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**Sunbird Energy Limited**

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**NOTICE OF ANNUAL GENERAL MEETING**

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**The Annual General Meeting of the Company will be held at Level 1,  
50 Ord Street, West Perth, Western Australia on Monday, 30  
November 2015 commencing at 2:00pm (WST).**

*This Notice and the accompanying Explanatory Memorandum 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 Secretary by telephone on + 61 08 9322 6322.***

**Shareholders are urged to attend or vote by lodging the Proxy Form attached to this Notice.**

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the annual general meeting of Shareholders of Sunbird Energy Limited (**Company**) will be held at Level 1, 50 Ord Street, West Perth, Western Australia on Monday, 30 November 2015 commencing at 2:00pm (WST) (**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 regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Saturday, 28 November 2015 at 2:00pm (WST).

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

## **AGENDA**

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### **1. Annual Report**

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

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### **2. Resolution 1 – Adoption of 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 Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairperson to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

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### 3. Resolution 2 – Re-election of Director – Marcus Gracey

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 14.4 and Article 6.3(c) of the Constitution and for all other purposes, Marcus Gracey, Director, retires and being eligible pursuant to Article 6.3(f) of the Constitution, is re-elected as a Director on the terms and conditions in the Explanatory Memorandum."*

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### 4. Resolution 3 – Approval of Additional 10% Placement Capacity

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

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of 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 (and any associates of such a person) who may participate in the 10% Placement Capacity 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 Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### 5. Resolution 4 – Approval of Conversion Right

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

*"That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the Secured Moneys to be converted into Shares (**Conversion Right**) in accordance with the terms and conditions of the Loan Deed and otherwise on the terms and conditions set out in the Explanatory Statement."*

#### Voting Exclusion

The Company will disregard any votes cast on this Resolution by Geluk and any associate of Geluk. 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 Chairperson 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 2015

**BY ORDER OF THE BOARD**

A handwritten signature in black ink, appearing to read 'R. Barker', written in a cursive style.

Richard Barker  
**Company Secretary**

## **EXPLANATORY MEMORANDUM**

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### **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 Level 1, 50 Ord Street, West Perth, Western Australia on Monday, 30 November 2015 commencing at 2:00pm (WST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

This Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 2:	Action to be taken by Shareholders
Section 3:	Annual Report
Section 4:	Resolution 1 – Adoption of Remuneration Report
Section 5:	Resolution 2 – Re-election of Director –Marcus Gracey
Section 6:	Resolution 3 – Approval of Additional 10% Placement Capacity
Section 7:	Resolution 4 – Approval of Conversion Right
Schedule 1:	Definitions
Schedule 2:	Listing Rule 7.3A.6 Disclosure

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

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### **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 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 set out in the Proxy Form. Returning the Proxy Form to the Company will not preclude a Shareholder from attending or (subject to the voting exclusions set out in the Notice) voting at the Meeting in person.

Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder; and
- (c) a Shareholder 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 2:00pm (WST) on Saturday 28 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 Resolution 1, 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 Chairperson and the appointment of the Chairperson as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chairperson to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

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## **3. Annual Report**

In accordance with section 317 of the Corporations Act, Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2015.

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 [www.sunbirdenergy.com](http://www.sunbirdenergy.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 contents of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chairperson about the management of the Company, or to the Auditor about:

- (a) the preparation and contents of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by 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 5 business days before the Meeting to the Company Secretary at the Company's registered office.

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## 4. Resolution 1 – Adoption of 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:

- (a) the Company's remuneration policy; and
- (b) 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. If Resolution 1 is not passed, the Directors will not be required to alter any of the arrangements in the Remuneration Report.

Pursuant to the Corporations Act, 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.

If 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 Company's 2014 annual general meeting. If the Remuneration Report receives a Strike at the Meeting, Shareholders should be aware that if a second Strike is received at the Company's 2016 annual general meeting, this may result in the re-election of the Board.

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

Resolution 1 is an ordinary Resolution.

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

If the Chairperson is appointed as your proxy and you have not specified the way the Chairperson is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chairperson with an express authorisation for the Chairperson to vote the proxy in accordance with the Chairperson's intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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## 5. Resolution 2 – Re-election of Director – Marcus Gracey

In accordance with Listing Rule 14.4 and Article 6.3(c) of the Constitution, a Director must not hold office (without re-election) past the third annual general meeting following the Director's appointment, or 3 years, whichever is longer.

Article 6.3(f) of the Constitution provides that a Director who retires under Article 6.3(c) of the Constitution is eligible for re-election.

Mr Marcus Gracey was re-appointed on 25 November 2013. Resolution 2 provides that Mr Marcus Gracey retires from office and seeks re-election as a Director.

Details of Mr Marcus Gracey's background and experience are set out in the Annual Report.

Resolution 2 is an ordinary resolution.

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

The Board (excluding Mr Marcus Gracey) supports the re-election of Mr Marcus Gracey as a Director and recommends that Shareholders vote in favour of Resolution 2.

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## 6. Resolution 3 - Approval of Additional 10% Placement Capacity

### 6.1 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 Capacity**). The 10% Placement Capacity 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.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Capacity. The number of Equity Securities to be issued under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c) below).

Resolution 3 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).

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

### 6.2 Listing Rule 7.1A

#### (a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Capacity 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 Capacity must be in the same class as an existing quoted class of Equity Securities of the company.

As at the date of the Notice, the Company has on issue one quoted class of Equity Securities, being Shares.

(c) **Formula for calculating 10% Placement Capacity**

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:

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

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

- (A) plus the number of 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 Shares issued in the 12 months with Shareholder approval under Listing Rule 7.1 and 7.4. This does not include an issue of Shares under the entity's 15% placement capacity without Shareholder approval;
- (D) less the number of 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 Shareholder approval 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.

At the date of the Notice, the Company has on issue 138,592,127 Shares and therefore has a capacity to issue:

- (i) 20,788,819 Equity Securities under Listing Rule 7.1; and
- (ii) subject to obtaining Shareholder approval being sought under Resolution 3, 13,859,213 Equity Securities under Listing Rule 7.1A.

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 6.2(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 5 Trading Days of the date described in Section 6.2(e)(i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Capacity 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 Shareholder approval 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),

or such longer period if allowed by ASX (such period, the **10% Placement Period**).

### **6.3 Listing Rule 7.1A**

The effect of Resolution 5 will be to allow the Directors to issue the 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.

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

In accordance with Listing Rule 7.3A, information is provided as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities 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 5 Trading Days of the date described in Section 6.4(a)(i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Capacity, 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 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 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.

- (c) 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 for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of the Notice.
- (d) The table also 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 general 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 7.1A.2		Dilution		
		\$0.03 50% decrease in Issue Price	\$0.06 Issue Price	\$0.12 100% increase in Issue Price
<b>Current Variable A</b> 138,592,127 Shares	<b>10% Voting Dilution</b>	13,859,213 Shares	13,859,213 Shares	13,859,213 Shares
	<b>Funds raised</b>	\$415,776	\$831,553	\$1,663,105
<b>50% increase in current Variable A</b> 207,888,190 Shares	<b>10% Voting Dilution</b>	20,788,819 Shares	20,788,819 Shares	20,788,819 Shares
	<b>Funds raised</b>	\$623,665	\$1,247,329	\$2,494,658
<b>100% increase in current Variable A</b> 277,184,254 Shares	<b>10% Voting Dilution</b>	27,718,425 Shares	27,718,425 Shares	27,718,425 Shares
	<b>Funds raised</b>	\$831,553	\$1,663,106	\$3,326,211

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity.

- (ii) No Convertible Securities are converted 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 Capacity, 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 Capacity consists only of Shares. If the issue of Equity Securities includes Convertible Securities, it is assumed that those Convertible Securities are converted into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
  - (vii) The issue price is \$0.06, being the closing price of Shares on ASX on 16 October 2015.
- (e) The Company will only issue the Equity Securities during the 10% Placement Period. The approval under Resolution 5 for the issue of the Equity Securities 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).
- (f) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of the new resources 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 the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets or general working capital.
- (g) The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.
- (h) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The identity of the subscribers 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 issue or other issue 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).
- (i) The subscribers under the 10% Placement Capacity have not been determined as at the date of the Notice but may include existing substantial Shareholders and/or new Shareholders who are not a related party or an associate of a related party of the Company.

- (j) Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the subscribers under the 10% Placement Capacity will be the vendors of the new resources assets or investments.
- (k) The Company previously obtained Shareholder approval under Listing Rule 7.1A at its 2014 annual general meeting. In the 12 months preceding the date of the Meeting the Company issued a total of 2,300,000 Equity Securities which represents 1.63% of the total number of Equity Securities on issue 12 months prior to the date of the Meeting. The Equity Securities issued in the preceding 12 months are set out in Schedule 2.
- (l) A voting exclusion statement is included in the Notice for Resolution 3.

## **6.5 Directors Recommendation**

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

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# **7. Resolution 4 - Approval of Conversion Right**

## **7.1 Background**

On 9 October 2015, Shareholders approved a resolution granting Neville Cornish the right to convert the Loan to the Company into Shares pursuant to the terms of the Loan Deed. Details of the Loan were contained in the notice of meeting sent to Shareholders on 9 September 2015.

Pursuant to the terms of the Loan Deed, Neville Cornish intends to nominate and substitute Geluk Investments (Pty) Ltd as the lender under the Loan Deed.

Shareholder approval is required to grant Geluk the Conversion Right under the terms of the Loan Deed, being the right to convert all or part of the Secured Moneys into Shares at any time prior to the Repayment Date at an issue price of:

- (a) if exercised within 20 Business Days of the Company completing a Capital Raising, the higher of:
  - (i) the subscription price per Share under the Capital Raising; and
  - (ii) A\$0.01 per share; and
- (b) otherwise, A\$0.12 per Share,

**(Conversion Price).**

In the event that the Shareholders do not approve the issue of the Conversion Right (i.e. approve Resolution 4) Geluk will not be able to convert the funds it provides under the Loan into Shares.

## **7.2 Key terms of the Loan**

The key terms of the Loan are:

- (a) On 10 August 2015, the Company made a first draw down on the Loan of:
  - (i) A\$430,000 which was used to repay an existing loan to Neville Cornish in full; and
  - (ii) an additional ZAR2,000,000.

- (b) The Company may make further drawdowns under the Loan for additional amounts of:
  - (i) ZAR2,000,000; and
  - (ii) ZAR3,000,000.
- (c) The Loan is secured against 18.42% of the shares Sunbird Ibhubesi ultimately holds in Anschutz SA.
- (d) An interest rate of 20% per annum applies to all the Secured Moneys.
- (e) All Secured Moneys under the Loan Deed must be repaid by the Repayment Date.
- (f) The Company can repay any or all of the Secured Moneys at any time prior to the Repayment Date.
- (g) The Loan is convertible into Shares.

The occurrence of an Event of Default gives Geluk (as nominee for Neville Cornish) the right to require the Company to repay the Secured Moneys within 21 days.

### 7.3 Implications of exercise of Conversion Right

The number of Shares that may be issued upon the exercise of the Conversion Right is uncertain as it is dependent on numerous variable including:

- (a) The timing of the conversion.
- (b) The amount converted.
- (c) The amount and timing of any additional drawdowns.
- (d) The amount and timing of any repayments.
- (e) The amount of interest accrued.
- (f) The ZAR to A\$ exchange rate at the time of the conversion.

Accordingly, the below table shows 3 scenarios:

- (a) Scenario 1 — the Conversion Right is exercised within 20 Business Days of the Company completing a Capital Raising with an issue price of less than A\$0.01.
- (b) Scenario 2 — the Conversion Right is exercised within 20 Business Days of the Company completing a Capital Raising with an issue price of more than A\$0.01. By way of example only, an issue price of A\$0.08 is used in the table.
- (c) Scenario 3 — the Conversion Right is not exercised within 20 Business Days of the Company completing a Capital Raising.

The table assumes that:

- (a) The Company draws down the A\$430,000 and ZAR7,000,000.
- (b) Geluk converts all of the A\$430,000 and ZAR7,000,000 into Shares.
- (c) No interest is accrued.
- (d) The Company makes no repayments.

- (e) The ZAR to A\$ exchange rate is ZAR1:A\$0.107

Scenario	Number of Shares issued
Scenario 1	117,900,000
Scenario 2	14,737,500
Scenario 3	9,825,000

## 7.4 General

Resolution 4 seeks Shareholder approval for the issue of the Conversion Right.

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

Resolution 4 is an ordinary resolution.

## 7.5 Listing Rule 7.1

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more 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 Company to issue the Conversion Right to Geluk which permits Geluk to convert all or some of the Secured Moneys into Shares and any Shares issued pursuant to a conversion will not be counted in the Company's 15% issuing capacity under Listing Rule 7.1.

## 7.6 Specific information required by Listing Rule 7.3

In accordance with Listing Rule 7.3, the following information is provided in relation to the issue of the Conversion Right to Geluk:

- (a) the maximum number of Shares to be issued to Geluk will be determined by the following formula:

$$\text{Number of Shares} = \text{Secured Moneys} \div \text{Conversion Price.}$$

See Section 7.3 for the implications of Geluk exercising the Conversion Right;

- (b) the Conversion Right 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);
- (c) the minimum issue price of the Shares upon exercise of the Conversion Right is A\$0.01. See Section 7.1 for more information on the Conversion Price;
- (d) the Conversion Right and Shares issued upon exercise of the Conversion Right will be issued to Geluk;

- (e) the Shares issued on exercise of the Conversion Right will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the funds provided under the Loan Deed in consideration for the issue of the Conversion Right will be applied to further development of the Ibhubesi Gas Project and as working capital; and
- (g) a voting exclusion statement is included in Resolution 4.

## **7.7 Directors Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.



## Schedule 1 – Definitions

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

**\$** means Australian Dollars.

**10% Placement Capacity** has the meaning given to that term in Section 6.1.

**10% Placement Period** has the meaning given in Section 6.2(f).

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

**Anschutz** means Anschutz South Africa Corporation (Registration number 2000011169 of 555 17th Street, Suite 2400, Denver, Colorado, USA).

**Anschutz SA** means Anschutz Overseas (SA) Pty Ltd, a South African company with enterprise number 1999/006537/07.

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

**Auditor** means the Company's auditor from time to time, at the date of the Notice, being BDO Audit (WA) Pty Ltd.

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

**Board** means the board of Directors.

**Business Day** means a day on which all banks are open for business generally in Perth, Western Australia.

**Capital Raising** means any capital raising conducted by the Company by way of the issue of Equity Securities.

**Chairperson** means the person appointed to chair the Meeting convened by the Notice.

**Closely Related Party** means in relation to a member of a Key Management Personnel:

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

**Company** means Sunbird Energy Limited (ACN 150 956 773).

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

**Conversion Price** has the meaning given in Section 7.1.

**Conversion Right** has the meaning given in Resolution 4.

**Convertible Security** means a security of the Company which is convertible into Shares.

**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 Security** has the meaning given to that term in the Listing Rules.

**Event of Default** means any of the following:

- (a) Failing to pay any amount under the Loan Deed.
- (b) A material breach of the Loan Deed, which includes any term related to the security.
- (c) An order is made or a resolution passed for the winding up or dissolution of the Company or Anschutz SA.
- (d) Other than pursuant to the Loan Deed, a receiver being appointed or steps are taken to appoint a receiver to the Company or Anschutz SA.
- (e) Without consent the Company, Anschutz SA or any other subsidiary of the Company enters into an arrangement, reconstruction or composition with its creditors.
- (f) Without consent an allotment, transfer, alteration or special right is attached to the share capital of Anschutz SA.
- (g) Steps are taken to appoint an official manager of Anschutz SA to investigate the affairs of Anschutz SA.
- (h) Without consent the Company or Anschutz SA assigns, transfers or parts with possession of the whole or any part of its undertaking or assets otherwise than in the ordinary course of business.

**Explanatory Memorandum** means the 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.

**Geluk** means Geluk Investments Pty Ltd.

**Ibhubesi Gas Project** means the Ibhubesi gas project located in Block 2A of the South African territorial waters in the Atlantic Ocean, owned by an unincorporated joint venture with three joint venture partners: Petro SA, Anschutz and Forest Exploration International Pty Ltd (the operating partner of the project).

**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 as amended from time to time.

**Loan** means the loan provided by Geluk (as nominee for Neville Cornish) pursuant to the Loan Deed.

**Loan Deed** the loan deed between the Company, Neville Cornish and Sunbird Ibhubesi dated 6 August 2015.

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

**Meeting** has the meaning given to that term in the introductory paragraph of the Notice.

**Notice** means the notice of the Meeting which includes the agenda, this Explanatory Memorandum and the Proxy Form.

**Ordinary Securities** has the meaning given to that term in the Listing Rules.

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

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

**Repayment Date** means the earlier of:

- (a) 31 December 2016; and
- (b) the day the Ibhubesi Gas Project is fully funded and the decision to begin construction on the infrastructure is made.

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

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

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

**Secured Moneys** means the aggregate of the Loan, interest and all other moneys, if any, due to or recoverable by Geluk (as nominee for Neville Cornish) from the Company pursuant to the Loan.

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

**Shareholder** means a registered holder of a Share.

**Sunbird Ibhubesi** means Sunbird Energy (Ibhubesi) Pty Ltd ACN 161 490 491.

**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.

**ZAR** means South African Rand.

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## Schedule 2 – Listing Rule 7.3A.6 Disclosure

No.	Date of Issue	Number	Class	Persons to whom the Securities were issued	Issue price	Discount to market price	Consideration	
1.	1/05/2015	1,500,000	Shares	Musa Capital Limited	Nil	N/A	Total consideration:	Nil
							Amount of consideration spent:	N/A
							What consideration was spent on:	N/A
							Intended use for remaining consideration:	N/A
1.	1/05/2015	400,000	Shares	Eligible Employees	Nil	N/A	Total consideration:	Nil
							Amount of consideration spent:	N/A
							What consideration was spent on:	N/A
							Intended use for remaining consideration:	N/A
2.	1/05/2015	400,000	Performance Rights	Eligible Employees	Nil	N/A	Total consideration:	Nil
							Amount of consideration spent:	N/A
							What consideration was spent on:	N/A
							Intended use for remaining consideration:	N/A

# SUNBIRD ENERGY LIMITED

ACN 150 956 773

## PROXY FORM

The Company Secretary  
SUNBIRD ENERGY LIMITED

### By delivery:

1st Floor, 50 Ord Street  
WEST PERTH WA 6005

### By post:

PO Box 434  
PERTH WA 6872

### By facsimile:

+61 8 9463 6630

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

I/we being Shareholder/s of the Company hereby appoint:

**The Chairperson  
(mark box)**

☐ **OR** if you are **NOT** appointing the Chairperson 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 individual or body corporate named, or if no individual or body corporate is named, the Chairperson, as my/our proxy to act generally at the Meeting on my/our behalf to be held at Level 1, 50 Ord Street, West Perth, Western Australia on Monday, 30 November 2015 commencing at 2:00pm (WST) and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit, except for Resolution 1). If 2 proxies are appointed, the proportion or number of votes that this proxy is authorised to exercise is [ ]% of the Shareholder's votes / [ ] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

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

The Chairperson intends to vote all available proxies in favour of Resolution 1. If the Chairperson 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 1, you will be expressly authorising the Chairperson to vote in accordance with the Chairperson's voting intentions on Resolution 1 even if Resolution 1 is connected directly or indirectly with the remuneration of a member of Key Management Personnel.

### 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			
Resolution 2	Re-election of Director –Marcus Gracey			
Resolution 3	Approval of Additional 10% Placement Capacity			
Resolution 4	Approval of Conversion Right			

\* 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

instructions to be implemented.

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

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

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 deposited at or received by facsimile transmission at the Perth office of the Company (1st Floor, 50 Ord Street, West Perth, WA, 6005, or by post to PO Box 434, Perth, WA, 6872 or Facsimile (08) 9463 6630 if faxed from within Australia or +618 9463 6630 if faxed from outside Australia) not less than 48 hours prior to the time of commencement of the Meeting (WST).

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