
BURLESON ENERGY LTD
(TO BE RENAMED “SKY AND SPACE GLOBAL LTD”)
ACN 117 770 475

NOTICE OF GENERAL MEETING

TIME: 10:30am (Sydney time)

DATE: 1 April 2016

PLACE: Level 6
9 Barrack Street
SYDNEY NSW 2000

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 2) 8252 6177

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is given that the General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:30am (Sydney time) on 1 April 2016 at:

Level 6
9 Barrack Street
SYDNEY NSW 2000

YOUR VOTE IS IMPORTANT

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders at 5:00pm (Sydney time) on 30 March 2016.

VOTING IN PERSON

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

VOTING BY PROXY

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

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a member of the Company; and

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

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Meeting. Broadly, the changes mean that:

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

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – CHANGE TO NATURE AND SCALE OF ACTIVITIES

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

“That, subject to and conditional upon the passing of all Resolutions, for the purpose of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company:

- (a) to make a significant change in the nature and scale of its activities as described in the Explanatory Statement;*
- (b) to issue Shares at an issue price of \$0.02 per Share;*
- (c) to have Options on issue upon Settlement with an exercise price of not less than \$0.02 per Option.”*

Short Explanation: The Company has entered into a heads of agreement with Sky and Space Global (UK) Limited (**SSG**) and its existing shareholders, pursuant to which the Company has agreed to acquire 100% of the issued shares in SSG (**Acquisition**). If successful, the Acquisition will result in the Company changing the nature and scale of its activities. ASX Listing Rule 11.1.2 requires the Company to seek Shareholder approval where it proposes to make a significant change to the nature and scale of its activities. ASX has also advised the Company that it will be required to re-comply with the requirements of Chapters 1 and 2 of the ASX Listing Rules in accordance with ASX Listing Rule 11.1.3. Please refer to the Explanatory Statement for details.

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

2. RESOLUTION 2 – DISPOSAL OF MAIN UNDERTAKING

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

“That, subject to and conditional upon the passing of all Resolutions, for the purposes of ASX Listing Rule 11.2 and for all other purposes, approval is given for the Company to complete the Disposal on the terms and conditions set out in the Explanatory Statement.”

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

3. RESOLUTION 3 – CONSOLIDATION OF CAPITAL

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

"That, subject to and conditional upon the passing of all other Resolutions, pursuant to section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that:

(a) every five (5) Shares be consolidated into one (1) Share; and

(b) every five (5) Options be consolidated into one (1) Option,

and, where this Consolidation results in a fraction of a Share or an Option being held, the Company be authorised to round that fraction up to the nearest whole Share or Option (as the case may be)."

4. RESOLUTION 4 – CREATION OF A NEW CLASS OF SECURITIES – PERFORMANCE SHARES

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

"That, subject to and conditional upon the passing of all other Resolutions, for the purpose of section 246B of the Corporations Act, clause 3.1 of the Constitution and for all other purposes, the Company is authorised to issue Performance Shares on the terms and conditions set out in the Explanatory Statement."

5. RESOLUTION 5 – ISSUE OF CONSIDERATION SECURITIES TO SSG SHAREHOLDERS

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

"That, subject to and conditional upon the passing of all other Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue the following:

(a) 740,000,000 post-Consolidation Shares; and

(b) 300,000,000 post-Consolidation Performance Shares,

to the SSG Shareholders (or their nominees) on the terms and conditions set out in the Explanatory Statement."

Short Explanation: As part of the terms of the Acquisition, the Company has agreed, subject to, amongst other terms and conditions, Shareholder approval, to issue the Shares and Performance Shares the subject of this Resolution to the SSG Shareholders (or their nominees). The Company seeks shareholder approval for the issue of the Shares and Performance Shares in accordance with ASX Listing Rule 7.1.

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

6. RESOLUTION 6 – ISSUE OF SHARES TO FACILITATORS

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

"That, subject to and conditional upon the passing of all other Resolutions, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 40,000,000 post-Consolidation Shares to parties that have assisted with facilitating the Acquisition (or their nominees) on the terms and conditions set out in the Explanatory Statement."

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

7. RESOLUTION 7 – ISSUE OF SHARES – CAPITAL RAISING

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

"That, subject to and conditional upon the passing of all other Resolutions, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 250,000,000 post-Consolidation Shares at \$0.02 per Share to raise up to \$5,000,000 on the terms and conditions set out in the Explanatory Statement."

Short Explanation: The Company must issue a Prospectus in order to satisfy the requirements of Chapters 1 and 2 of the ASX Listing Rules and as a condition of the Company's securities recommencing trading on the ASX following the Acquisition. Please refer to the Explanatory Statement for details.

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

8. RESOLUTION 8 – ELECTION OF DIRECTOR – BRETT MITCHELL

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

"That, subject to and conditional upon the passing of all other Resolutions and for all purposes, Brett Mitchell, having been nominated and given his consent to act, be elected as a director of the Company with effect from Settlement of the Acquisition."

9. RESOLUTION 9 – ELECTION OF DIRECTOR – MEIR MOALEM

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

“That, subject to and conditional upon the passing of all other Resolutions and for all purposes, Meir Moalem, having been nominated and given his consent to act, be elected as a director of the Company with effect from Settlement of the Acquisition.”

10. RESOLUTION 10 – ELECTION OF DIRECTOR – MAYA GLICKMAN-PARIENTE

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

“That, subject to and conditional upon the passing of all other Resolutions and for all purposes, Maya Glickman-Pariente, having been nominated and given her consent to act, be elected as a director of the Company with effect from Settlement of the Acquisition.”

11. RESOLUTION 11 – ELECTION OF DIRECTOR – YONATAN SHRAMA

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

“That, subject to and conditional upon the passing of all other Resolutions and for all purposes, Yonatan Shrama, having been nominated and given his consent to act, be elected as a director of the Company with effect from Settlement of the Acquisition.”

12. RESOLUTION 12 – ADOPTION OF PERFORMANCE RIGHTS PLAN

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

“That, subject to and conditional upon the passing of all other Resolutions, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled “Sky and Space Global Ltd - Performance Rights Plan” and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; 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 this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

13. RESOLUTION 13 – ADOPTION OF OPTION SCHEME

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

"That, subject to and conditional upon the passing of all other Resolutions, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled "Sky and Space Global Ltd - Incentive Option Scheme" and for the issue of securities under that Scheme, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; 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 this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

14. RESOLUTION 14 – CHANGE OF COMPANY NAME

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, subject to and conditional upon the passing of all other Resolutions, for the purposes of section 157(1)(a) of the Corporations Act and for all other purposes, approval is given for the name of the Company to be changed to “Sky and Space Global Ltd”. ”

**DATED: 29 FEBRUARY 2016
BY ORDER OF THE BOARD**

**ALEXANDER SUNDICH
COMPANY SECRETARY
BURLESON ENERGY LTD**

EXPLANATORY STATEMENT

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

1. BACKGROUND TO PROPOSED ACQUISITION OF SKY AND SPACE GLOBAL (UK) LIMITED

1.1 Existing Activities of Burleson Energy Ltd

Burleson Energy Ltd (**BUR, Burleson** or the **Company**) is a public company listed on the official list of ASX (ASX code: BUR) with its principal focus being exploration and development of petroleum and gas properties in the USA. The Company was incorporated on 6 January 2006 and was admitted to the official list of the ASX on 18 May 2006.

In addition to its principal business activities, the Company has been actively seeking to identify and evaluate new opportunities in related or non-related industries that may increase shareholder value.

1.2 Change in the Nature and Scale of Activities

As announced on 3 December 2015, the Company has entered into a binding heads of agreement with Sky and Space Global (UK) Limited, an entity incorporated in England (**SSG**) and the shareholders of SSG (**SSG Shareholders**) for the Company to acquire 100% of the issued shares in SSG (**SSG Shares**) (**Acquisition Agreement**).

SSG is engaged in the business of operating a narrow-band communication network based on nano-satellite (**SSG Business**). As this is not in the same business as the existing business operations of BUR, Resolution 1 seeks approval from Shareholders for a change in the nature and scale of the activities of the Company.

The Company intends to divest of its existing assets prior to Settlement and to then focus on the development and commercialisation of the SSG Business.

The Company proposes to, subject to Shareholders' approval of Resolutions 1 to 14 of this Notice and the terms of the Acquisition Agreement, including satisfaction or waiver of the conditions precedent summarised in Section 1.4(a)(i) below:

- (a) dispose of its main undertaking (being its oil and gas assets located in the United States of America (Resolution 2));
- (b) undertake a consolidation of the Company's securities on a 1 for 5 basis (the subject of Resolution 3);
- (c) proceed to Settlement of the Acquisition by which the Company will issue:
 - (i) 740,000,000 post-Consolidation Shares; and
 - (ii) 300,000,000 post-Consolidation Performance Shares;

to the SSG Shareholders (or their nominees) in the amounts set out in Resolution 5, in consideration for the Company's acquisition of the SSG Shares.

- (d) issue 40,000,000 post-Consolidation Shares to parties that assisted with facilitating the Acquisition (or their nominees) (Resolution 6);
- (e) raise a minimum of \$4,000,000 and a maximum of \$5,000,000 via a prospectus offer (**Prospectus**) by the offer of that number of post-Consolidation Shares at \$0.02 per Share (**Capital Raising**) (Resolution 7);
- (f) elect Brett Mitchell, Meir Modlem, Maya Glickman-Pariente and Yonatan Shrama to the Board (Resolutions 8 to 11);
- (g) establish the Performance Rights Plan (**Plan**) (Resolution 12) and Incentive Option Scheme (**Scheme**) (Resolution 13); and
- (h) change the Company's name to "Sky and Space Global Ltd" subject to Settlement and with effect from when ASIC alters the details of the Company's registration (Resolution 14).

Other information considered material to the Shareholders' decision on whether to pass Resolution 1 (and the other Resolutions) is set out in this Explanatory Statement, and Shareholders are advised to read this information carefully.

1.3 About Sky and Space Global (UK) Limited

(a) Background on SSG

SSG, a UK incorporated company with a European and Israeli Research and Development centre, founded and staffed by aerospace and satellite industry experts, plans to deploy nano-satellites constellations in orbit to provide global communication infrastructure and services to the telecommunications and international transport industries.

The core SSG business is to construct a communication infrastructure based on nano-satellite technology and develop software systems that will deploy, maintain orbit control and handle communication code between each of the nano-satellites to give global coverage once a sufficient global network of nano-satellites are deployed.

The SSG business strategy is: "Nano-satellite communication coverage on an anywhere to everywhere", base with relatively low maintenance costs. Due to the experience and expertise of the SSG founders in the aerospace industry, the business will be able to develop and upgrade capabilities within short intervals, utilising their unique IP-nanosat software protocols.

(b) Background on the technology

The term "Nanosatellite" or "nanosat" is applied to an artificial satellite with a wet mass between 1 and 10 kg (2.2 and 22.0 lb). Designs and proposed designs of these types may be launched individually, or they may have multiple nano-satellites working together or in formation, in which case, sometimes the term "satellite swarm" or "fractionated spacecraft" may be applied. Some designs require a larger "mother" satellite for communication with ground controllers or for launching and docking with nano-satellites.

SSG intends to create a global communication network using existing hardware technology, which reduces the costs of establishing production and assembly line, alongside their developed software that will be intellectual property registered in the UK.

The network will provide voice, data and internet applications services 24/7 globally, with initial constellation of low cost nano-satellites, which will be placed in carefully selected orbits giving equatorial band coverage, and then additional constellations for full global coverage.

(c) **Potential applications of nano-satellites**

There are over 4 billion people currently without any mobile coverage and the current high cost of service pricing denies access to potential customers. Global communication via satellites is not new technology as there are existing service providers such as Iridium (market capitalisation of approximately \$700 million), Inmarsat, Global star and Thuraya. These existing service providers have multi-satellites systems with a total of approximately 2 million paying customers, based on pricing of "greater than \$1 per minute" at the lowest prepaid package rates using existing systems. These existing service providers do not appear to have any major changes to their satellite systems in the near future, as no launches are predicted for 2016 and each have very high system maintenance costs. Further, existing satellite systems (and therefore the existing satellite services) are expensive, have low accessibility to everyday users and require dedicated transceivers. In-system redundancy is also limited, due to the very high cost of satellites and ground systems.

The demand for satellite bandwidth is always on the rise and the industry is always behind in keeping up with supply, in particular for the following applications:

- (i) Maritime;
- (ii) Aviation;
- (iii) Transportation;
- (iv) Government / military;
- (v) Travel;
- (vi) Heavy equipment;
- (vii) Oil and gas;
- (viii) Emergency response; and

(ix) Hosted payloads.

(d) **The future of SSG**

SSG intends to launch a constellation of nano-satellites, placed in carefully selected orbits giving full coverage of the Earth, to create a disruptive and global communication network providing affordable voice, data and messaging services. The proposed nano-satellite system will be able to provide affordable service to anyone, anywhere, anytime.

Such a system can provide communication infrastructure either for premium customers (global corporates, security sector etc.) or everyday customers, especially in remote or underdeveloped areas. Nano-satellites can also offer roaming cellular service at affordable rates.

SSG has a unique system design. The system includes not only satellites, but also orbit selection and network management software which are part of SSG's research and development. Satellite network management includes both the system command and control and also the communication unique protocols. As SSG is a UK-incorporated company, all of the software developed by SSG will be registered as SSG's intellectual property in the United Kingdom. Some intellectual property will also be patented as required in the United Kingdom (and globally) and according to SSG benefit. SSG will use intellectual property registration both as a means of protecting its intellectual property and as leverage for raising the company value.

(e) **Business model**

The SSG business strategy is to provide and charge customers for cheaper communications infrastructure based on a network of low cost, nano-satellites with low maintenance costs.

For the traditional space industry, launch costs are at the order of tens of millions of US dollars. For the "New Space" industry, of which nano-satellites are an important part of, the cost per satellite can be as low as US\$300,000. This is the result of resource sharing on the launcher, and launching many satellites on the same launch. SSG intends to take advantage of this low pricing, which is a key element of SSG's business model.

To achieve this SSG will utilise simple existing and ready to use equipment. This reduces the costs of establishing production and assembly lines, time to market from ordering parts and the opportunity to have multiple suppliers. Further, there is currently only one-way to place constellations of satellites in space by launching one satellite per launch and the cost of launch per satellite is currently relatively high. The main difference with SSG's nano-satellites is that each launch can carry up to 30 nano-satellites, which will immediately divide the cost per satellite by 30. By using a constellation of nano-satellites and multi satellite launches, SSG aims to reduce the cost for deploying a space system by at least one order of magnitude. This enables SSG to reduce its costs in comparison to traditional satellite constellations, which will allow SSG to provide an affordable service to anyone, anywhere, anytime.

(f) **Regulatory environment**

Each communication satellite operator has to apply for frequency allocation and registration with the International Telecommunication Union (**ITU**).

The regulatory process is routine but may take some time. The process includes coordination between state authorities globally and also commercial entities which are using the frequency spectrum allocation. As a UK-incorporated company, SSG will work with UK authorities and agencies.

SSG has begun a process for analysing the existing spectrum allocation in order to select best possible candidates for frequency registration application. SSG will apply for full system global frequency registration as well as pilot stage frequency registration. Since SSG is a UK-incorporated company, the frequency allocation request will be undertaken through the United Kingdom Office for Communication. SSG will engage an experienced ITU-process expert, with proven experience and a track record of success, to undertake this task.

Since the first stage of SSG program (the demonstration) falls under the category of initial testing, the application process may be significantly shorter than for the complete operational system.

(g) **Key Personnel**

(i) Meir Moalem

A jet fighter pilot, Lt. Col (Res.) of the IAF, has over 20 years of experience in management, R&D and operation of state-of-the-art projects in Space Systems and Unmanned Aerial Systems, among those acting as a deputy sq. commander and leading the MEIDEX experiment on Space Shuttle Columbia (STS-107) as the project manager for Israel's first astronaut flight, Managing Israel's satellite projects (such as Ofeq, Tecsar) and more. Meir has a B.Sc. in Physics and computer sciences (with honours) and an M.A. from the Diplomacy and National Security executive program (with honours). Currently he is working on his PhD in national security and space programs in Tel Aviv University, Israel. Meir has also received the Israel National Defense award in 2009.

Meir is Chief Executive Officer of SSG and Shareholder approval is being sought pursuant to Resolution 9 for Meir to join the Board subject to Settlement of the Acquisition.

(ii) Maya Glickman-Pariente

Highly experienced and regarded as a global industry leader, Maya Glickman-Pariente is SSG's Chief Operating Officer and will lead the SSG team on satellite mission analysis, mission control software development, and operations management. Maya is MASTER STK certified and was a Senior Satellite Engineer of communications satellite with wide experience in satellite operations. Maya was part of the AMOS-3 development team, LEOP and IOT missions as well as the AMOS-1 end of life mission team. Maya designed and optimized several large scale constellations for earth observation and communication use, and was involved in the assembly, integration and testing of

"Duchifat-1", the first Israeli Nanosatellites. Maya has a B.Sc. in Aerospace Engineering and M.E in System Engineering, both from the Technion University, Aerospace faculty, and is also a graduate of the 2004 ISU summer session program in Adelaide, Australia. Recently, Maya was nominated Associate Chair of the space engineering department in the International Space University summer session program 2016.

Shareholder approval is being sought pursuant to Resolution 10 for Maya to join the Board subject to Settlement of the Acquisition.

(iii) Yonatan Shrama

Yonatan has over 12 years of experience in business development and entrepreneurship in automotive technology systems, medical equipment and high technology security equipment. Yonatan has extensive experience in managing teams and processes. Yonatan is currently the chairman of Enigmo, a Cyber company, and VP Bizdev at SPACECIALIST.

Yonatan is VP Business Development at SSG and Shareholder approval is being sought pursuant to Resolution 10 for Yonatan to join the Board subject to Settlement of the Acquisition.

(iv) Meidad Pariente

Meidad Pariente, Chief Technology Officer of SSG, has more than 20 years of satellite and aerospace industry experience.

Meidad started as Israel's AMOS-1 satellite operator, later was the Deputy Mission Manager of the AMOS-2 satellite program, chief systems engineer of the AMOS-3 satellite which successfully launched in 2008, and special engineering advisor for the AMOS-5 satellite, launched in 2011

Meidad was the chief systems engineer and led a team of Israeli engineers and scientists designing the VENUS project, an Israeli-French hyperspectral satellite.

Meidad is a leading international nanosatellite expert, having led projects in Israel, Europe and the USA. In 2014 Meidad led the "Duchifat-1" project, the first Israeli nanosatellite which was launched successfully in June 2014 as part of a tertiary project. The nano-satellite is still fully operational in space after 18 months.

Meidad holds a B.Sc in Physics from Tel Aviv University and a M.E. in Systems Engineering from the Technion University's Aerospace faculty.

1.4 Material Agreements to the Acquisition

(a) Acquisition Agreement

In accordance with the terms of the Acquisition Agreement, the Company will acquire all of the issued shares in SSG as set out below

conditional upon Settlement occurring in accordance with the Acquisition Agreement.

The key terms of the Acquisition Agreement are as follows:

(i) **Conditions Precedent**

Settlement of the Acquisition is subject to the satisfaction or waiver by the parties of the following outstanding conditions:

- (A) SSG preparing management accounts for the shorter of the period of three years and the date of incorporation of SSG and delivering those accounts to the Company;
- (B) Burleson obtaining all necessary shareholder approvals pursuant to the ASX Listing Rules and the Corporations Act to allow Burleson to complete the matters contemplated by the Acquisition Agreement;
- (C) Burleson, SSG and the SSG Shareholders obtaining all necessary regulatory approvals pursuant to the ASX Listing Rules, Corporations Act or any other law required to allow the parties to lawfully complete the matters set out in the Acquisition Agreement including conditional approval to reinstatement to official quotation on the ASX following Settlement on conditions satisfactory to the Company and SSG;
- (D) completion of the Consolidation;
- (E) the Company executing a binding agreement for the sale of its existing assets for not less than \$500,000 or such other amounts as the Company and SSG agree;
- (F) BUR completing a raising of not less than \$4,000,000 via the issue of Shares at not less than \$0.02 each (on a post-Consolidation basis);
- (G) If required, each of the SSG Shareholders waiving all pre-emptive and other rights over any of the SSG Shares conferred by the constituent documents of SSG, any shareholders agreement relating to SSG or in any other way (if any);
- (H) to the extent required by the ASX or the ASX Listing Rules, the SSG Shareholders (and their controllers to the extent required by ASX or the ASX Listing Rules) entering into restriction agreements with the Company in relation to the Shares and Performance Shares that are issued to the SSG Shareholders by the Company.

If the conditions are not satisfied (or waived) on or before 5:00pm (WST time) on the date that is 4 months from the date of the Acquisition Agreement (which was executed on or about 30 November 2015) (or such other date as the Company and SSG may agree) or become incapable of being satisfied and are not waived (**End Date**), either SSG or the Company may

terminate the Acquisition Agreement by notice in writing to the other parties. In this situation, the agreement constituted by the Acquisition Agreement will be at an end and the parties will be released from their obligations under the Acquisition Agreement (other than in respect of any breaches that occurred prior to termination).

(ii) **Consideration**

In consideration for SSG entering into the Acquisition Agreement, the Company paid US\$100,000 to SSG.

Subject to satisfaction or waiver of conditions precedent to the Acquisition (summarised in Section 1.4(a) above), in consideration for the acquisition of the SSG Shares, the Company shall issue the SSG Shareholders with:

- (A) 3,700,000,000 Shares (on a pre-Consolidation basis, on a post-Consolidation basis this equates to 740,000,000 Shares); and
- (B) 1,500,000,000 performance shares (on a pre-Consolidation basis, on a post-Consolidation basis this equates to 300,000,000 performance shares) divided into three tranches of 500,000,000 (on a pre-Consolidation basis, on a post-Consolidation basis this equates to 100,000,000) (**Performance Shares**). Each of the Performance Shares will convert into one Share upon satisfaction of the relevant milestone set out below.
 - (I) 100,000,000 Performance Shares will convert if SSG executes a launch contract for at least two nano-satellites within eighteen (18) months of Settlement (**A Class Performance Shares**);
 - (II) 100,000,000 Performance Shares will convert if SSG completes the design and manufacture of a working nano-satellite together with the integration of requisites systems and communication capability, including a Launch Readiness Review (LRR) of the nano-satellite by its manufacturer to prove that the nano-satellite is fully validated and tested for launch, within twenty four (24) months of Settlement (**B Class Performance Shares**); and
 - (III) 100,000,000 Performance Shares will convert if SSG successfully launches at least two nano-satellites and completes successful full service testing of operating system to confirm delivery of voice and messaging data, including an In-Orbit Acceptance Review (IOAR) conducted by the nano-satellite manufacturer or a qualified independent third party to demonstrate that the communication payload is operating according to specifications, within

thirty (30) months of Settlement (**C Class Performance Shares**).

(iii) **Board of directors of Burleson**

Following Settlement, SSG will have the right to appoint three (3) Directors out of a total of five (5) Directors, including the Chief Executive Officer of the Company. Current Director, Peter Wall will remain on the Board, with Brett Mitchell to join the Board as part of the Acquisition. Meir Moalem (proposed Chief Executive Officer of the Company), Maya Glickman-Pariente and Yonatan Shrama are SSG's nominee directors.

(b) **Loan Agreement**

The Company and SSG have entered into a loan agreement (**Loan Agreement**) pursuant to which the Company has agreed to advance loan funds of up to US\$500,000 (or any other amount as may be agreed between the Company and SSG), interest-free, to SSG (**Facility Limit**).

As at the date of this Notice of Meeting, the Company has made advances to SSG totalling \$US250,000.

The key terms of the Loan Agreement are as follows:

- (i) The Company will make advances to SSG up to the Facility Limit, with an initial advance equal to US\$250,000.
- (ii) SSG must use the loan funds towards its operating budget to advance the commercial roll out of the SSG Business, which has been agreed to under the Acquisition Agreement.
- (iii) Repayment of the loan will occur on the earlier (to the extent such occurs) of:
 - (A) two (2) months after the End Date under the Acquisition Agreement, provided that this shall only be considered to be a repayment date in the event that the SSG Shareholders (rather than the Company) have unreasonably chosen to not proceed to Settlement;
 - (B) consummation of an equity investment into SSG from a third party investor of at least US\$1,000,000 (**Financing**); and
 - (C) the date that the Loan is converted into shares in SSG in accordance with the Loan Agreement.
- (iv) If repayment of the loan arises due to a Financing, the Company may elect to convert the outstanding monies due under the loan into shares in SSG at a deemed issue price per SSG share which is a 20% discount to the price per share in the Financing.

(c) **Consultancy Agreement – Mr Meir Moalem**

SSG has entered into a consultancy agreement with Mr Meir Moalem (via Multimodis M.M. Ltd.) (**Consultant**) which sets out the terms upon

which Mr Modlem will act as the Chief Executive Officer of SSG. The key terms of the consultancy agreement are as follows:

- (i) **Term:** the consultancy agreement shall continue until terminated by either party.
- (ii) **Remuneration:** US\$11,000 per month (plus VAT, to the extent required by law), paid to Multimodis M.M. Ltd., based on a minimum of 80% commitment of the Consultant's time. Further to this, SSG will reimburse the Consultant (via Multimodis M.M. Ltd.) all reasonable expenses incurred in the performance of his services.
- (iii) **Restraint of trade:** upon termination of the consultancy agreement, the Consultant will be subject to a restraint of trade period of up to 1 year.
- (iv) **Termination:** either party may terminate the consultancy agreement without cause by giving the other party 3 months' written notice.

(d) **Consultancy Agreement - Ms Maya Glickman-Pariente**

SSG has entered into a consultancy agreement with Ms Maya Glickman-Pariente (via Spacecialist Ltd.) (**Consultant**) which sets out the terms upon which Ms Glickman-Pariente will act as the Chief Operations Officer of SSG. The key terms of the consultancy agreement are as follows:

- (i) **Term:** the consultancy agreement shall continue until terminated by either party.
- (ii) **Remuneration:** US\$11,000 per month (plus VAT, to the extent required by law), paid to Spacecialist Ltd., based on a minimum of 80% commitment of the Consultant's time. Further to this, the SSG will reimburse the Consultant (via Spacecialist Ltd.) all reasonable expenses incurred in the performance of her services.
- (iii) **Restraint of trade:** upon termination of the consultancy agreement, the Consultant will be subject to a restraint of trade period of up to 1 year.
- (iv) **Termination:** either party may terminate the consultancy agreement without cause by giving the other party 3 months' written notice.

(e) **Consultancy Agreement – Mr Yonatan Shrama**

SSG has entered into a consultancy agreement with Mr Yonatan Shrama (via Yonatan Shanan Ltd.) (**Consultant**) which sets out the terms upon which Mr Shrama will act as SSG's VP of Business Development. The key terms and conditions of the consultancy agreement are as follows:

- (i) **Term:** the consultancy agreement shall continue until terminated by either party.

- (ii) **Remuneration:** US\$8,800 per month (plus VAT, to the extent required by law), paid to Yonatan Shanan Ltd., based on a minimum of 60% commitment of the Consultant's time. Further to this, SSG will reimburse the Consultant (via Yonatan Shanan Ltd.) all reasonable expenses incurred in the performance of his services.
- (iii) **Restraint of trade:** upon termination of the consultancy agreement, the Consultant will be subject to a restraint of trade period of up to 1 year.
- (iv) **Termination:** either party may terminate the consultancy agreement without cause by giving the other party 3 months' written notice.

(f) **Consultancy Agreement – Mr Meidad Pariente**

SSG has entered into a consultancy agreement with Mr Meidad Pariente (via Spacecialist Ltd.) (**Consultant**) which sets out the terms upon which Mr Pariente will act as SSG's Chief Technology Officer. The key terms and conditions of the consultancy agreement are as follows:

- (i) **Term:** the consultancy agreement shall continue until terminated by either party.
- (ii) **Remuneration:** US\$11,000 per month (plus VAT, to the extent required by law), paid to Spacecialist Ltd., based on a minimum of 80% commitment of the Consultant's time. Further to this, SSG will reimburse the Consultant (via Spacecialist Ltd.) all reasonable expenses incurred in the performance of his services.
- (iii) **Restraint of trade:** upon termination of the consultancy agreement, the Consultant will be subject to a restraint of trade period of up to 1 year.
- (iv) **Termination:** either party may terminate the consultancy agreement without cause by giving the other party 3 months' written notice.

1.5 Pro forma balance sheet

A pro forma balance sheet of the Company following completion of the Acquisition contemplated by this Notice of Meeting is set out below.

	HISTORICAL BURLESON (UNAUDITED) A\$	HISTORICAL SSG (UNAUDITED) A\$	PROFORMA (NOT REVIEWED) A\$
CURRENT ASSETS			
Cash	1,274,776		6,758,276
Debtors and Receivables	154,905	20,288	175,193
TOTAL CURRENT ASSETS	1,429,681	20,288	6,933,469
NON-CURRENT ASSETS			
Investment in SSG	138,220		0
Intercompany Loans	-		0
Intangible Assets	-		0

	HISTORICAL BURLESON (UNAUDITED) A\$	HISTORICAL SSG (UNAUDITED) A\$	PROFORMA (NOT REVIEWED) A\$
Other			0
TOTAL NON-CURRENT ASSETS	138,220	-	-
TOTAL ASSETS	1,567,901	20,288	6,933,469
CURRENT LIABILITIES			
Creditors and Accruals	62,381		62,381
Provisions	-		0
TOTAL CURRENT LIABILITIES	62,381	-	62,381
NON CURRENT LIABILITIES			
Creditors & Borrowings	-		0
Provisions	-		0
TOTAL NON-CURRENT LIABILITIES	-	-	-
TOTAL LIABILITIES	62,381	0	62,381
NET ASSETS	1,505,520	20,288	6,871,088
EQUITY			
Contributed Equity	31,449,365	20,288	33,360,288
Reserves	1,984,404		0
Accumulated Losses	(31,928,249)		(26,489,200)
TOTAL EQUITY	1,505,520	20,288	6,871,088

Notes:

1. The Pro Forma Statement of Financial Position as at 31 December 2015 is based on the unaudited management accounts of Burleson and SSG as of that date.
2. The Pro Forma Statement has been prepared by Burleson management and has not been independently reviewed.
3. The Pro Forma information reflects the following transactions:
 - (a) sale of Burleson's US oil and gas assets for the amount of \$43,500;
 - (b) issue of 300,000,000 Shares at \$0.02 to raise a total of \$6.0 million, less \$0.56 million of capital raising costs;
 - (c) issue of Shares and Performance Shares as consideration for the Acquisition and the issue of Shares to facilitators as detailed in this Notice of Meeting. The valuation of these shares is \$0.024 per share, being the closing price of the Shares (pre-Consolidation) on 31 December 2015. The value of the Performance Shares has been discounted by 50% to reflect the contingent nature of these equity instruments.

1.6 Pro forma capital structure

Set out below is the pro forma capital structure of the Company following completion of the Acquisition and associated Capital Raising.

SHARES

Shares currently on issue	1,100,000,000
Consolidation on a 1 for 5 basis (pursuant to Resolution 3)	220,000,000
Shares to be issued to the SSG Shareholders (pursuant to Resolution 5) ¹	740,000,000
Shares to be issued to facilitators (pursuant to Resolution 5)	40,000,000
Shares to be issued for the Capital Raising (pursuant to Resolution 7) ^{2, 3}	300,000,000
TOTAL¹	1,300,000,000

Notes:

1. This assumes that no Options in the Company are exercised and that none of the Performance Shares milestones are satisfied at Settlement.
2. This assumes a Capital Raising of \$5,000,000 at \$0.02 per Share and oversubscriptions of up to a further \$1,000,000. The Company intends to proceed with the Capital Raising to raise a minimum of \$4,000,000 and a maximum of \$5,000,000 at \$0.02 per Share. If the Capital Raising offers \$4,000,000 worth of Shares at \$0.02 per Share (the minimum price permitted by ASX), a total of 200,000,000 Shares will be issued.
3. The Company may accept oversubscriptions of up to a further \$1,000,000 (equalling a maximum further issue of 50,000,000 Shares at \$0.02 per Share) under the Capital Raising. Shares issued as part of any oversubscription will be issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1.

PERFORMANCE SHARES	
Existing Performance Shares	Nil
A Class Performance Shares (to be issued pursuant to Resolutions 4 and 5)	100,000,000
B Class Performance Shares (to be issued pursuant to Resolutions 4 and 5)	100,000,000
C Class Performance Shares (to be issued pursuant to Resolutions 4 and 5)	100,000,000
Total Performance Shares	300,000,000

OPTIONS	
Unquoted options currently on issue ¹	4,000,000
Consolidation on a 1 for 5 basis (pursuant to Resolution 3)	800,000
TOTAL³	800,000

Notes:

- Options exercisable at price \$0.03 on or before 1 December 2016.
- Post-Consolidation the Options will be exercisable at \$0.45 on or before 1 December 2016.
- This assumes that no Options are exercised.

1.7 Proposed Budget

The Company has current cash reserves of approximately \$905,000 as at the date of this Notice of Meeting.

The Company intends to apply the current cash reserves as follows over the next 24 months, when combined with the proposed Capital Raising funds, which when aggregated with existing cash reserves respectively would give a total of \$4,905,000 funds available based on the minimum Capital Raising and \$5,905,000 funds available based on the maximum Capital Raising:

Item	Minimum Capital Raising (\$4,000,000) plus existing cash	Maximum Proposed Capital Raising (\$5,000,000) plus oversubscriptions and existing cash
Existing cash reserves ¹	\$905,000	\$905,000
Funds raised under Capital Raising	\$4,000,000	\$6,000,000 ²
Total	\$4,905,000	\$6,905,000
Estimated cost of the matters proposed in Resolutions 1 to 14 and the Capital Raising	\$450,000	\$500,000
Nano-satellite construction and groundstation costs ³	\$1,243,000	\$1,243,000
Licensing and operational costs	\$1,200,000	\$1,200,000
Launch costs	\$700,000	\$700,000
Working capital and corporate administration	\$1,312,000	\$3,262,000
TOTAL⁴	\$4,905,000	\$6,905,000

Notes:

- This figure represents an approximate A\$357,000 reduction to the cash reserves appearing in the Company's 31 December 2015 financial statement in Section 1.5, which represents the US\$250,000 that has been advanced to SSG by the Company pursuant to the Loan Agreement.
- The Company may accept oversubscriptions of up to a further \$1,000,000 worth of Shares under the Capital Raising. Any funds received pursuant to acceptance of oversubscriptions will be allocated towards the Company's working capital.
- This figure does not include the US\$250,000 (approximately A\$357,000) that has been advanced to SSG by the Company pursuant to the Loan Agreement.

The above table is a statement of current intentions as at the date of this Notice. Intervening events may alter the way funds are ultimately applied by the Company.

1.8 Anticipated timetable for the key business the subject of the Resolutions

Event	Indicative Timing*
Lodgement of Prospectus and Prospectus offers anticipated to open	21 March 2016
Company's quoted Shares are suspended from official ASX quotation General Meeting of Shareholders ASX notified whether Shareholders' approval has been granted for the Resolutions	1 April 2016
Prospectus offers close	4 April 2016
Subject to Directors' satisfaction that the conditions precedent in Acquisition Agreement are satisfied (or waived), Settlement, including issue of the Shares and Performance Shares pursuant to Resolution 5, issue of Shares to facilitators or their nominees pursuant to Resolution 6 and issue of Shares offered under the Capital Raising pursuant to Resolution 7	5 April 2016
Commencement of trading of Shares on ASX (subject to the Company re-complying with Chapters 1 and 2 of the ASX Listing Rules and subject to ASX agreeing to reinstate the Company's Shares to quotation)	14 April 2016

* The Directors reserve the right to change the above indicative timetable without requiring any disclosure to Shareholders or Option holders.

1.9 Board intentions if Settlement occurs

In the event that Settlement occurs, the funds raised from the Capital Raising, together with the Company's existing cash reserves will be used to:

- (a) advance development of the SSG Business;
- (b) meet the ongoing administration costs of the Company;
- (c) pay the costs of the Capital Raising; and
- (d) otherwise contribute to the working capital of the Company.

It is intended to allocate the funds raised from the Capital Raising and existing cash reserves as set out in Section 1.7.

The Company intends to enter into an agreement to divest its remaining assets prior to Settlement to focus on the development and commercialisation of the SSG Business.

1.10 Advantages of the proposals in the Resolutions

The Directors are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on each Resolution:

- (a) the Acquisition represents a significant opportunity for the Company to increase the scale of its activities which should increase the number and size of the investor pool that may invest in Shares;
- (b) the Acquisition provides an opportunity for the Company to diversify its interests to include SSG which is engaged in the business of operating a narrow-band communication network based on nano-satellite;
- (c) the Acquisition provides the Company with the opportunity to increase the value of the Company; and
- (d) the Company may be able to raise further funds at higher prices by way of share equity as a result of the Acquisition which may aid in the development of the SSG Business.

1.11 Disadvantages of the proposals in the Resolutions

The Directors are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on each Resolution:

- (a) the Company will be changing the nature and scale of its activities to become a company focused on narrow band communications based on nano-satellite technology, as referred to above, which may not be consistent with the objectives of all Shareholders;
- (b) the Acquisition and the Capital Raising will result in the issue of Shares and Performance Shares to the SSG Shareholders, facilitators of the Acquisition and new investors, which will have a dilutionary effect on the holdings of Shareholders; and
- (c) there are inherent risks associated with the change in nature of the Company's activities. Some of these risks are summarised in Section 1.13 below.

1.12 Composition of the Board of Directors

The Company's Board of Directors currently comprises:

- (a) Mr Michael Sandy (Executive Chairman);
- (b) Mr Andrew Bald (Chief Executive Officer); and
- (c) Mr Peter Wall (Non-Executive Director).

It is intended that Mr Wall will remain on the Board of the Company as Non-Executive Director and Chairman following Settlement of the Acquisition and Messrs Sandy and Bald intend to resign upon Settlement of the Acquisition.

Brett Mitchell, Meir Moalem, Maya Glickman-Pariente and Yonatan Shrama will join the Board at Settlement in the roles set out below.

- (a) Mr Brett Mitchell will fulfil the role of Corporate Director of the Company and the SSG group of companies as a Executive Director;

- (b) Mr Meir Moalem will fulfil the role of Chief Executive Officer of SSG and Executive Director; and
- (c) Ms Maya Glickman-Pariente will fulfil the role of Chief Operating Officer of SSG and Executive Director.
- (d) Mr Yonatan Shrama will fulfil the role of VP of Business Development of SSG and Executive Director.

Please refer to Section 9 below for further information on Brett Mitchell, and Section 1.3(g) for further information on Meir Moalem, Maya Glickman-Pariente and Yonatan Shrama.

1.13 Risk factors

Shareholders should be aware that if the proposed Acquisition is approved, the Company will be changing the nature and scale of its activities. Based on the information available, a non-exhaustive list of risk factors are as follows:

Risks relating to the Change in Nature and Scale of Activities

(a) Re-Quotation of Shares on ASX

The acquisition of SSG constitutes a significant change in the nature and scale of the Company's activities and the Company needs to re-comply with Chapters 1 and 2 of the ASX Listing Rules as if it were seeking admission to the official list of ASX.

There is a risk that the Company may not be able to meet the requirements of the ASX for re-quotation of its Shares on the ASX. Should this occur, the Shares will not be able to be traded on the ASX until such time as those requirements can be met, if at all. Shareholders may be prevented from trading their Shares should the Company be suspended until such time as it does re-comply with the ASX Listing Rules.

(b) Dilution Risk

The Company currently has 1,100,000,000 pre-Consolidation Shares on issue. On completion of the Consolidation and Settlement, the Company proposes to issue the 740,000,000 Shares and 300,000,000 Performance Shares pursuant to the Acquisition, 40,000,000 Shares to facilitators who have assisted with the Acquisition and 250,000,000 Shares at \$0.02 per Share to raise a maximum of \$5,000,000 as part of the Capital Raising. On Settlement and the maximum subscription of the Shares under the Capital Raising and oversubscriptions of a further \$1,000,000 (assuming no exercise of Options, no conversion of any Performance Shares), the existing Shareholders will retain approximately 16.92% of the issued capital of the Company, with the SSG Shareholders holding 56.92%, the investors under the Capital Raising holding 23.08% and facilitators of the Acquisition holding 3.08% of the issued capital of the Company respectively.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the development of the SSG Business.

(c) Liquidity Risk

On Settlement, the Company proposes to issue 740,000,000 Shares and 300,000,000 Performance Shares to the SSG Shareholders. These securities will be subject to escrow restrictions in accordance with Chapter 9 of the ASX Listing Rules. Based on the post-offer capital structure (and assuming no further Shares are issued or Options exercised and no Performance Shares have converted into Shares), the Shares will equate to approximately 56.92% of the post-Acquisition issued Share capital (assuming maximum subscription of \$5,000,000 under the Capital Raising and oversubscriptions of a further \$1,000,000). This could be considered an increased liquidity risk as a large portion of issued capital may not be able to be traded freely for a period of time.

(d) **Contractual Risk**

Pursuant to the Acquisition Agreement (summarised above) the Company has agreed to acquire 100% of the issued share capital of SSG subject to the fulfilment of certain conditions precedent.

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Acquisition Agreement. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

Risks specific to the Company

(a) **Acquisition of interest in SSG**

There are a number of specific risks involved for the Company, and consequently its Security holders, in the acquisition of SSG, including risks specific to the business and assets of SSG, which include the following non-exhaustive list:

- (i) Technology risks
 - (A) Nanosatellites: Although SSG will develop and provide specifications, SSG does not plan to manufacture its own hardware. SSG will outsource nano-satellites manufacturing, while using Customer Off The Shelf (**COTS**) hardware to meet many technological needs as part of its business model. As such, SSG will depend on subcontractors meeting the demand and specifications for its nano-satellites, assuming the risk of a subcontractor not meeting the requirements.
 - (B) Software development: Major effort will be dedicated to software management, specifically for satellite communication network management. Software development is always a risk for budget and schedule, both for development itself and also for debugging and proofing of software.
 - (C) Ground system procurement and integration: SSG's nano-satellites will be controlled by a ground control system, which is a strictly COTS product that will require integration and testing. Once SSG procures an appropriate COTS ground control system, it will select a suitable location to place it, this is yet unknown and will be determined prior to the launch. The placement of

the ground control system may require approval of the relevant local authorities.

- (D) Communication hardware and link budget: SSG plans to use COTS communication hardware, with performance meeting operational requirements according to analysis and specifications. Failure of hardware, or even reduced performance of hardware (according to specifications), may lead to degradation in system performance.
- (E) End-User Component: Using the SSG system will require an end-user component and interface between the customer device (such as a smartphone) and the SSG system. Such component may be an external antenna or router, or an add-on dongle. SSG plans to use existing COTS products with small modifications. Failure to find such an end user component will require development and possible additional funding.

(ii) Competition

- (A) Pricing: The SSG business model and strategy is based on low pricing for market penetration. Competitors may select to use an aggressive pricing policy in order to defend their market share, even at the cost of a loss.
- (B) Wide band systems: There are several initiatives worldwide for development of a global wide band systems (Wi-Fi anywhere). SSG estimates these systems are not mature and require mass investments of resources, not yet invested, with a lead-time of 5-10 years as minimum. There is a risk of a global player investing significant funds and resources for building such a system.
- (C) Similar system: The hardware used in SSG's communications network is COTS. There is a possibility of competition trying to imitate the SSG concept.
- (D) Litigation affected by competition: While there is no current legal risk, it is possible for competitors to try and influence frequency allocation procedures with direct appeals to the **ITU** or by using local (state level) influence. Such activity may delay SSG possibility to deploy an operational system.

(iii) Regulation Risks

- (A) ITU frequency allocation for operational system: ITU approval is required for using communication frequencies in fully operational system. SSG cannot guarantee ITU approval.
- (B) Satellites orbit regulation: Although currently there are no specific regulatory issues concerning nanosatellites in Low Earth Orbit (**LEO**), this is a matter of global policy and regulation. SSG cannot guarantee this will not

change prior to system deployment, and if there will be additional regulation, how it will influence budget and schedule.

- (C) Export license and End-use/End-user regulations: The founders of SSG and key personnel are Israeli citizens and subjected to Israel regulation of export license control. SSG is a registered UK company and is subjected to the UK regulation of export license control. SSG cannot guarantee it will have no impact on schedule or budget.

(iv) Partnership Risks

The SSG business model requires signing partnership/customer agreements with local satellite communication providers. SSG will start at an early stage negotiation with such SatCom providers. However, there are factors beyond SSG control (such as local economy, competitor's activity, sitcom provider considerations etc) that may delay or preclude these agreements.

(v) Security Risks

Global security issues may influence satellite communication market and industry. Investors should consider the implications on SSG and its possible success.

(vi) Launch failure

SSG will secure a launch of its nano-satellites with a launch provider. Space launch is a risk and there is the possibility of a failure, causing major program delay and the need to rebuild, integrate and test the nanosatellites. SSG will use common practice methods to minimize this risk, including selection of launch contractor with high success rate, insurance etc.

(vii) Space environment

- (A) Space environment qualification: SSG nanosatellites hardware is qualified for space environment at some level, however not all components are Rad-Hard (radiation resistant) or fully redundant, as part of the business model and technological concept. There is the possibility of in-space failure due to space environment issues.
- (B) Space weather events: Extreme space weather events such as solar flares, solar eruptions, gamma ray bursts etc are a rare possibility. Although SSG hardware will be designed and tested to withstand nominal space environment conditions, SSG satellites (as most satellites currently in use) are not designed to withstand such an extreme event.

(viii) SSG's intellectual property – Development and Registration in UK

SSG will be developing intellectual property (**IP**) mainly for network algorithms, processing and network management, which it will take steps to protect with an IP registration strategy to the extent possible. Satellite orbit selection, optimisation (and combination) for equatorial coverage is unique and will be a significant and material competitive IP advantage against any future competitors. Frequency regulatory issues should be resolved (as described) within the first year of Settlement using the procedures and knowhow possessed by SSG, and SSG's frequency registration will also be core SSG IP.

(ix) Market risks

Current market forecast is for an ongoing increase in demand for satellites communication bandwidth. Macro-economic factors such as a global economy crisis may change this estimate and market demand.

(x) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of SSG rests substantially on its senior management, key personnel and developers. There can be no assurance that there will be no detrimental impact on SSG if one or more of these employees cease their employment or if one or more of SSG's directors leaves its board.

(b) **Additional requirements for capital**

The funds raised under the Capital Raising are considered sufficient to meet the immediate SSG Business objectives of SSG and the Company. Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operations plans in the future (particularly in relation to SSG) to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. Further additional financing will be required if the Board determines to accelerate the development of the SSG's technology.

The Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of their activities and potential research and development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

(c) **Regulatory risks**

The Company will incur ongoing costs and obligations associated with compliance with necessary regulations. Any failure to comply with regulations may result in additional costs for corrective measures,

penalties or in restrictions on the Company's proposed business operations. In addition, changes in regulations could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

The Company's ability to operate in the future will depend in part on whether it is able to effectively commercialise its potential interests in products. This will depend on successful completion of product development activities, obtaining regulatory approval and on there being commercial demand for such products which cannot be guaranteed;

(d) **Reinstatement to ASX's official list**

It is anticipated that the Company's Shares will be suspended or placed in a trading halt prior to market open on the date of the Meeting. In the event Resolutions 1 to 14 are approved at the Meeting, it is anticipated that the Company's securities will remain suspended until Settlement of the Acquisition and completion of the Capital Raising, re-compliance by the Company with Chapters 1 and 2 of the ASX Listing Rules and compliance with any further conditions ASX imposes on such reinstatement. There is a risk that the Company will not be able to satisfy one or more of those requirements and that its listed Securities may consequently remain suspended from quotation.

(e) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account in the estimates summarised in Section 1.7 above. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

General risks

(a) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's and the Entities' business activities and potential research and development programmes, as well as on their ability to fund those activities.

(b) **Force Majeure**

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company and the Entities, including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(c) **Insurance risks**

The Company intends to insure its operations and those of SSG (as required) in accordance with industry practice. However, in certain circumstances, such insurance may not be of a nature or level to

provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company effected.

(d) **Litigation Risks**

The Company is exposed to possible litigation risks including, but not limited to, intellectual property and patent claims. Further, the Company or SSG may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company and SSG are not currently engaged in any litigation.

(e) **Dependence on outside parties**

The Company may pursue a strategy that forms strategic business relationships with other organisations in relation to potential products and services. There can be no assurance that the Company will be able to attract such prospective organisations and to negotiate appropriate terms and conditions with these organisations or that any potential agreements with such organisations will be complied with.

(f) **Market conditions**

Share market conditions may affect the value of the Company's quoted Securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and biotechnology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return to Security holders arising from the transactions the subject of this Notice or otherwise.

1.14 Taxation

The Acquisition and/or the passing of the Resolutions may give rise to income tax implications for the Company and Shareholders.

Existing Shareholders are advised to seek their own taxation advice on the effect of the Resolutions on their personal position and neither the Company, nor any existing Director or advisor to the Company accepts any responsibility for any

individual Shareholder's taxation consequences on any aspect of the Acquisition or the Resolutions.

1.15 Plans for the Company if the Resolutions are not passed

If Resolutions 1 to 14 are not passed and the Acquisition is not completed, the Company will continue to develop its existing activities and look for potential projects in order to continue to take the Company forward.

1.16 Directors' interests in the Agreement

None of the Company's existing Directors have any interest in the proposed Acquisition pursuant to the Acquisition Agreement, other than as disclosed in this Notice.

1.17 SSG Shareholders

Meir Moalem and Yonatan Sharama are SSG Shareholders and proposed Directors of the Company and are therefore related parties of the Company. Refer to Section 5.2 for further information.

None of the SSG Shareholders have an existing interest in the Company's Securities separate from the Resolutions and the Acquisition Agreement.

1.18 Conditional Resolutions

Resolutions 1 to 14 are inter-conditional, meaning that each of them will only take effect if all of them are approved by the requisite majority of Shareholders' votes at the Meeting. If any one of those Resolutions is not approved at the Meeting, none of them will take effect and the Acquisition Agreement and other matters contemplated by Resolutions 1 to 14 will not be completed pursuant to this Notice.

1.19 Directors' Recommendation

The Directors of the Company unanimously recommend the Acquisition (and the change in nature and scale of the Company's activities) and that Shareholders vote in favour of the Resolutions.

2. RESOLUTION 1 – APPROVAL TO CHANGE THE NATURE AND SCALE OF ACTIVITIES

2.1 General

Resolution 1 seeks the approval of Shareholders for a change in the nature and scale of the Company's activities via the acquisition of 100% of the issued shares of SSG.

A detailed description of the proposed Acquisition is outlined in Section 1 above.

2.2 ASX Listing Rule 11.1

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature and scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;

- (b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the company were applying for admission to the official list of ASX.

ASX has confirmed to the Company that given the significant change in the nature and scale of the activities of the Company upon completion of the Acquisition, it requires the Company to:

- (a) obtain the approval of its Shareholders for the proposed change of activities; and
- (b) re-comply with the admission requirements set out in Chapters 1 and 2 of the ASX Listing Rules.

For this reason, the Company is seeking Shareholder approval for the Company to change the nature and scale of its activities under ASX Listing Rule 11.1.2 and pursuant to ASX Listing Rule 11.1.3 in order to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

Details of the assets to be acquired by the Company and the proposed changes to the structure and operations of the Company are set out throughout this Explanatory Statement.

2.3 Guidance Note 12

Recent changes to Guidance Note 12 alter ASX's policy in relation to the application of the "20 cent rule" to re-compliance listings. Previously a company had to re-comply to the Official List of the ASX at an issue price of 20 cents per share as part of compliance with Chapters 1 and 2 of the ASX Listing Rules. Guidance Note 12 states that this issue price can now be below 20 cents when an entity's securities have been trading on ASX at less than 20 cents. ASX will consider a request not to apply the 20 cent rule provided the issue price, sale price or exercise price for any securities being issued or sold as part of, or in conjunction with, the transaction:

- (a) is not less than two cents each; and
- (b) is specifically approved by security holders as part of the approval obtained under Listing Rule 11.1.2; and
- (c) ASX is otherwise satisfied that the entity's proposed capital structure after the transaction will satisfy Listing Rules 1.1 condition 1 and 12.5 (appropriate structure for a listed entity).

The Company has received a waiver from ASX from:

- (a) ASX Listing Rule 2.1 condition 2 to the extent necessary for the issue price of the Shares to be issued pursuant to the Capital Raising not to be at least 20 cents; and
- (b) ASX Listing Rule 1.1 condition 11 to the extent necessary for the exercise price of the Options currently on issue and the Options to be issued pursuant to the Resolutions not to be at least 20 cents.

For this reason, the Company is seeking Shareholder approval for the Company to:

- (a) issue Shares at an issue price of \$0.02 per Share; and
- (b) to have Options on issue upon Settlement with an exercise price of not less than \$0.02 per Option,

as part of the approvals sought under ASX Listing Rule 11.1.2.

3. RESOLUTION 2 – DISPOSAL OF MAIN UNDERTAKING

3.1 Background

On 1 March 2016, the Company announced to ASX that its wholly controlled entity, Burleson Energy General LLC had entered into an agreement with AKG Energy L.P. (**Agreement**) for the sale of its oil and gas assets located in the United States of America for cash consideration of \$43,500 (the **Disposal**).

The Company's interest in these oil and gas assets is its main undertaking.

ASX Listing Rule 11.2 provides that where a company proposes to make a significant change in the nature or scale of its activities which involves the disposal of its main undertaking, it must first obtain the approval of its shareholders.

Resolution 2 seeks Shareholder approval for the disposal of the Company's main undertaking on the terms of the Agreement.

A summary of the material terms of the Agreement are set out in Section 3.3 below.

3.2 Indicative timetable

Subject to the requirements of the ASX Listing Rules, the Company anticipates completion of the Sale will be in accordance with the following timetable:

Event	Date
ASX announcement of Disposal	1 March 2016
Notice of Meeting despatched to Shareholders	3 March 2016
General Meeting to approve Disposal	1 April 2016
Completion of Agreement*	4 April 2016

** These dates are indicative only and subject to change.*

3.3 Summary of the Agreement

The material terms of the Agreement are as follows:

- (a) (**Sale and purchase**): Burleson Energy General LLC has agreed for Burleson Energy L.P. to assign its interest in all of its oil, gas and mineral leases and AKG Energy L.P. has agreed to acquire the leases.
- (b) (**Consideration**): In consideration for the Disposal, AKG Energy L.P. has agreed to pay the Company \$43,500.

- (c) **(Conditions to completion):** Completion of the Disposal is subject to the Company obtaining the approval of Shareholders for the Disposal.

3.4 Impact on the Company

The impact of the Disposal on the Company's balance sheet is set out in the pro-forma balance sheet.

The cash consideration payable to the Company under the Agreement will be used by the Company towards developing the SSG Business (refer to Section 1.7 for further details).

The Disposal will not have any impact on the capital structure of the Company.

3.5 Advantages and Disadvantages of the Disposal

Advantages

The Directors believe that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the proposed Disposal:

- (a) the Disposal is a condition precedent to settlement of the Acquisition, which the Company considers to be advantageous to Shareholders;
- (b) the Disposal and, subsequently, the Acquisition provides an opportunity for the Company to diversify its interests to include SSG;
- (c) the Disposal will allow the Company to exit its ongoing expenditure obligations related to the assets;
- (d) the Disposal will enable the Company to focus on the SSG Business, further details of which are set out in Sections 1.3 and 1.9; and
- (e) the Disposal will contribute to the Company's ability to progress the SSG Business, which may in turn increase Shareholder value.

Disadvantages

The Directors believe that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the proposed Disposal:

- (a) the primary consequence of the Disposal is that the Company will sell its principal interest in the oil and gas industry and therefore will not be able to benefit from any discovery and resulting successful development of the assets. This may not be consistent with all Shareholders' investment objectives when they elected to invest in the Company;
- (b) the Company will be changing the nature and scale of its activities by a significant extent, which may not be consistent with the investment objectives of all Shareholders; and
- (c) there are inherent risks associated with the change in nature of the Company's activities. Some of these risks are summarised in Section 1.13.

3.6 Future activities and direction post-Disposal

The Company will be focusing on the development of the SSG Business. Refer to Section 1.9 for further details on the proposed direction and focus of the Company following Settlement and the Disposal.

Following the completion of the Disposal and the Capital Raising, the Company will be in a sufficient financial position to progress the development of the SSG business.

3.7 Director interests and recommendations

The Directors do not have any material interest in the outcome of the Resolution other than as a result of their interest arising solely in the capacity as Shareholders.

The Directors have a relevant interest (held directly and indirectly) in the securities of the Company as set out in the following table (on a pre-Consolidation basis):

Director	Shares	Options
Michael Sandy	7,385,188	-
Andrew Bald	11,650,000	4,000,000
Peter Wall	20,000,000	-

The Board has approved the proposal to put Resolution 2 to Shareholders.

Having regard to the advantages and disadvantages of the Disposal as detailed in Section 1.5, each of the Directors intends to vote all of their Shares in favour of Resolution 2.

Based on the information available, all of the Directors consider that the proposed Disposal is in the best interests of the Company and recommend that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – CONSOLIDATION OF CAPITAL

4.1 Background

If Resolution 3 is passed and excluding any Securities issued pursuant to the other Resolutions, the number of:

- (a) Shares on issue will be reduced from 1,100,000,000 to 220,000,000 subject to rounding); and
- (b) Options on issue will be reduced from 4,000,000 to 800,000 (subject to rounding).

4.2 Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

4.3 Fractional entitlements

Not all Security Holders will hold that number of Shares or Options (as the case may be) which can be evenly divided by 5. Where a fractional entitlement occurs, the Company will round that fraction up to the nearest whole Security.

4.4 Taxation

It is not considered that any taxation implications will exist for Security holders arising from the Consolidation. However, Security holders are advised to seek their own tax advice on the effect of the Consolidation and the Company does not accept any responsibility for the individual taxation implications arising from the Consolidation.

4.5 Holding statements

From the date of the Consolidation, all holding statements for Securities will cease to have any effect, except as evidence of entitlement to a certain number of Securities on a post-Consolidation basis.

After the Consolidation becomes effective, the Company will arrange for new holding statements for Securities to be issued to holders of those Securities.

It is the responsibility of each Security holder to check the number of Securities held prior to disposal or exercise (as the case may be).

4.6 Effect on capital structure

The effect which the Consolidation will have on the Company's capital structure is set out in the table below.

Capital Structure	Shares	Unlisted Options ¹
Pre-Consolidation Securities	1,100,000,000	4,000,000
Post 1 for 5 Consolidation of Securities (Resolution 3)	220,000,000	800,000
Completion of Consolidation and prior to additional Resolutions	220,000,000	800,000

1. The terms of these Options are set out in the table below.
2. Refer to the table in Section 1.6 above for the additional Securities to be issued on a post-Consolidation basis pursuant to the other Resolutions in this Notice.

The effect the Consolidation will have on the terms of the Options is as set out in the tables below:

Options – Pre Consolidation

Terms	Number
Options exercisable at \$0.03 by 1 December 2016	4,000,000
Total	4,000,000

Options – Post Consolidation

Terms	Number
Options exercisable at \$0.15 by 1 December 2016	800,000
Total	800,000

4.7 Indicative timetable*

If Resolution 3 is passed, the reduction of capital will take effect in accordance with the following timetable (as set out in Appendix 7A (paragraph 8) of the ASX Listing Rules):

Action	Date
Company announces Consolidation and sends out Notice of Meeting.	3 March 2016
Company tells ASX that Shareholders have approved the Consolidation.	1 April 2016
Last day for pre-Consolidation trading.	4 April 2016
Post-Consolidation trading starts on a deferred settlement basis.	6 April 2016
Last day for Company to register transfers on a pre-Consolidation basis.	8 April 2016
First day for Company to send notice to each holder of the change in their details of holdings.	11 April 2016
First day for the Company to register Securities on a post-Consolidation basis and first day for issue of holding statements.	
Change of details of holdings date. Deferred settlement market ends.	15 April 2016
Last day for Securities to be entered into holders' Security holdings.	
Last day for the Company to send notice to each holder of the change in their details of holdings.	

* Due to the requirement that the Company's securities must be suspended from trading on the day of the Meeting until the ASX approves the Company's re-compliance with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules, many of the events set out above (for example, deferred settlement trading) will not be applicable.

5. RESOLUTION 4 – CREATION OF NEW CLASS OF SECURITIES – PERFORMANCE SHARES

5.1 Requirements for Shareholder approval

Resolution 4 seeks Shareholder approval for the Company to be authorised to issue the Performance Shares.

A company with a single class of shares on issue which proposes to issue new shares not having the same rights as its existing shares, is taken to vary the rights

of existing Shareholders unless the Constitution already provides for such an issue.

Under clause 3.1 of the Constitution and, subject to the Corporations Act and the ASX Listing Rules, the Directors may at any time issue such number of Shares either as ordinary Shares or shares of a named class or classes (being either an existing class or a new class) at the issue price that the Directors determine and with such rights or restrictions as the Directors shall (in their absolute discretion) determine.

Section 246B of the Corporations Act and clause 3.6 of the Constitution provide that the rights attaching to a class of shares cannot be varied without:

- (a) a special resolution passed at a meeting of the members holding shares in that class; or
- (b) the written consent of the members who are entitled to at least 75% of the votes that may be cast in respect of shares in that class.

Pursuant to the Acquisition Agreement, the Company proposes to issue (amongst other securities) 300,000,000 Performance Shares, being:

- (a) 100,000,000 Performance Shares convertible into Shares on the achievement of Milestone 1 (**A Class Performance Shares**);
- (b) 100,000,000 Performance Shares convertible into Shares on the achievement of Milestone 2 (**B Class Performance Shares**); and
- (c) 100,000,000 Performance Shares convertible into Shares on the achievement of Milestone 3 (**C Class Performance Shares**),

on the terms set out in Schedule 2 of this Explanatory Statement.

The purpose of the issue of the Performance Shares is to link part of the consideration for the Acquisition to certain key performance criteria. If the milestones are not achieved within the prescribed timeframe, the Company will redeem the Performance Shares.

The Company currently has only one class of shares on issue being fully paid ordinary shares (**Shares**). The terms of the Performance Shares are not the same as the Shares. Accordingly, the Company seeks approval from Shareholders for the issue of the Performance Shares.

Resolution 4 is a special resolution and is subject to the passing of all other Resolutions.

5.2 ASX Approval pursuant to ASX Listing Rule 6.1 and 6.2

ASX Listing Rule 6.1 provides that the terms that apply to each class of equity security must, in ASX's opinion, be appropriate and equitable.

ASX Listing Rule 6.2 further provides that an entity may only have one class of ordinary securities unless either ASX approves the terms of an additional class or the additional class is of partly paid securities which, if fully paid, would be in the same class as the ordinary securities.

The Company has sought ASX approval for the issuance of the Performance Shares required under ASX Listing Rule 6.1 and 6.2.

6. RESOLUTION 5 – ISSUE OF CONSIDERATION SECURITIES TO SSG SHAREHOLDERS

6.1 General

Resolution 5 seeks Shareholder approval for the issue of:

- (a) 740,000,000 post-Consolidation Shares; and
- (b) 300,000,000 post-Consolidation Performance Shares,

(together, **Consideration Securities**) to the SSG Shareholders (or their nominees).

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

The effect of Resolution 5 will be to allow the Company to issue the Consideration Securities to the SSG Shareholders (or his nominees) during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

The Directors understand that ASX will treat the Securities the subject of Resolution 5 as restricted securities for the purpose of the ASX Listing Rules.

The Consideration Securities to be issued pursuant to this Resolution 5 will be issued such that no individual SSG Shareholder or their associates will hold more than 19.9% of the Shares on issue.

6.2 Chapter 2E of the Corporations Act and Listing Rule 10.11 – Meir Moalem and Yonatan Shrama

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

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

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

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Consideration Securities to Meir Moalem and Yonatan Shrama (proposed incoming Directors of Burleson) because the agreement to grant the Consideration Securities reached as part of the Acquisition Agreement is considered reasonable consideration for the Acquisition and was negotiated on an arm's length basis.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The Directors consider that Listing Rule 10.12 exception 6 applies to the proposed issue of the Consideration Securities to Meir Moalem and Yonatan Shrama and consequently Shareholders' approval is not sought under Listing Rule 10.11.

6.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Vendor Consideration:

- (a) the maximum number of Shares to be issued is 740,000,000;
- (b) the maximum number of Performance Shares to be issued is 300,000,000;
- (c) the Consideration Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue of all those Shares will occur on the same date;
- (d) the issue price of the Consideration Securities will be nil as they are being issued in consideration for the Company's acquisition of the SSG Shares;
- (e) the Consideration Securities will be issued to the SSG Shareholders (or their nominees), in consideration for their respective SSG Shares as set out in Schedule 1;
- (f) the Shares proposed to be issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (g) the Performance Shares proposed to be issued will be a new class of securities (Shareholder approval for which is being sought pursuant to Resolution 4) and will be issued on the terms and conditions set out in Schedule 2; and
- (h) no funds will be raised from the proposed issue of the Consideration Securities as they are proposed to be issued in consideration for the Acquisition.

7. RESOLUTION 6 – ISSUE OF SHARES TO FACILITATORS

7.1 General

Resolution 6 seeks Shareholder approval for the issue of 50,000,000 post-Consolidation Shares to parties that have assisted with facilitating the Acquisition (or their nominees).

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

The effect of Resolution 6 will be to allow the Company to issue the Shares to parties that have assisted with facilitating the Acquisition (or their nominees) during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

Resolution 6 is subject to all other Resolutions being approved.

7.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Shares the subject of Resolution 6:

- (a) the maximum number of Shares to be issued is 50,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of all of the Shares will occur on the same date;
- (c) the deemed issue price of the Shares will be \$0.02 per Share;
- (d) the Shares will be issued parties that have assisted with facilitating the Acquisition (or its nominees), none of which are related parties of the Company;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) no funds will be raised from the issue of the Shares the subject of Resolution 6 as the Shares are being issued in consideration for assistance provided in facilitating the Acquisition.

8. RESOLUTION 7 – ISSUE OF SHARES – CAPITAL RAISING

8.1 General

Resolution 7 seeks Shareholder approval for the issue of up to 250,000,000 post-Consolidation Shares at not less than \$0.02 per Share to raise up to \$5,000,000 (with a minimum of \$4,000,000 to be raised pursuant to the Capital Raising).

The Company may accept oversubscriptions of up to a further \$1,000,000 (equalling a maximum further issue of 50,000,000 Shares at \$0.02 per Share) under the Capital Raising. Shares issued as part of any oversubscription will be issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1.

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

The effect of Resolution 7 will be to allow the Company to issue the Shares pursuant to the Capital Raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

8.2 Technical information required by ASX Listing Rule 7.1

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

- (a) the maximum number of Shares to be issued is 250,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of all the Shares pursuant to the Capital Raising will occur on the same date;

- (c) the issue price of the Shares will be \$0.02 per Share;
- (d) the Shares are proposed to be issued pursuant to a public offer by way of the Prospectus for the purpose of ASX Listing Rule 1.1 condition 3. None of the subscribers for the Capital Raising will be related parties of the Company;
- (e) the Shares proposed to be issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Capital Raising towards the budgeted expenditure described at Section 1.7.

9. RESOLUTIONS 8, 9, 10 AND 11 – ELECTION OF DIRECTORS - BRETT MITCHELL, MEIR MOALEM, MAYA GLICKMAN-PARIENTE AND YONATAN SHRAMA

Pursuant to the Acquisition Agreement, at Settlement it is proposed that Brett Mitchell, Meir Moalem, Maya Glickman-Pariente and Yonatan Shrama each be appointed as a director of the Company.

Resolution 8 seeks approval for the election of Brett Mitchell as a director of the Company on and from Settlement subject to and conditional upon approval of all other Resolutions.

Resolution 9 seeks approval for the election of Meir Moalem as a director of the Company on and from Settlement subject to and conditional upon approval of all other Resolutions.

Resolution 10 seeks approval for the election of Maya Glickman-Pariente as a director of the Company on and from Settlement subject to and conditional upon approval of all other Resolutions.

Resolution 11 seeks approval for the election of Yonatan Shrama as a director of the Company on and from Settlement subject to and conditional upon approval of all other Resolutions.

Brett Mitchell

Mr Mitchell is a corporate finance executive with over 25 years of experience primarily in the finance, capital markets and resources industries. He has been involved in the founding, financing and management of early stage resources and technology companies and currently holds executive and non-executive directorship roles on ASX listed MGC Pharmaceuticals Ltd (ASX:MXC) and Digital CC Ltd (ASX:DCC) respectively.

Following Settlement of the Transaction, Mr Mitchell will be appointed to the board as the corporate director of the Company, and SSG group of companies.

Mr Mitchell holds a Bachelor of Economics from the University of Western Australia and is also a member of the Australian Institute of Company Directors (AICD).

The Board has considered Mitchell's independence and considers that he is an independent Director.

The Directors support the election of Mr Mitchell and recommend that Shareholders vote in favour of Resolution 8.

Meir Moalem

Information on the qualifications, skills and experience of Meir Moalem is set out in Section 1.3(g) above.

The Board has considered Mr Moalem's independence and considers that he is not an independent Director.

The Directors support the election of Mr Moalem and recommend that Shareholders vote in favour of Resolution 9.

Maya Glickman-Pariente

Information on the qualifications, skills and experience of Maya Glickman-Pariente is set out in Section 1.3(g) above.

The Board has considered Ms Glickman-Pariente's independence and considers that she is not an independent Director.

The Directors support the election of Ms Glickman-Pariente and recommend that Shareholders vote in favour of Resolution 10.

Yonatan Shrama

Information on the qualifications, skills and experience of Yonatan Shrama is set out in Section 1.3(g) above

The Board has considered Mr Shrama's independence and considers that he is not an independent Director.

The Directors support the election of Mr Shrama and recommend that Shareholders vote in favour of Resolution 11.

10. RESOLUTIONS 12 AND 13 – ADOPTION OF PERFORMANCE RIGHTS PLAN AND INCENTIVE OPTION SCHEME

Resolution 12 seeks Shareholders approval for the adoption of the employee incentive scheme titled 'Sky and Space Global Ltd - Performance Rights Plan' (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

Resolution 13 seeks Shareholders approval for the adoption of the employee incentive scheme titled "Sky and Space Global Ltd - Incentive Option Scheme" (**Scheme**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

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

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolutions 12 and 13 are passed, the Company will be able to issue Performance Rights under the Plan and Options under the Scheme to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

A summary of the Plan is set out in Schedule 3 of this Notice and a summary of the Scheme is set out in Schedule 4 of this Notice.

Shareholders should note that no Performance Rights have previously been issued under the Plan and no Options have previously been issued under the Scheme.

The objective of the Plan and the Scheme is to attract, motivate and retain key employees and it is considered by the Company that:

- (a) the adoption of the Plan and the issue of Performance Rights under the Plan; and
- (b) the adoption of the Scheme and the issue of Options under the Scheme,

will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Performance Rights under the Plan or Options under the Scheme to a related party or a person whose relation with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time. In addition, copies of the Plan and the Scheme are available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan and/or the Scheme can also be sent to Shareholders upon request to the Company Secretary, Mr Alexander Sundich. Shareholders are invited to contact the Company if they have any queries or concerns.

11. RESOLUTION 14 – CHANGE OF COMPANY NAME

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

Resolution 14 seeks the approval of Shareholders for the Company to change its name to "Sky and Space Global Ltd".

If Resolution 14 is passed the change of name will take effect when ASIC alters the details of the Company's registration.

The proposed name has been reserved by the Company and if Resolution 14 is passed (along with all other Resolutions) the Company will lodge a copy of the special resolution with ASIC on Settlement in order to effect the change.

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

Resolution 14 is subject to the approval of all other Resolutions and subsequent Settlement.

12. ENQUIRIES

Shareholders may contact Burleson's Company Secretary, Alexander Sundich on (+ 61 2) 8252 6177 if they have any queries in respect of the matters set out in this document.

GLOSSARY

\$ means Australian dollars.

A Class Performance Shares has the meaning given in Section 1.4.

Acquisition mean the acquisition of SSG in accordance with the Acquisition Agreement.

Acquisition Agreement has the meaning given in Section 1.2.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

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

B Class Performance Shares has the meaning given in Section 1.4.

Board means the board of directors of the Company.

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

C Class Performance Shares has the meaning given in Section 1.4.

Capital Raising has the meaning given in Section 1.2.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company, BUR or Burleson means Burleson Energy Ltd (ACN 117 770 475).

Consideration Securities has the meaning given in Section 6.1.

Consolidation means the consolidation of the Company's Securities on a 1:5 basis.

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Disposal has the meaning given in Section 3.1.

Directors means the directors of the Company.

End Date has the meaning given in Section 1.4.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

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

ITU has the meaning given in Section 1.3(f).

Loan Agreement has the meaning given to that term in Section 1.4(b).

Milestone 1 has the meaning given to that term in Schedule 2.

Milestone 2 has the meaning given to that term in Schedule 2.

Milestone 3 has the meaning given to that term in Schedule 2.

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

Option means an option to acquire a Share.

ordinary securities has the meaning set out in the ASX Listing Rules.

Performance Right means a performance right issued under the Plan.

Performance Share means any one of an A Class Performance Share, B Class Performance Share or C Class Performance Share issued on the terms and conditions contained in Schedule 2.

Plan has the meaning given in Section 10.

Prospectus means the prospectus proposed to be issued by the Company in relation to the Capital Raising.

Proxy Form means the proxy form accompanying the Notice.

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

Schedule means a schedule to the Notice.

Scheme has the meaning given in Section 10.

Section means a section of the Explanatory Statement unless otherwise specified.

Security holder means a holder of one or more Securities.

Securities means all Equity Securities of the Company, including a Share and an Option.

Settlement means settlement under the Acquisition Agreement of the sale by the SSG Shareholders and purchase by the Company of the SSG Shares.

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

Shareholder means a holder of a Share.

SSG means Sky and Space Global (UK) Limited (an entity incorporated in England (Incorporation Number 9887327)).

SSG Business has the meaning given in Section 1.2.

SSG Shares means 100% of the issued shares in SSG.

SSG Shareholders means those shareholders set out in Schedule 1.

US means US dollars.

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

SCHEDULE 1 – SSG SHAREHOLDERS AND CONSIDERATION FOR ACQUISITION

Name	Contact details	SSG Shares held as at the General Meeting	Burleson Shares	A Class Performance Shares	B Class Performance Shares	C Class Performance Shares
Meir Moalem	meir@skyandspace.global	288,462	219,333,334	25,333,333	25,333,333	30,000,000
Meidad Pariente	meidad@skyandspace.global	288,462	219,333,333	25,333,333	25,333,334	30,000,000
Yonatan Shrama	yonatan@skyandspace.global	288,462	219,333,333	25,333,334	25,333,333	30,000,000
Chitta Lu Ltd	zomerroby@gmail.com	35,480	36,900,000	-	-	-
Platypus Investments Ltd	zomerroby@gmail.com	43,365	45,100,000	-	-	-
Doron Zauer	doron@skyandspace.global	55,769	-	24,000,000	24,000,000	10,000,000
Total		1,000,000	740,000,000	100,000,000	100,000,000	100,000,000

SCHEDULE 2 – TERMS OF PERFORMANCE SHARES

The terms of the Performance Shares are set out as follows:

1. Rights attaching to the Performance Shares

- (a) **(Performance Shares):** Each Performance Share is a share in the capital of Burleson Energy Limited (ACN 117 770 475) (**BUR**).
- (b) **(General meetings):** Each Performance Share confers on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of BUR that are circulated to the holders of fully paid ordinary shares in the capital of BUR (**Shareholders**). Holders have the right to attend general meetings of Shareholders.
- (c) **(No voting rights):** A Performance Share does not entitle the Holder to vote on any resolutions proposed by BUR except as otherwise required by law.
- (d) **(No dividend rights):** A Performance Share does not entitle the Holder to any dividends.
- (e) **(No rights to return of capital)** A Performance Share does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (f) **(Rights on winding up):** A Performance Share does not entitle the Holder to participate in the surplus profits or assets of BUR upon winding up.
- (g) **(Not transferable):** A Performance Share is not transferable.
- (h) **(Reorganisation of capital):** If at any time the issued capital of BUR is reconstructed (including a consolidation, subdivision, reduction, cancellation or return of issued share capital), all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.
- (i) **(Application to ASX):** The Performance Shares will not be quoted on ASX. However, if BUR is listed on ASX at the time of conversion of the performance shares into fully paid ordinary shares (**Shares**), BUR must within 10 Business Days apply for the official quotation of the Shares arising from the conversion on ASX.
- (j) **(Participation in entitlements and bonus issues):** A Performance Share does not entitle a Holder (in their capacity as a holder of a Performance Share) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (k) **(Amendments required by ASX):** The terms of Performance Share may be amended as necessary by the BUR board in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.

- (l) **(No Other Rights):** A Performance Share gives the Holder no 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.

2. **Conversion of the Performance Shares**

- (a) **(Milestones):** A Performance Share in the relevant class will convert into one Share upon achievement of:

- (i) **A Class Performance Shares:** SSG executes a launch contract for at least two nanosatellites within eighteen (18) months of Settlement (**Milestone 1**);
- (ii) **B Class Performance Shares:** SSG completes the design and manufacture of a working nano satellite together with the integration of requisites systems and communication capability, including a Launch Readiness Review (LRR) of the nano satellite by its manufacturer to prove that the nano satellite is fully validated and tested for launch, within twenty four (24) months of Settlement (**Milestone 2**); and
- (iii) **C Class Performance Shares:** SSG successfully launches at least two nano satellites and completes successful full service testing of operating system to confirm delivery of voice and messaging data, including an In-Orbit Acceptance Review (IOAR) conducted by the nano satellite manufacturer or a qualified independent third party to demonstrate that the communication payload is operating according to specifications, within thirty (30) months of Settlement (**Milestone 3**);

(each referred to as a **Milestone**).

- (b) **(Conversion on change of control):** Notwithstanding the relevant Milestone has not been satisfied, upon the occurrence of either:

- (i) a takeover bid under Chapter 6 of the *Corporations Act 2001* (Cth) having been made in respect of BUR having received acceptances for more than 50% of BUR's shares on issue and being declared unconditional by the bidder; or
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the reconstruction of BUR or its amalgamation with any other company or companies,

that number of Performance Shares that is equal to a maximum of 10% of the Shares on issue immediately following conversion under this paragraph will convert into an equivalent number of Shares. The conversion will be completed on a pro rata basis across each class of Performance Shares then on issue as well as on a pro rata basis for each Holder. Performance Shares that are not converted into Shares under this paragraph will continue to be held by the Holders on the same terms and conditions.

- (c) **(Takeover Provisions)**

- (i) If the conversion of Performance Shares (or part thereof) under clauses 2(a) or 2(b) would result in any person being in contravention of section 606(1) of the Corporations Act, then the conversion of each Performance Share that would cause the contravention shall be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1). Following a deferment under this clause 2(c), the Company shall at all times be required to convert that number of Performance Shares that would not result in a contravention of section 606(1).
- (ii) The Holders shall give notification to the Company in writing if they consider that the conversion of Performance Shares (or part thereof) under clauses 2(a) or 2(b) may result in the contravention of section 606(1), failing which the Company shall assume that the conversion of Performance Shares (or part thereof) under clauses 2(a) or 2(b) will not result in any person being in contravention of section 606(1).
- (iii) The Company may (but is not obliged to), by written notice, request the Holders to give notification to the Company in writing within seven (7) days if they consider that the conversion of Performance Shares (or part thereof) under clauses 2(a) or 2(b) may result in the contravention of section 606(1). If the Holders do not give notification to the Company within seven (7) days that they consider the conversion of Performance Shares (or part thereof) under clauses 2(a) or 2(b) may result in the contravention of section 606(1), then the Company shall assume that the conversion of Performance Shares (or part thereof) under clauses 2(a) or 2(b) will not result in any person being in contravention of section 606(1).
- (d) **(Redemption if Milestone not achieved)** If the relevant Milestone is not achieved by the required date, then the total number of Performance Shares on issue to each Holder will convert into one (1) Share.
- (e) **(Conversion Procedure):** BUR will issue the Holder with a new holding statement for the Share issued upon conversion of a Performance Share within 10 Business Days following the conversion.
- (f) **(Ranking upon conversion)** The Share into which a Performance Share may convert will rank pari passu in all respects with the existing BUR Shares.

SCHEDULE 3 – SUMMARY OF PERFORMANCE RIGHTS PLAN

The key terms of the Plan are as follows:

- (a) The Board may, from time to time, in its absolute discretion, make a written offer to any of the following:
 - (i) a Director (whether executive or non-executive) of the Company, its subsidiaries and any other related body corporate of the Company (**Group Company**);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order) (**Class Order**); or
 - (iv) a prospective participant, being a person to whom the offer to participate in the Plan (**Offer**) is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under clauses (a), (b) or (c) above,

(**Eligible Participants**).
- (b) Under the Plan the Board may grant Performance Rights to Eligible Participants with effect from the date determined by the Board, upon the terms set out in the Plan and upon such additional terms and vesting conditions as the Board determines.
- (c) The Board will advise each Eligible Participant of the following minimum information regarding the Performance Rights:
 - (i) the maximum number of Performance Rights that the Eligible Participant may apply for, or the formula for determining the number of Performance Rights that may be applied for;
 - (ii) the maximum number of Shares that the Eligible Participant is entitled to be issued on the exercise of each Performance Right or the formula for determining the maximum number of Shares;
 - (iii) any applicable vesting conditions;
 - (iv) when unvested Performance Rights will expire (**Expiry Date**);
 - (v) the date by which an offer must be accepted (**Closing Date**); and
 - (vi) any other information required by law or the ASX Listing Rules or considered by the Board to be relevant to the Performance Rights or the Shares to be issued on exercise of the Performance Rights.
- (d) Subject to clause (h), a Performance Right granted under the Plan will not vest and be exercisable unless the vesting conditions (if any) have been satisfied and the Board has notified the Eligible Participant of that fact.
- (e) The Board must notify an Eligible Participant in writing within 10 Business Days of becoming aware that any vesting conditions attaching to a Performance Right have been satisfied.

- (f) Subject to the Corporations Act, the ASX Listing Rules and the Plan, the Company must issue to the Participant or his or her personal representative (as the case may be) the number of Shares the Participant is entitled to be issued in respect of vested Performance Rights that are exercised, within 10 business days of the Performance Rights being exercised.
- (g) A Performance Right will lapse upon the earlier to occur of:
- (i) an unauthorised dealing in, or hedging of, the Performance Right occurring, as governed by the Plan;
 - (ii) a vesting condition in relation to the Performance Right is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to vest the Performance Right in accordance with the Plan;
 - (iii) a vested Performance Right is not exercised within the time limit specified in the Plan;
 - (iv) an Eligible Participant (or, where the participant is a nominee of the Eligible Participant, that Eligible Participant) ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right in accordance with the Plan;
 - (v) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant in accordance with the Plan;
 - (vi) the Company undergoes a change of control or a winding up resolution or order is made, and the Board does not exercise its discretion to vest the Performance Right in accordance with the Plan;
 - (vii) the Expiry Date of the Performance Right; and
 - (viii) the seven (7) year anniversary of the date of grant of the Performance Rights.
- (h) The Board may, in its absolute discretion, by written notice to a participant, resolve to waive any of the vesting conditions applying to the Performance Rights due to:
- (i) a Eligible Participant or, where the participant is a nominee of an Eligible Participant, that Eligible Participant, ceasing to be an Eligible Participant as a result of:
 - (A) death or total or permanent disability; or
 - (B) retirement or redundancy; or
 - (ii) an Eligible Participant or, where the participant is a nominee of an Eligible Participant, that Eligible Participant, suffering severe financial hardship;
 - (iii) the terminal illness of the participant (or Eligible Participant, as applicable) or of an immediate family member of the participant (or Eligible Participant, as applicable);

- (iv) a change of control occurring or the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company, in which case, a participant (or their personal legal representative where applicable) may exercise any vested Performance Right at any time within one month of the Board notifying that the Performance Right has vested, failing which the Performance Right will lapse, by a signed written notice to the Board specifying the Performance Rights being exercised and providing the certificate for those Performance Rights.

SCHEDULE 4 – SUMMARY OF OPTION SCHEME

The key terms of the Option Scheme are as follows:

- (a) **Eligibility:** Participants in the Scheme may be:
- (i) a Director (whether executive or non-executive) of the Company, its subsidiaries and any other related body corporate of the Company (**Group Company**);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 (or any amendment to or replacement of that Class Order) (**Class Order**); or
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a Participant under clauses (a), (b) or (c) above,
- who is declared by the Board to be eligible to receive grants of Options under the Scheme (**Participants**).
- (b) **Administration of Scheme:** The Board is responsible for the operation of the Scheme and has a broad discretion to determine which Participants will be offered Options under the Scheme.
- (c) **Offer:** The Board may issue an offer to a Participant to participate in the Scheme. The offer:
- (i) set out the number of Options offered under the Scheme;
 - (ii) will specify the exercise price and expiry date of the Options;
 - (iii) will specify any exercise conditions and restriction periods applying to the Options;
 - (iv) will specify an acceptance period; and
 - (v) specify any other terms and conditions attaching to the Options.
- (d) **Issue price:** unless the Options are quoted on the ASX, Options issued under the Scheme will be issued for no more than nominal cash consideration.
- (e) **Exercise Conditions:** An Option may be made subject to exercise conditions as determined by the Board in its discretion and as specified in the offer for the Option.
- (f) **Restriction Periods:** a Share issued on exercise of an Option may be made subject to a restriction period as determined by the Board in with the Scheme and as specified in the Offer for the Option.
- (g) **Lapse of Options:** Subject to this Scheme, a Participant's unexercised Option will lapse immediately and all rights in respect of that Option will be lost if, in respect of the Option:

- (i) the relevant person ceases to be a Participant for any reason whatsoever (including without limitation resignation or termination for cause) and:
 - (A) any exercise conditions have not been met by the date the relevant person ceases to be a Participant (**Ceasing Date**); or
 - (B) where any exercise conditions have been met by the Ceasing Date or the Option is not subject to any exercise conditions, the Participant does not exercise the Option within a period of three (3) months after the Ceasing Date (or a further date as determined by the Board after the Ceasing Date);
 - (ii) any exercise conditions are unable to be met; or
 - (iii) the expiry date has passed,
- whichever is earlier.
- (h) **Power of attorney:** Each Participant, in consideration of an offer, irrevocably appoints the Company and any person nominated from time to time by the Company (each an "attorney"), severally, as the Participant's attorney to complete and execute any documents including applications for Shares and Share transfers and to do all acts or things on behalf of and in the name of the Participant which may be convenient or necessary for the purpose of giving effect to the provisions of the Scheme.
 - (i) **Scheme limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Options offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.
 - (j) **Restriction on transfer:** Options will not be transferable except to the extent provided for by the Scheme or unless the Offer provides otherwise.
 - (k) **Quotation on ASX:** Options will not be quoted on the ASX, except to the extent provided for by the Scheme or unless the Offer provides otherwise.
 - (l) **Rights attaching to Shares:** Each Share issued on exercise of an Option will have the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Scheme) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

PROXY FORM

BURLESON ENERGY LTD
ACN 117 770 475

GENERAL MEETING

I/We
being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:
Name of proxy:
Address of proxy:

OR: ☐ the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair of the General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the General Meeting to be held at Level 6, 9 Barrack Street, Sydney, New South Wales at 10:30am on [1 April 2016, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 12 and 13 (except where I/we have indicated a different voting intention below) even though Resolutions 12 and 13 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Change to Nature and Scale of Activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Disposal of Main Undertaking			
Resolution 3	Consolidation of Capital	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Creation of New Class of Securities – Performance Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Consideration Securities to SSG Shareholders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Shares to Facilitators	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Shares – Capital Raising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Election of Director – Brett Mitchell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Election of Director – Meir Moalem	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Election of Director – Maya Glickman-Pariente	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Election of Director – Yonatan Shrama	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Adoption of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Adoption of Option Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14	Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s): _____ Date: _____

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ Contact Ph (daytime): _____

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked, the proxy may vote as they choose, subject to the relevant laws. Where more than one box is marked on an item, the vote will be invalid on that item.
3. **(Signing instructions):**
 - (a) **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - (b) **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - (c) **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - (d) **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) By hand to Burleson Energy Ltd, Level 6, 9 Barrack Street, Sydney NSW 2000; or
 - (b) post to Burleson Energy Ltd, Level 6, 9 Barrack Street, Sydney NSW 2000; or
 - (c) facsimile to the Company on facsimile number +61 2 8252 6178,so that it is received no later than not more than 48 hours before the meeting. **Proxy Forms received later than this time will be invalid.**