



# hawkley OIL & GAS

HAWKLEY OIL AND GAS LIMITED  
ACN 115 712 162

## NOTICE OF ANNUAL GENERAL MEETING

**The annual general meeting of the Company will be held at Minespace, Level 1, 1292 Hay Street, West Perth, Western Australia at 11.30am (WST) on Friday 27 November 2015.**

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*This Notice 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 3211.*

**Shareholders are urged to attend or vote by lodging the proxy form included with this Notice.**

**HAWKLEY OIL AND GAS LIMITED**

ACN 115 712 162

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the annual general meeting of shareholders of Hawkley Oil and Gas Limited (**Company**) will be held at Minespace, Level 1, 1292 Hay Street, West Perth, Western Australia at 11.30am (WST) on Friday 27 November 2015 (**Meeting**).

The Explanatory Memorandum 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 at 11.30am (WST) on 25 November 2015.

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule 1.

**AGENDA****1 ANNUAL REPORT**

To consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2015, which includes the Financial Report, the Directors' Report and the Auditor's Report.

**2. RESOLUTION 1 REMUNERATION REPORT**

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

*"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion**

A vote on this Resolution must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or
- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

**3. RESOLUTION 2 RE-ELECTION OF MR ANTHONY REILLY AS DIRECTOR**

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

*"That, pursuant to and in accordance with article 13.2 of the Constitution and for all other purposes, Mr Anthony Reilly, Director, retires and being eligible, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."*

**4 RESOLUTION 3 APPROVAL OF ISSUE OF SHARES TO HAY STREET PROPERTY PTY LTD**

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

*"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 38,099,897 Shares to Hay Street Property Pty Ltd (and/or its nominee) on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Hay Street Property Pty Ltd and any of its associates, including Mr Featherby.

The Company will not disregard a vote if:

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

**5. RESOLUTION 4 APPROVAL OF ISSUE OF SHARES TO WELANA BEST TRADING INC.**

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

*"That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 17,126,940 Shares to Welana Best Trading Inc. (and/or its nominee) on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Welana Best Trading Inc. and a person who might obtain a benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares, and any associate of that person (or those persons).

The Company will not disregard a vote if:

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

- (b) 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: 28 October 2015

By order of the Board

A handwritten signature in dark ink, appearing to read 'M Wylie', is positioned above the printed name and title.

**Murray Wylie**

Company Secretary

**HAWKLEY OIL AND GAS LIMITED**

ACN 115 712 162

**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 Minespace, Level 1, 1292 Hay Street, West Perth, Western Australia at 11.30am (WST) on Friday 27 November 2015.

The purpose of this Explanatory Memorandum is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice. For the assistance of Shareholders, a glossary of defined terms is included at the end of the Explanatory Memorandum. A Proxy Form is included with this Explanatory Memorandum.

**2. ACTION TO BE TAKEN BY SHAREHOLDERS**

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

**2.1 Proxies**

A Proxy Form is included with 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. Returning the 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. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 11.30am (WST) on 25 November 2015, being at least 48 hours before the Meeting

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

**2.2 Voting Prohibition by Proxy holders (Remuneration of Key Management Personnel)**

A vote on Resolution 1 must not be cast:

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member, regardless of the capacity in which the vote is cast; or

- (b) by a person appointed as a proxy, where that person is either a member of the Key Management Personnel or a Closely Related Party of such member.

However, a vote may be cast by such persons if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy that specifies the way the proxy is to vote on this Resolution; or
- (b) the person is the Chairman and the appointment of the Chairman as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairman to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

### 3. ANNUAL REPORT

In accordance with section 317(1) of the Corporations Act the Annual Report must be laid before the annual general meeting. There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at <http://www.hawkleyoilandgas.com/>;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

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 preparation and the content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies of the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

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

### 4. RESOLUTION 1 – REMUNERATION REPORT

In accordance with section 250R(2) of the Corporations Act, the Company must put the Remuneration Report to the vote of Shareholders. The Directors' Report contains the Remuneration Report which sets out the remuneration policy for the Company and the remuneration arrangements in place for the executive Directors, specified executives and non-executive Directors.

In accordance with section 250R(3) of the Corporations Act, Resolution 1 is advisory only and does not bind the Directors of the Company. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Shareholders will have the opportunity to remove the whole Board except the Managing Director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings.

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

The Company's Remuneration Report did not receive a Strike at the 2014 annual general meeting. Please note if the Remuneration Report receives a Strike at this Meeting and if a second Strike is received at the 2016 annual general meeting, this may result in the reelection of the Board.

The Chairman will allow reasonable opportunity for Shareholders to ask questions about or comment on the Remuneration Report.

Resolution 1 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 1.

If the Chairman 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, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

## **5. RESOLUTION 2 – RE-ELECTION OF MR ANTHONY REILLY AS DIRECTOR**

Article 13.2 of the Constitution provides that:

- (a) at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election;
- (b) the Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots;
- (c) a Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election; and
- (d) in determining the Directors to retire, no account is to be taken of;
  - (i) a Director who only holds office until the next annual general meeting pursuant to clause 13.4 of the Constitution; and/or
  - (ii) a Managing Director,

each of whom are exempt from retirement by rotation. However, if more than one Managing Director has been appointed by the Directors, only one of them (nominated by the Directors) is entitled to be excluded from any determination of the number of Directors to retire and/or retirement by rotations.

The Company currently has three Directors and accordingly one must retire.

Mr Glenn Featherby is the designated Managing Director for the purposes of the Constitution and is therefore exempt from retirement by rotation.

Mr William Foster and Mr Anthony Reilly were both re-elected at the 2014 annual general meeting of the Company. In accordance with Article 13.2 of the Constitution, Mr Foster and Mr Reilly determined by agreement that Mr Reilly will retire at the 2015 annual general meeting.

Resolution 2 therefore provides that Mr Reilly retires by rotation and seeks reelection as a Director.

Details of the qualifications and experience of Mr Reilly are in the Annual Report.

Resolution 2 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 2.

The Board (excluding Mr Reilly) supports the re-election of Mr Reilly and recommends that Shareholders vote in favour of Resolution 2.

## 6. RESOLUTION 3 APPROVAL OF ISSUE OF SHARES TO HAY STREET PROPERTY PTY LTD

### 6.1 General

On 24 April 2015, the Company entered into a converting loan agreement (**HSPT Converting Agreement**) with Hay Street Property Trust Pty Ltd ACN 111 261 520 (**HSPT**), an entity controlled by Mr Featherby, a Director. Pursuant to the terms of the HSPT Converting Agreement, HSPT agreed to lend \$125,000 to the Company (**First Instalment**). The loan was provided for working capital purposes. The HSPT advanced an additional \$30,000 to the Company in two equal instalments of \$15,000 on 20 August 2015 and 19 October 2015 (collectively, the **Second Instalment**).

On 23 October 2015, HSPT and the Company entered into an agreement to vary the HSPT Converting Agreement (**HSPT Converting Variation Agreement**) to make the Second Instalment subject to the terms and conditions of the HSPT Converting Agreement and to make available to the Company additional advances up to a total value of \$70,000 (**HSPT Additional Amount**) on the terms and conditions in the HSPT Converting Agreement.

Pursuant to the HSPT Converting Variation Agreement, HSPT has the right (subject to the Company obtaining the required Shareholder approvals) to convert the aggregate of the First Instalment, Second Instalment and any HSPT Additional Amount plus interest accrued daily at a rate of 4.5% (**HSPT Repayment Amount**) into Shares. The HSPT Repayment Amount as at 27 November 2015 (assuming the Company does not draw down on the HSPT Additional Amount) will be \$158,599.38, comprising:

- (a) First Instalment - \$125,000;
- (b) Second Instalment - \$30,000; and
- (c) Interest on the First Instalment and the Second Instalment, together - \$3,599.38,

(**HSPT Amount A**).

At the date of this notice, HSPT has not provided the Company with notice exercising its conversion rights in respect of HSPT Amount A.

The conversion price pursuant to the terms of the HSPT Converting Variation Agreement is:

- (a) \$0.006 per Share; or
- (b) the price per Share offered for subscription pursuant to any rights issue announced by the Company to ASX prior to 30 September 2015 and opening prior to 31 December 2015.

The 30 September 2015 deadline has passed without the Company announcing a rights issue and consequently a conversion price of \$0.006 applies. Accordingly, subject to Shareholder approval, if HSPT were to provide the Company with notice exercising its conversion rights in respect of HSPT Amount A, the Company would be required to issue up to 26,433,230 Shares to HSPT to satisfy its repayment obligations.



If the Company draws down on the whole of the HSPT Additional Amount, and HSPT issues a conversion notice in respect of this amount, the Company will be required to issue 11,666,667 Shares to satisfy its repayment obligations.

Pursuant to Resolution 3, the Company therefore seeks to issue a maximum of 38,099,897 Shares to HSPT (**HSPT Shares**).

The amount of interest payable (if any) on any HSPT Additional Amount drawn down by the Company cannot currently be determined. Consequently further Shareholder approval will need to be sought for conversion of any such amount into Shares, or alternatively any such amount may be repaid in cash.

If Shareholders do not approve Resolution 3, the Company will be required to repay HSPT Amount A and any portion of the HSPT Repayment Amount drawn down by the Company in cash rather than satisfying such amounts by issuing Shares.

In accordance with Listing Rule 10.11, Shareholder approval is required for the issue of Shares to a related party. HSPT is a related party of the Company as it is controlled by Mr Featherby, a Director.

Resolution 3 is an ordinary resolution.

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

## 6.2 Section 208 of Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in sections 210 to 216 of the Corporations Act.

HSPT is a related party of the Company as it is controlled by Mr Featherby, a Director.

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of the Shares as the exception in section 210 of the Corporations Act applies. The Shares will be issued to Hay Street Property Pty Ltd on terms such that the giving of the financial benefit will be on arm's length terms.

## 6.3 Listing Rule 10.11

In accordance with Listing Rule 10.11, the Company must not issue securities to a related party of the Company unless it obtains Shareholder approval.

Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolution 3 will be to allow the Company to issue up to 38,099,897 Shares to HSPT (and/or its nominee) without using up the Company's 15% placement capacity under Listing Rule 7.1.

## 6.4 Specific information required by Listing Rule 10.13

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- (a) The HSPT Shares will be issued to Hay Street Property Trust Pty Ltd (and/or its nominee).
- (b) The maximum number of HSPT Shares to be issued to HSPT (and/or its nominee) is 38,099,897.
- (c) The HSPT Shares will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- (d) The issue price of the Shares will be \$0.006.

- (e) The Shares will be fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares on issue.
- (f) A voting exclusion statement is included in the Notice for Resolution 3.
- (g) Other than the information above and otherwise set out in the Notice, the Company believes that there is no other information that would be reasonably required by Shareholders to pass Resolution 3.

## 6.5 Directors recommendation

The Directors (other than Mr Featherby) recommend that Shareholders vote in favour of this Resolution.

## 7. RESOLUTION 4 APPROVAL OF ISSUE OF SHARES TO WELANA BEST TRADING INC.

### 7.1 General

On 21 April 2015, Welana Best Trading Inc. (**Welana**) (an entity associated with Viktor Dmitriyev, one of the Company's major Shareholders) entered into a loan agreement with Janita Global Limited (**Janita**) (a wholly owned subsidiary of the Company) (**Welana Loan Agreement**). Pursuant to the terms of the Welana Loan Agreement, Welana agreed to lend \$100,000 (**Welana Loan Amount**) to Janita. The loan was provided for Janita's working capital purposes.

On 28 September 2015, the Company entered into a conversion agreement with Welana (**Welana Converting Agreement**). Pursuant to the Welana Converting Agreement, Welana has the right (subject to the Company obtaining the required Shareholder approvals) to convert the Welana Loan Amount, plus interest accrued daily at a rate of 4.5%, into Shares (**Welana Repayment Amount**) at the conversion price of:

- (a) \$0.006 per Share; or
- (b) the price per Share offered for subscription pursuant to any rights issue announced by the Company to ASX prior to 30 September 2015 and opening prior to 31 December 2015.

The 30 September 2015 deadline has passed without the Company announcing a rights issue and consequently a conversion price of \$0.006 will apply.

The Welana Repayment Amount as at 27 November 2015 will be \$102,761.64, comprising:

- (a) Welana Loan Amount - \$100,000; and
- (b) Interest on the Welana Loan Amount - \$2,761.64,

### (Welana Amount A).

At the date of this notice, Welana has not provided the Company with notice exercising its conversion rights in respect of Welana Amount A.

Applying the conversion price of \$0.006 and subject to Shareholder approval, if Welana were to provide the Company with notice exercising its conversion rights in respect to Welana Amount A, the Company would be required to issue up to 17,126,940 Shares to Welana to satisfy its repayment obligations.

Pursuant to Resolution 4, the Company therefore seeks to issue a maximum of 17,126,940 Shares to Welana (Welana Shares).

If Shareholders do not approve Resolution 4, the Company will be required to repay Welana Amount A in cash rather than satisfying such amounts by issuing Shares.

Welana is not a related party or an associate of a related party of the Company.

The Board believes that Resolution 4 is in the best interests of the Company and its Shareholders and unanimously recommends that Shareholders vote in favour of this Resolution.

Resolution 4 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 4.

## **7.2 Listing Rule 7.1**

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

The effect of Resolution 4 will be to allow the Directors to issue the Welana Shares during the period of 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.

## **7.3 Specific information required by Listing Rule 7.3**

In accordance with Listing Rule 7.3, information is provided in relation to the proposed issue of Welana Shares as follows:

- (a) The maximum number of Welana Shares to be issued is 17,126,940.
- (b) The Welana 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 Listing Rules).
- (c) The issue price of the Welana Shares will be \$0.006.
- (d) The Welana Shares will be issued to Welana Best Trading Inc (and/or its nominee).
- (e) The Welana Shares will be fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares on issue.
- (f) The issue of the Welana Shares will not raise any funds as the Welana Shares are being issued in lieu of a cash repayment of the Welana Repayment Amount. The funds raised from the Welana Loan were used by Janita as general working capital.
- (g) The issue of the Welana Shares will occur on or about 1 December 2015, subject to receipt of a conversion notice from Welana.
- (h) A voting exclusion statement is included in the Notice for Resolution 4.

## **7.4 Directors' Recommendation**

The Directors recommend that Shareholders approve Resolution 4.

## DEFINITIONS

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

**\$** means Australian Dollars.

**Annual Report** means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2015.

**ASIC** means the 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 convened by the Notice.

**Closely Related Party** means:

- (a) a spouse or child of the member; or
- (b) has the meaning given in section 9 of the Corporations Act.

**Company** means Hawkley Oil and Gas Limited (ACN 115 712 162).

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

**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.

**Explanatory Memorandum** means this explanatory memorandum which forms part of the Notice.

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

**First Instalment** means has the meaning given in Section 6.1.

**HSPT** has the meaning given in Section 6.1.

**HSPT Amount A** has the meaning given in Section 6.1.

**HSPT Additional Amount** has the meaning given in Section 6.1.

**HSPT Converting Agreement** has the meaning given in Section 6.1.

**HSPT Converting Variation Agreement** has the meaning given in Section 6.1.

**HSPT Repayment Amount** has the meaning given in Section 6.1.

**HSPT Shares** has the meaning given in Section 6.1.

**Janita** means has the meaning given in Section 7.1.

**Key Management Personnel** means persons 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.

**Managing Director** means the managing director of the Company.

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

**Notice** means the notice of meeting which comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

**Proxy Form** means the proxy form attached to the Notice.

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

**Resolution** means a resolution contained in the Notice.

**Schedule** means a schedule to this Explanatory Memorandum.

**Second Instalment** has the meaning given in Section 6.1.

**Section** means a section of this Explanatory Memorandum.

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

**Shareholder** means a shareholder of the Company.

**Strike** has the meaning given in Section 4.

**VWAP** means volume weighted average price.

**Welana** has the meaning given in Section 7.1.

**Welana Amount A** has the meaning given in Section 7.1.

**Welana Converting Agreement** has the meaning given in Section 7.1.

**Welana Loan Agreement** has the meaning given in Section 7.1.

**Welana Loan Amount** has the meaning given in Section 7.1.

**Welana Repayment Amount** has the meaning given in Section 7.1.

**Welana Shares** has the meaning given in Section 7.1.

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



## PROXY FORM

The Company Secretary  
Hawkley Oil and Gas Limited

**By delivery:**

Suite 3, Level 3, 1292 Hay Street  
West Perth WA 6005

**By post:**

PO Box 2870  
West Perth WA 6872

**By facsimile:**

+61 8 9322 4073

Name of  
Shareholder:

Address of  
Shareholder:

Number of Shares  
entitled to vote:

Please mark ☒ to indicate your directions. Further instructions are provided overleaf.

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.

### Step 1 - Appoint a Proxy to Vote on Your Behalf

**The Chairman of the Meeting (mark box)**

☐

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

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Meeting of the Company to be held at Minespace, Level 1, 1292 Hay Street, West Perth, Western Australia at 11.30am (WST) on Friday 27 November 2015 and at any adjournment or postponement of that Meeting.

### Important – If the Chairman is your proxy or is appointed as your proxy by default

The Chairman intends to vote all available proxies in favour of Resolutions 1 to 4 (inclusive). If the Chairman 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 Resolution , you will be expressly authorising the Chairman to vote in accordance with the Chairman's voting intentions on Resolutions 1 and 3 even if Resolutions 1 and 3 are connected directly or indirectly with the remuneration of a member of Key Management Personnel.

### Step 2 - 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	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-Election of Mr Anthony Reilly as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of issue of Shares to Hay Street Property Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution 4 Approval of issue of Shares to Welana Best Trading Inc.

☐ ☐ ☐

The Chairman intends to vote all available proxies in favour of each Resolution.

## Authorised signature/s

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

Individual or Shareholder 1

Sole Director and Sole  
Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

## 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 must 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 returned by:

- (a) delivery to the Company's registered office address, Suite 3, Level 3, 1292 Hay Street, West Perth WA 6005;
- (b) post to the Company, PO Box 2870, West Perth WA 6872; or
- (c) facsimile to the Company on facsimile number +61 8 9322 4073,

so that it is received not less than 48 hours prior to the time of commencement of the Meeting (WST).