Placement Facility will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration in relation to the acquisition of new oil and gas assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use funds raised towards the ongoing costs associated with the exploration of its existing projects and to investigate additional acquisitions to complement these projects. Funds raised will be used to meet cash payments in connection with these projects or any additional acquisitions, while also being used to fund subsequent exploration activities associated with any new acquisitions.
- The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (e) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the recipients of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The recipients under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Further, if the Company is successful in acquiring new oil and gas assets or investments, it is likely that the recipients under the 10% Placement Facility will be the vendors of the new oil and gas assets or investments.

- (f) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the Company's 2016 AGM.
- (g) In the 12 months preceding the date of this Meeting, the Company issued a total of 42,500,000 shares which in total represents an increase of approximately 23.7% of the total shares on issue 12 months prior to the date of this Meeting. The following table details the various issues of Equity Securities made in the 12 months preceding this Meeting.

Date of Issue	Fully Paid Ordinary Shares	Issued to or basis of issue	Amount Raised Use of funds or non-cash Consideration
20 October 2017	40,000,000	Placement to sophisticated and professional investors at \$0.04 per share at a 38% discount to market price of Shares on the trading day prior to the issue.	The Company raised a total of \$1,600,000 (before costs) from the Placement which will be used to fund due diligence and, if the GOH Option is exercised, on a work programme within the PSC and for general working capital purposes.
20 October 2017	2,500,000	Parties that assisted with the Placement	Fee Shares issued for nil cash consideration to parties that assisted with the Placement. The Fee Shares have a value of \$162,500 based on the market price of Shares on the trading day prior to the issue (\$0.065).

- (h) The Company's cash balance on 24 November 2016 was approximately \$2,200,000. Cash raised from issues in the previous 12 months totals \$1,600,000 (before costs). The Company's cash balance at the date of this Notice is approximately \$3,000,000. Approximately \$800,000 has been expended in the previous 12 months in relation to exploration and evaluation of the Company's existing projects, leasing of petroleum permits, evaluating new projects and for general and administrative expenses. The Company's remaining funds are intended to be applied to due diligence and, if the GOH Option is exercised, on a work programme within the PSC, expenditure on the Company's existing projects and any new projects and for general working capital.
- (i) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

14. Definitions

10% Placement Facility has the meaning given in Section 13.1.

10% Placement Period has the meaning given in Section 13.2(f).

Acquisition means the acquisition by the Company of 100% of the issued capital of GOH.

Annual Report means the Directors' Report, the Financial Report and Auditor's Report in respect to the financial year ended 30 June 2017.

Article means an article of the Constitution.

ASIC means Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Auditor's Report means the auditor's report on the Financial Report.

Board means the board of Directors.

Chairman means the person appointed to chair the Meeting.

Closely Related Party has the meaning in section 9 of the Corporations Act.

Company or **Elixir** means Elixir Petroleum Limited ACN 108 230 995.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a director of the Company.

Directors' Report means the annual directors report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

GOH means Golden Horde Limited ACN 146 802 002.

GOH Option has the meaning in Section 8.1

GOH Shareholders means the shareholders of GOH.

Group means the Company and its subsidiaries.

Key Management Personnel means a person having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Option means an option which entitles the holder to subscribe for one Share.

Option Fee has the meaning in Section 8.1

Proxy Form means the proxy form attached to the Notice.

PSC has the meaning in Section 8.1

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a resolution contained in this Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

Security means a Share or Option.

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

Shareholder means a shareholder of the Company.

Term Sheet has the meaning in Section 8.1

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means volume weighted average price.

WST means Western Standard Time, being the time in Perth, Western Australia.

In this Notice, words importing the singular include the plural and vice versa.

Schedule 1 – Terms and Conditions of Performance Rights

For the purpose of these terms and conditions:

Acquisition means the acquisition by the Company of 100% of the issued capital of GOH.

ASX means ASX Limited ACN 008 624 691 or, as the context permits, the securities exchange operated by that entity.

Change of Control Event means

- (a) the occurrence of:
 - (i) the offeror under a takeover offer in respect of all Shares announcing that it has achieved acceptances in respect of 50.1% or more of the Shares; and
 - (ii) that takeover bid has become unconditional; or
- (b) the announcement by the Company that:
 - (i) shareholders of the Company have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either:
 - (A) cancelled; or
 - (B) transferred to a third party; and
 - (ii) the Court, by order, approves the proposed scheme of arrangement.

Company means Elixir Petroleum Limited ACN 108 230 995.

Corporations Act means the Corporations Act 2001 (Cth).

GOH means Golden Horde Limited ACN 146 802 002.

Holder means a holder of a Performance Right.

Listing Rules means the Listing Rules of the ASX.

Performance Rights means a Class A Performance Right, Class B Performance Right, and/or a Class C Performance Right (as applicable).

PSC means the production sharing contract (provisionally named Nomgon IX) that GOH is seeking to be awarded by the Mongolian Government.

Share means a fully paid ordinary share in the Company.

1. Conversion and Expiry of Performance Rights

The Performance Rights will be granted in three milestone based classes with the milestones and expiry dates as follows:

Class of Performance Right	Milestone	Expiry Date
Class A Performance Rights	Completion of the Acquisition (Milestone A).	The date that is one year from the date of issue of the Class A Performance Rights.
Class B Performance Rights	Certification of a Petroleum Resource Management System certified prospective resource of coal bed methane of greater than 1 trillion cubic feet within the PSC (Milestone B).	The date that is three years from the date of issue of the Class B Performance Rights.

Class C Performance Rights	A final investment decision, approved by the Board of the Company and the Mongolian Government, for a pilot production test within the PSC (Milestone C).	The date that is five years from the date of issue of the Class C Performance Rights.
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- (a) **(Conversion)** On achievement of the relevant Milestone each Performance Right will convert on a one for one basis into a Share.
- (b) **(Expiry)** If a Milestone is not achieved by the relevant Expiry Date, then the Performance Right will lapse.
- (c) **(Conversion procedure)** The Company will issue a Holder with a new holding statement for the Share or Shares as soon as practicable following the conversion of each Performance Right.

2. Takeover provisions

- (a) If the conversion of Performance Rights (or part thereof) under these terms and conditions would result in any person being in contravention of section 606(1) of the Corporations Act then the conversion of each Performance Right that would cause the contravention will be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1) of the Corporations Act. Following a deferment under this paragraph, the Company will at all times be required to convert that number of Performance Rights that would not result in a contravention of section 606(1) of the Corporations Act.
- (b) The Holders will give notification to the Company in writing if they consider that the conversion of Performance Rights (or part thereof) under these terms and conditions may result in the contravention of section 606(1) of the Corporations Act, failing which the Company will assume that the conversion of Performance Rights (or part thereof) under these terms and conditions will not result in any person being in contravention of section 606(1) of the Corporations Act.
- (c) The Company may (but is not obliged to) by written notice request the Holders to give notification to the Company in writing within seven days if they consider that the conversion of Performance Rights (or part thereof) under these terms and conditions may result in the contravention of section 606(1) of the Corporations Act. If the Holders do not give notification to the Company within seven days that they consider the conversion of Performance Rights (or part thereof) under these terms and conditions may result in the contravention of section 606(1) of the Corporations Act then the Company will assume that the conversion of Performance Rights (or part thereof) under these terms and conditions will not result in any person being in contravention of section 606(1) of the Corporations Act.

3. Other Rights attaching to Performance Rights

- (a) **(No Voting rights)** A Performance Right does not entitle a Holder to vote on any resolutions proposed at a general meeting of shareholders of the Company.
- (b) **(No dividend rights)** A Performance Right does not entitle a Holder to any dividends.
- (c) **(No rights to surplus profits or assets)** A Performance Right does not entitle a Holder to participate in the surplus profits or assets of the Company upon winding up of the Company.

- (d) **(No right to a return of capital)** A Performance Share does not entitle a Holder to a return of capital, whether upon winding up of the Company, upon a reduction of capital or otherwise.
- (e) **(Not transferable)** A Performance Right is not transferable.
- (f) **(Reorganisation of capital)** If there is a reorganisation (including, without limitation, consolidation or sub-division, but excluding a return of capital) of the issued capital of the Company, the rights of a Holder will be varied (as appropriate) in accordance with the Listing Rules which apply to reorganisation of capital at the time of the reorganisation.
- (g) **(Quotation of shares on conversion)** An application will be made by the Company to ASX for official quotation of the Shares issued upon the conversion of each Performance Right within the time period required by the Listing Rules.
- (h) **(Participation in entitlements and bonus issues)** A Performance Right does not entitle a Holder to participate in new issues of capital offered to holders of Shares, such as bonus issues and entitlement issues.
- (i) **(Change of control)** If there is a Change of Control Event in relation to the Company prior to the conversion of the Performance Rights, all Performance Rights that have not been converted will automatically lapse, unless the Board determines otherwise.
- (j) **(Ceasing to be an employee or consultant)** Where a Holder (or the party that nominated the Holder to receive the Performance Rights) ceases to be employed or engaged by the Company prior to the conversion of the Performance Rights, all Performance Rights that have not been converted will automatically lapse, unless the Board determines otherwise.
- (k) **(No other rights)** A Performance Right does not give a Holder any other rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

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ELIXIR PETROLEUM LIMITED

ACN 108 230 995

PROXY FORM

The Company Secretary
Elixir Petroleum Limited

By post:

PO Box 1445,
Subiaco WA 6904

By Email:

info@elixirpetroleum.com

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/We ¹ _____

of _____

being a Shareholder/Shareholders of the Company and entitled to _____
votes in the Company, hereby appoint:

The Chairman of the Meeting (mark box)

☐

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and address of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

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 on my/our behalf at the Meeting of the Company to be held at 338 Hay Street, Subiaco WA 6008 on Thursday 30 November 2017 at 10.00am (WST) and at any adjournment or postponement of the Meeting 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.

Important – If the Chairman of the Meeting is your proxy or is appointed your proxy by default

The Chairman of the Meeting intends to vote all available proxies in favour of Resolutions 1 and 10. If the Chairman of the Meeting is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to Resolutions 1 and 10, you will be authorising the Chairman to vote in accordance with the Chairman's voting intentions on Resolutions 1 and 10, even if Resolutions 1 and 10 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒.

Step 2 – Instructions as to Voting on Resolutions

INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr Ray Barnes as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Placement under Listing Rule 7.1 Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Placement under Listing Rule 7.1A Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of issue of Fee Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval to issue Consideration Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval to issue Performance Rights to Mr Neil Young	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval to issue Performance Rights to Mr Greg Channon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 9	Approval to issue Performance Rights to Mr Dougal Ferguson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

Authorised signature/s

This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

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

Individual or Shareholder 1	Shareholder 2	Shareholder 3
<div style="border: 1px solid black; height: 25px; width: 100%;"></div>	<div style="border: 1px solid black; height: 25px; width: 100%;"></div>	<div style="border: 1px solid black; height: 25px; width: 100%;"></div>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹ Insert name and address of Shareholder

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders should sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission or electronic mail at the address below no later than 48 hours prior to the time of commencement of the Meeting (WST).

Postal address: PO Box 1445, Subiaco WA 6904

Facsimile: (08) 9315 2233 if faxed from within Australia or +61 8 9315 2233 if faxed from outside Australia.

Email: info@elixirpetroleum.com