

### MARKET RELEASE

19 September 2014

### WINCHESTER ENERGY LIMITED

### PRE-QUOTATION DISCLOSURE

Winchester Energy Limited ("Company") was admitted to the Official List of ASX Limited on, Thursday, 18 September 2014.

Official Quotation of the Company's securities will commence at 12 Noon EST (10.00am WST) on Tuesday, 23 September 2014.

The following information is released as pre-quotation disclosure.

- 1. Appendix 1A and Information Form & Checklist
- 2. Information Form and Checklist Annexure II
- 3. Constitution
- 4. Top 20 holders
- 5. Distribution schedule
- 6. Statement of Issued Capital
- 7. A statement confirming the completion of the CEP Purchase Agreement dated 24 June 2014 between the Company, CEP Nolan Partners Inc, and the Shareholders of CEP Nolan Partners Inc and the issue of.
  - 7.1. 51,000,000 Shares;
  - 7.2. 14,000,000 Options
  - 7.3. 1,000 Class A Convertible Milestone Notes
  - 7.4. ,2000 Class B Convertible Milestone Notes; and

- 7.5. 3.000 Class C Convertible Milestone Notes
- 8. A statement confirming satisfaction of the conditions precedent and confirmation of completion of the ESPB Contribution Agreement dated 24 June 2014 between CEP Nolan Partners Inc and ESPB Investments Inc.
- A statement confirming satisfaction of the conditions precedent and confirmation of completion of the Vendor Contribution Agreement dated 4 June 2014 between CEP Nolan Partners Inc, the shareholders of CEP Nolan Partners Inc, Carina Energy LLC and Carina Energy Partners LLC.
- 10. A statement confirming the repayment, and discharge and release of the secured loan in the sum of \$400,000 lent to the Company by Haifa Pty Ltd and JDK Nominees Pty Ltd and secured against all the Company's assets.
- 11. An updated reviewed pro-forma statement of financial position based on the actual amount of funds raised under the Prospectus
- 12. The full terms and conditions of all option issued by the Company
- 13. A statement setting out the number of securities subject to ASX restrictions and the restriction period applied to those securities

Security Code: WEL

James Rowe
Manager Adviser, Listings Compliance (Perth)

Rules 1.1 Cond 3, 1.7

### **Appendix 1A**

### **ASX Listing Application and Agreement**

This form is required by listing rule 1.7 to be used by an entity seeking admission to the \*official list as an ASX Listing (for classification as an ASX Debt Listing use Appendix 1B and for classification as an ASX Foreign Exempt Listing use Appendix 1C).

All entity's seeking admission to the <sup>+</sup>official list as an ASX Listing must also provide to ASX the information and documents referred to in the Information Form and Checklist (ASX Listing) published on the ASX website.

The Appendix 1A and the Information Form and Checklist (ASX Listing) given to ASX become ASX's property and will be made public by way of release on ASX Markets Announcement Platform. Supporting documents may also be made public. This may occur prior to admission of the entity and <sup>†</sup>quotation of its <sup>†</sup>securities. If it does, publication does not mean that the entity will be admitted or that its <sup>†</sup>securities will be quoted.

Introduced 01/07/96 Origin: Appendix 1 Amended 01/07/97, 01/07/98, 01/09/99, 13/03/00, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 20/07/07, 01/01/12, 01/05/13

Name of entity	ABN/ <del>ARBN</del> / <del>ARSN</del>
Winchester Energy Limited	21 168 586 445

We (the entity named above) apply for admission to the +official list of ASX Limited (ASX) as an ASX Listing and for +quotation of the following +securities:

Number to be quoted +Class		
<sup>+</sup> Main class of <sup>+</sup> securities	190,416,672	Fully-paid ordinary shares.
Additional *classes of *securities to be quoted (if any) [Do not include *CDIs]		
1		

### We agree:

- Our admission to the +official list and classification as an ASX Listing is in ASX's absolute discretion. ASX may admit us on any conditions it decides. +Quotation of our +securities is in ASX's absolute discretion. ASX may quote our +securities on any conditions it decides. Our removal from the +official list, the suspension or ending of +quotation of our +securities, or a change in the category of our admission is in ASX's absolute discretion. ASX is entitled immediately to suspend +quotation of our +securities or remove us from the +official list if we break this agreement, but the absolute discretion of ASX is not limited.
- 2. We warrant the following to ASX:
  - The issue of the 'securities to be quoted complies with the law and is not for an illegal purpose.

01/05/2013

<sup>+</sup> See chapter 19 for defined terms.

- \* The \*securities to be quoted comply with listing rule 2.1 and there is no reason why the \*securities should not be granted \*quotation.
- An offer of the \*securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 and section 1016E of the Corporations Act do not apply to any applications received by us in relation to any \*securities to be quoted and that no-one has any right to return any \*securities to be quoted under sections 601MB(1), 737, 738, 992A, 992AA or 1016F of the Corporations Act at the time that we request that the \*securities be quoted.
- \* If we are a trust, we warrant that no person has the right to return the 
  \*securities to be quoted under section 1019B of the Corporations Act at the time that we request that the \*securities be quoted.
- 3. We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from, or connected with, any breach of the warranties in this agreement.
- 4. We give ASX the information and documents required by this form, including the information and documents referred to in the *Information Form and Checklist (ASX Listing)* published on the ASX website. If any information or document is not available now, we will give it to ASX before \*quotation of the \*securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (or will be) true and complete.
- 5. We will comply with the listing rules that are in force from time to time, even if 'quotation of our 'securities is deferred, suspended or subject to a 'trading halt.
- 6. The listing rules are to be interpreted:
  - in accordance with their spirit, intention and purpose;
  - by looking beyond form to substance; and
  - \* in a way that best promotes the principles on which the listing rules are based.
- 7. ASX has discretion to take no action in response to a breach of a listing rule. ASX may also waive a listing rule (except one that specifies that ASX will not waive it) either on our application or of its own accord on any conditions. ASX may at any time vary or revoke a decision on our application or of its own accord.
- 8. A document given to ASX by an entity, or on its behalf, becomes and remains the property of ASX to deal with as it wishes, including copying, storing in a retrieval system, transmitting to the public, and publishing any part of the document and

Appendix 1A Page 2 01/05/2013

<sup>+</sup> See chapter 19 for defined terms.

permitting others to do so. The documents include a document given to ASX in support of the listing application or in compliance with the listing rules.

- 9. In any proceedings, a copy or extract of any document or information given to ASX is of equal validity in evidence as the original.
- 10. Except in the case of an entity established in a jurisdiction whose laws have the effect that the entity's \*securities cannot be approved under the operating rules of the \*approved CS facility:
  - We will satisfy the 'technical and performance requirements of the 'approved CS facility and meet any other requirements the 'approved CS facility imposes in connection with approval of our 'securities.
  - When \*securities are issued we will enter them in the \*approved CS facility's subregister holding of the applicant before they are quoted, if the applicant instructs us on the application form to do so.
  - The <sup>†</sup>approved CS facility is irrevocably authorised to establish and administer a subregister in respect of the <sup>†</sup>securities for which <sup>†</sup>quotation is sought.

	a subregister in respect of the securities for which quotation is sought.
1,	Except in the case of an entity established in a jurisdiction whose laws have the effect that the entity's *securities cannot be approved under the operating rules of the *approved CS facility, we confirm that either:
	we have given a copy of this application to the *approved CS facility in accordance with the operating rules of the *approved CS facility; or
	we ask ASX to forward a copy of this application to the *approved CS facility.
2.	In the case of an entity established in a jurisdiction whose laws have the effect that the entity's *securities cannot be approved under the operating rules of the *approved CS facility:
	• The <sup>†</sup> approved CS facility is irrevocably authorised to establish and administer a subregister in respect of <sup>†</sup> CDIs.
	<ul> <li>We will make sure that <sup>+</sup>CDIs are issued over <sup>+</sup>securities if the holder of quoted <sup>+</sup>securities asks for <sup>+</sup>CDIs.</li> </ul>
.3,	In the case of an entity established in a jurisdiction whose laws have the effect that the entity's *securities cannot be approved under the operating rules of the *approved CS facility:
	we have given a copy of this application to the approved CS facility in accordance

Appendix 1A Page 3 01/05/2013

we ask ASX to forward a copy of this application to the tapproved CS facility.

with the operating rules of the +approved CS facility; or

<sup>+</sup> See chapter 19 for defined terms.

Dated:	15	August	2014
--------	----	--------	------

Executed as a deed:

EXECUTED by WINCHESTER ENERGY LIMITED

ACN 168 586 445

in accordance with section 127 of the

Corporations Act 2001 (Cth):

Signature of director

Signature of director/company secretary

Name of director

NICHOLDS ANDREW CARDER

Name of director/company secretary

[Include proper execution clause and signature(s)]

You must complete, date and sign this agreement so that it takes effect as a deed. If the entity is an Australian company, the signatures of a director and a director/company secretary will be required. If the entity is an Australian trust, the signatures of a director and a director/company secretary of the responsible entity of the trust will be required. If the entity is established outside Australia, execution will have to comply with requirements for a deed in both the place of establishment of the entity and in Australia. If this agreement is signed under a power of attorney, please attach a copy of the power of attorney.

Appendix 1A Page 4

01/05/2013

<sup>+</sup> See chapter 19 for defined terms.

### Information Form and Checklist

(ASX Listing)

Name of entity	ABN/ARBN/ARSN
Winchester Energy Limited	21 168 586 445

We (the entity named above) supply the following information and documents to support our application for admission to the official list of ASX Limited (ASX) as an ASX Listing.

**Note:** the entity warrants in its Appendix 1A ASX Listing Application and Agreement that the information and documents referred to in this information Form and Checklist are (or will be) true and complete and indemnifies ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from, or connected with, any breach of that warranty.

Any Annexures to this Information Form and Checklist form part of the Information Form and Checklist and are covered by the warranty referred to above.

Terms used in this Information Form and Checklist and in any Annexures have the same meaning as in the ASX Listing Rules.

### Part 1 - Key Information

Instructions: please complete each applicable item below. If an item is not applicable, please mark it as "N/A".

### All entities - corporate details1

Place of incorporation or establishment	Western Australia
Date of incorporation or establishment	17 March 2014
Legislation under which incorporated or established	Corporations Act 2001 (Cth)
Address of registered office in place of incorporation or establishment	First Floor, 100 Havelock Street West Perth WA 6005
Main business activity	Oil and Gas Exploration and Development
Other exchanges on which the entity is listed	N/A
Street address of principal administrative office	First Floor, 100 Havelock Street West Perth WA 6005
Postal address of principal administrative office	First Floor, 100 Havelock Street West Perth WA 6005
Telephone number of principal administrative office	1300 133 921
E-mail address for investor enquiries	admin@winchesterenergyltd.com

If the entity applying for admission to the official list is a stapled structure, please provide these details for each entity comprising the stapled structure.

Website URL	www.winchesterenergyltd.com
1	

### All entities – management details<sup>2</sup>

:		
Full name and title of CEO/managing director	Neville McVicers Henry	
Full name and title of chairperson of directors	Peter Donald Allchurch	
Full names of all existing directors	John Damian Kenny	
·	James Roy Hodges	
Full names of any persons proposed to be appointed as additional or replacement directors	N/A	
Full name and title of company secretary	Nicholas Andrew Calder	

### All entities - ASX contact details3

Full name and title of ASX contact(s)	Nicholas Andrew Calder
Business address of ASX contact(s)	Level 1, 100 Havelock Street, West Perth WA 6005
Business phone number of ASX contact(s)	1300 133 921
Mobile phone number of ASX contact(s)	0412 910 898
Email address of ASX contact(s)	nc@winchesterenergyltd.com

### All entities - auditor details4

Full name of auditor	BDO Audit (WA) Pty Ltd
L	

### All entities – registry details<sup>5</sup>

Name of securities registry	Automic Pty Ltd Trading As Automic Registry Services

<sup>&</sup>lt;sup>2</sup> If the entity applying for admission to the official list is a trust, enter the management details for the responsible entity of the trust.

Under Listing Rule 1.1 Condition 12, a listed entity must appoint a person responsible for communication with ASX. You can appoint more than one person to cater for situations where the primary nominated contact is not available.

In certain cases, ASX may require the applicant to provide information about the qualifications and experience of its auditor for release to the market before quotation commences (Guidance Note 1 section 2.8).

<sup>5</sup> If the entity has different registries for different classes of securities, please indicate clearly which registry details apply to which class of securities.

Address of securities registry	Level 1, 7 Ventnor Avenue, West Perth WA 6005
Phone number of securities registry	+61 8 9324 2099
Fax number of securities registry	+61 8 9321 2337
Email address of securities registry	stephen@automic.com.au
Type of subregisters the entity will operate <sup>6</sup>	CHESS and Issuer Sponsorship (refer to Section 10.10 of the Prospectus, Folder Item 4)

### All entities - key dates

Annual balance date	30 June
Month in which annual meeting is usually held (or intended to be held) <sup>7</sup>	November
Months in which dividends or distributions are usually paid (or are intended to be paid)	N/A

### Trusts - additional details

Name of responsible entity	N/A
Duration of appointment of directors of responsible entity	N/A
Full names of the members of the compliance committee (if any)	N/A

### Entities incorporated or established outside Australia – additional details

Name and address of the entity's Australian agent for service of process	N/A
If the entity has or intends to have a certificated subregister for quoted securities, the location of the Australian subregister	N/A
Address of registered office in Australia (if any)	N/A

Example: CHESS and issuer sponsored subregisters.

May not apply to some trusts.

### Entitles listed or to be listed on another exchange or exchanges

Name of the other exchange(s) where the entity is or proposes to be listed	N/A
Is the ASX listing intended to be the entity's primary or secondary listing	Primary Listing

### Part 2 - Checklist Confirming Compliance with Admission Requirements

Instructions: please indicate in the "Location/Confirmation" column for each item below and in any Annexures where the information or document referred to in that item is to be found (eg in the case of information, the specific page reference in the Offer Document where that information is located or, in the case of a document, the folder tab number where that document is located). If the item asks for confirmation of a matter, you may simply enter "Confirmed" in the "Location/Confirmation" column. If an item is not applicable, please mark it as "N/A".

In this regard, it will greatly assist ASX and speed up its review of the application if the various documents referred to in this Checklist and any Annexures (other than the 25 copies of the applicant's Offer Document referred to in item 4) are provided in a folder separated by numbered tabs and if the entity's constitution and copies of all material contracts are provided both in hard copy and in electronic format.

Note that completion of this Checklist and any Annexures is not to be taken to represent that the entity is necessarily in full or substantial compliance with the ASX Listing Rules or that ASX will admit the entity to its official list. Admission to the official list is in ASX's absolute discretion and ASX may refuse admission without giving any reasons (see Listing Rule 1.19).

A reference in this Checklist and in any Annexures to the "Offer Document" means the listing prospectus, product disclosure statement or information memorandum lodged by the applicant with ASX pursuant to Listing Rule 1.1 Condition 3.

If the applicant lodges a supplementary or replacement prospectus, product disclosure statement or information memorandum with ASX, ASX may require it to update this Checklist and any Annexures by reference to that document.

### All entities - key supporting documents

### Nº Item

- A copy of the entity's certificate of incorporation, certificate of registration or other evidence of status (including any change of name)
- 2. A copy of the entity's constitution (Listing Rule 1.1 Condition 1A)8
- Either:
  - (a) confirmation that the entity's constitution includes the provisions of Appendix 15A or Appendix 15B (as applicable); or
  - (b) a completed checklist that the constitution complies with the Listing Rules (Listing Rule 1.1 Condition 2)<sup>9</sup>
- An electronic version and 25 copies of the Offer Document, as lodged with ASIC (Listing Rule 1.1 Condition 3)
- 5. If the entity's corporate governance statement<sup>10</sup> is included in its Offer Document, the page reference where it is included. Otherwise, a copy of the entity's corporate governance statement (Listing Rule 1.1 Condition 13)

Location/Confirmation

ASIC Certificate of Incorporation (Folder, Item 2)

Folder, Item 3

Section 24 of the Constitution (Folder, Item 3)

Printout of Prospectus at Folder, Item 1 USB Drive [CD?] containing electronic version of Prospectus at Folder, Item 1, Copy of ASIC Lodgement Receipt

Corporate Governance Statement at Section 2.3 of Prospectus

<sup>8</sup> It will assist ASX if the copy of the constitution is provided both in hard copy and in electronic format.

<sup>&</sup>lt;sup>9</sup> An electronic copy of the checklist is available from the ASX Compliance Downloads page on ASX's website.

The entity's "corporate governance statement" is the statement disclosing the extent to which the entity will follow, as at the date of its admission to the official list, the recommendations set by the ASX Corporate Governance Council. If the entity does not intend to follow all the recommendations on its admission to the official list, the entity must separately identify each recommendation that will not be followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it intends to adopt in lieu of the recommendation.

N	o	ten

6. If the entity will be included in the S & P All Ordinaries Index on admission to the official list, 11 where in its Offer Document does it state that it will have an audit committee (Listing Rule 1.1 Condition 13)

Location/Confirmation
N/A

 If the entity will be included in the S & P / ASX 300 Index on admission to the official list,<sup>12</sup> where in its Offer Document does it state that it will comply with the recommendations set by the ASX Corporate Governance Council in relation to composition and operation of the audit committee (Listing Rule 1.1 Condition 13) N/A

 Original executed agreement with ASX that documents may be given to ASX and authenticated electronically (Listing Rule 1.1 Condition 14)<sup>13</sup> Folder, Item 5

 If the entity's trading policy is included in its Offer Document, the page reference where it is included. Otherwise, a copy of the entity's trading policy (Listing Rule 1.1 Condition 15) Corporate Governance Statement at section 2.3(g) of Prospectus

 If the entity will be included in the S & P / ASX 300 Index on admission to the official list,<sup>14</sup> where in its Offer Document does it state that it will have a remuneration committee comprised solely of non-executive directors (Listing Rule 1.1 Condition 16) N/A

 For each director or proposed director, 15 a list of the countries in which they have resided over the past 10 years (Listing Rule 1.1 Condition 17 and Guidance Note 1 section 3.15)16 Two Directors have resided in Australia for the past 10 years, John Kenny and Peter Allchurch.

Two Directors have resided overseas for the past 10 years, Neville Henry and James Hodges who have resided in the United States for that time.

12. For each director or proposed director who is or has in the past 10 years been a resident of Australia, an original or certified true copy of a national criminal history check obtained from the Australian Federal Police, a State or Territory police service or a broker accredited by CrimTrac which is not more than 12 months old (Listing Rule 1.1 Condition 17 and Guidance Note 1 section 3.15)

See Folder, Item 6

If the entity is unsure whether they will be included in the S & P All Ordinaries Index on admission to the official list, they should contact ASX or S & P.

<sup>12</sup> If the entity is unsure whether they will be included in the S & P / ASX 300 Index on admission to the official list, they should contact ASX or S & P.

An electronic copy of the ASX Online Agreement is available from the ASX Compliance Downloads page on ASX's website.

<sup>14</sup> If the entity is unsure whether they will be included in the S & P / ASX 300 Index on admission to the official list, they should contact ASX or S & P.

<sup>15</sup> If the entity applying for admission to the official list is a trust, references in items 11, 12, 13, 14 and 15 to a director or proposed director mean a director or proposed director of the responsible entity of the trust.

The information referred to in items 11, 12, 13, 14 and 15 is required so that ASX can be satisfied that the director or proposed director is of good fame and character under Listing Rule 1 Condition 17.

- 13. For each director or proposed director who is or has in the past 10 years been a resident of a country other than Australia, an original or certified true copy of an equivalent national criminal history check to that mentioned in item 12 above for each country in which the director has resided over the past 10 years (in English or together with a certified English translation) which is not more than 12 months old or, if such a check is not available in any such country, a statutory declaration from the director confirming that fact and that he or she has not been convicted in that country of:
  - (a) any criminal offence involving fraud, dishonesty, misrepresentation, concealment of material facts or breach of director's duties; or
  - (b) any other criminal offence which at the time carried a maximum term of imprisonment of five years or more (regardless of the period, if any, for which he or she was sentenced),
  - or, if that is not the case, a statement to that effect and a detailed explanation of the circumstances involved (Listing Rule 1.1 Condition 17 and Guidance Note 1 section 3.15)
- 14. For each director or proposed director who is or has in the past 10 years been a resident of Australia, an original or certified true copy of a search of the Australian Financial Security Authority National Personal Insolvency Index which is not more than 12 months old (Listing Rule 1.1 Condition 17 and Guidance Note 1 section 3.15)
- 15. For each director or proposed director who is or has in the past 10 years been a resident of a country other than Australia, an original or certified true copy of an equivalent national bankruptcy check to that mentioned in item 14 above for each country in which the director has resided over the past 10 years (in English or together with a certified English translation) which is not more than 12 months old or if such a check is not available in any such country, a statutory declaration from the director confirming that fact and that he or she has not been declared a bankrupt or been an insolvent under administration in that country or, if that is not the case, a statement to that effect and a detailed explanation of the circumstances involved (Listing Rule 1.1 Condition 17 and Guidance Note 1 section 3.15)
- 16. A statutory declaration from each director or proposed director confirming that:
  - (a) the director has not been the subject of any criminal or civil penalty proceedings or other enforcement action by any government agency in which he or she was found to have engaged in behaviour involving fraud, dishonesty, misrepresentation, concealment of material facts or breach of duty;
  - (b) the director has not been refused membership of, or had their membership suspended or cancelled by, any professional body on the ground that he or she has engaged in behaviour involving fraud, dishonesty, misrepresentation, concealment of material facts or breach of duty:
  - (c) the director has not been the subject of any disciplinary action (including any censure, monetary penalty or banning order) by a securities exchange or other authority responsible for regulating securities markets for failure to comply with his or her obligations as a director of a listed entity;
  - (d) no listed entity of which he or she was a director (or, in the case of a listed trust, in respect of which he or she was a director of the responsible entity) at the time of the relevant conduct has been the subject of any disciplinary action (including any censure, monetary penalty, suspension of trading or termination of listing) by a securities exchange or other authority responsible for regulating securities

Location/Confirmation

Folder, Item 6 Neville Henry and James Hodges

Folder, Item 6 Peter Allchurch and John Kenny

Folder, Item 6

Folder, Item 7

markets for failure to comply with its obligations under the Listing Rules applicable to that entity; and

(e) the director is not aware of any pending or threatened investigation or enquiry by a government agency, professional body, securities exchange or other authority responsible for regulating securities markets that could lead to proceedings or action of the type described in (a), (b), (c) or (d) above,

or, if the director is not able to give such confirmation, a statement to that effect and a detailed explanation of the circumstances involved (Listing Rule 1.1 Condition 17 and Guidance Note 1 section 3.15)

17. A specimen certificate/holding statement for each class of securities to be quoted or a specimen holding statement for CDIs (as applicable)

 Payment for the initial listing fee.<sup>17</sup>
Refer to ASX Guidance Notes 15 and 15A for the fees payable on the application. You can also use the ASX online equity listing fees calculator: http://www.asx.com.au/professionals/cost-listing.htm

### Location/Confirmation

Folder, Item 8

### Attached

Listing Fees calculated as \$88,764 (based on \$15,000,000 of subscriptions) subject to ASX confirmation

### All entities - capital structure

19. Where in the Offer Document is there a table showing the existing and proposed capital structure of the entity, broken down as follows:

(a) the number and class of each equity security and each debt security currently on issue; and

(b) the number and class of each equity security and each debt security proposed to be issued between the date of this application and the date the entity is admitted to the official list; and

(c) the resulting total number of each class of equity security and debt security proposed to be on issue at the date the entity is admitted to the official list; and

(d) the number and class of each equity security proposed to be issued following admission in accordance with material contracts or agreements?

Note: This applies whether the securities are quoted or not. If the entity is proposing to issue a minimum, maximum or oversubscription number of securities, the table should be presented to disclose each scenario.

Refer to Key Offer Statistics, page 10 of the Prospectus, Sections 3.7 of the Prospectus (Folder, Item 1)

Bank: National Australia Bank

Account Name: ASX Operations Pty Ltd

BSB: 082 057

A/C: 494728375

Swift Code (Overseas Customers): NATAAU3202S

If payment is made by electronic funds transfer, please email your remittance advice to <a href="mailto:ar@asx.com.au">ar@asx.com.au</a> or fax it to (612) 9227-0553, describing the payment as the "initial listing fee" and including the name of the entity applying for admission, the ASX home branch where the entity has lodged its application (ie Sydney, Melbourne or Perth) and the amount paid.

Payment can be made either by cheque made payable to ASX Operations Pty Ltd or by electronic funds transfer to the following account:

20. For each class of securities referred to in the table mentioned in item 19, where in the Offer Document does it disclose the terms applicable to those securities?

Note: This applies whether the securities are quoted or not.

For equity securities (other than options to acquire unissued securities or convertible debt securities), this should state whether they are fully paid or partly paid; if they are partly paid, the amount paid up and the amount owing per security; voting rights; rights to dividends or distributions; and conversion terms (if applicable).

For options to acquire unissued securities, this should state the number outstanding, exercise prices and expiry dates.

For debt securities or convertible debt securities, this should state their nominal or face value; rate of interest; dates of payment of interest; date and terms of redemption; and conversion terms (if applicable).

### Location/Confirmation

Fully paid ordinary shares – refer to Section 11.1 of the Prospectus (Folder, Item 1)

Options exercisable at 25 cents on or before 30 April 2019. Full terms in Section 11.2 of the Prospectus (Folder, Item 1)

Class A Convertible Milestone Notes on or before 30 April 2019. Full terms in Section 11.3 of the Prospectus (Folder Item 1)

Class B Convertible Milestone Notes on or before 30 April 2019. Full terms in Section 11.4 of the Prospectus (Folder Item 1)

Class C Convertible Milestone Notes on or before 30 April 2019. Full terms in Section 11.5 of the Prospectus (Folder Item 1)

- 21. If the entity has granted, or proposes to grant, any rights to any person, or to any class of persons (other than through the holding of securities referred to in the table mentioned in item 19), to participate in an issue of the entity's securities, where in the Offer Document are details of those rights set out?
- 22. Details of all issues of securities (in all classes) in the last 5 years and the consideration received by the entity for such issues
- A copy of every prospectus, product disclosure statement or information memorandum issued by the entity in connection with any issue of securities (in all classes) in the last 5 years
- 24. A copy of any court order in relation to a reorganisation of the entity's capital in the last 5 years
- 25. Where in the Offer Document does it confirm that the issue/sale price of all securities for which the entity seeks quotation is at least 20 cents in cash (Listing Rule 2.1 Condition 2)?
- 26. If the entity has or proposes to have any options on issue, where in the Offer Document does it confirm that the exercise price for each underlying security is at least 20 cents in cash (Listing Rule 1.1 Condition 11)?
- 27. If the entity has any partly paid securities and it is not a no liability company, where in the Offer Document does it disclose the entity's call program, including the date and amount of each proposed call and whether it allows for any extension for payment of a call (Listing Rule 2.1 Condition 4)?

N/A

Refer to register of security issues, Folder Item 9

Prospectus (Folder, Item 1)

N/A

Refer to Section 3.7 of Prospectus (Folder, Item 1)

Refer to Section 11.2 of Prospectus, exercise price is 25 cents (Folder, Item 1)

N/A

Nο	Item	Location/Confirmation
28.	If the entity's free float at the time of listing is less than 10%, where in the Offer Document does it outline the entity's plans to increase that percentage to at least 10% and the timeframe over which it intends to do that (Guidance Note 1 sections 3.1 and 3.3)?	N/A
29.	If the entity has or proposes to have any debt securities or convertible debt securities on issue, a copy of any trust deed applicable to those securities	Refer to Section 11.3, 11.4 and 11.5 of the Prospectus
30.	Is the entity is proposing to offer any securities by way of a bookbuild? If so, please enter "Confirmed" in the column to the right to indicate that the entity is aware of the disclosure requirements for bookbuilds in the Annexure to Guidance Note 1	N/A
All	entities – other information and documents	
31.	Where in the Offer Document is there a description of the history of the entity?	Refer to Investment Overview, Section 1.1 of the Prospectus (Folder, Item 1)
32.	Where in the Offer Document is there a description of the entity's existing and proposed activities and level of operations?	Refer to Investment Overview Sections 1.2, 1.3, 1.4 and 1.5 of the Prospectus (Folder, Item 1)
33.	Where in the Offer Document is there a description of the key features of the entity's business model (ie how it makes or intends to make a return for investors or otherwise achieve its objectives)?	Refer to Investment Overview (Part A), Section 1.1 and Section 1 of the Prospectus (Folder, Item 1)
34.	Where in the Offer Document is there a description of the material business risks the entity faces?	Refer to Investment Overview (Part B), Section 1.1 and Section 9 of the Prospectus (Folder, Item 1)
35.	If the entity has any child entities, where in the Offer Document is there a list of all child entities stating, in each case, the name, the nature of its business and the entity's percentage holding in it?	N/A
36.	If the entity has any investments in associated entities for which it will apply equity accounting, where in the Offer Document is there a list of all associated entities stating, in each case, the name, the nature of its business and the entity's percentage holding in it?	N/A
37.	Where in the Offer Document is there a description of the entity's proposed dividend/distribution policy?	Refer to Section 3.14 of the Prospectus (Folder, Item 1)
38.	Does the entity have or propose to have a dividend or distribution reinvestment plan?	
	If so, where are the existence and main terms of the plan disclosed in the Offer Document?	N/A .
	A copy of the terms of the plan	N/A
39.	Does the entity have or propose to have an employee incentive scheme?	
	If so, where are the existence and main terms of the scheme disclosed in the Offer Document?	N/A

Where in the Offer Document is there a statement as to whether directors <sup>18</sup> are entitled to participate in the scheme and, if they are, the extent to which they currently participate or are proposed to participate?

A copy of the terms of the scheme

N/A

Location/Confirmation

N/A

 Has the entity entered into any material contracts (including any underwriting agreement relating to the securities to be quoted on ASX)?<sup>19</sup>

If so, where are the existence and main terms of those material contracts disclosed in the Offer Document?

Refer to summaries of Material Contracts at Section 8 of the Prospectus and Legal Report at Section 5 of the Prospectus on The Company's Oil and Gas Interests

Copies of all of the material contracts referred to in the Offer Document

Folder, Item 10

- 41. If the following information is included in the Offer Document, the page reference where it is included. Otherwise, either a summary of the material terms of, or a copy of, any employment, service or consultancy agreement the entity or a child entity has entered into with:
  - (a) its chief executive officer (or equivalent)
  - (b) any of its directors or proposed directors; or
  - (c) any other person or entity who is a related party of the persons referred to in (a) or (b) above (Listing Rule 3.16.4).

Note: if the entity applying for admission to the official list is a trust, references to a chief executive officer, director or proposed director mean a chief executive officer, director or proposed director of the responsible entity of the trust. However, the entity need not provide a summary of the material terms of, or a copy of, any employment, service or consultancy agreement the responsible entity or a related entity has entered into with any of the persons referred to in (a), (b) or (c) above if the costs associated with the agreement are borne by the responsible entity or the related entity from out of its own funds rather than from out of the trust.

Refer to Sections 8.9, 8.10 and 8.11 of the Prospectus (Folder, Item 1) for summaries of agreements with executive and non-executive directors.

Refer to Section 10.16 of the Prospectus for a summary of a loan facility agreement with an entity controlled by Peter Allchurch for working capital purposes.

Refer to Section 10.16 of the Prospectus for a summary of a loan facility agreement with an entity controlled by John Kenny for working capital purposes.

Refer to Section 8.6 of the Prospectus for a summary of a consulting agreement entered into between the Company and an entity controlled by John Kenny for services in relation to the Acquisition and Offer.

Refer to Section 8.7 of the Prospectus for details of Deeds of Indemnity, Insurance and Access with each Director.

<sup>18</sup> If the entity applying for admission to the official list is a trust, references to a director mean a director of the responsible entity of the trust.

<sup>19</sup> It will assist ASX if the material contracts are provided both in hard copy and in electronic format.

Item	Location/Confirmation
material contracts summarised in the Offer Document include, in addition to those mentioned in item 41, any other material contract(s) the entity or a	Confirmed
(c) any other person or entity who is a related party of the persons referred to in (a) or (b) above	
Please enter "Confirmed" in the column to the right to indicate that all information that a reasonable person would expect to have a material effect on the price or value of the securities to be quoted is included in or provided with this information Form and Checklist	Confirmed.
A copy of the entity's most recent annual report	N/A, the Company was incorporated on 17 March 2014. Refer to the Investigating Accountants Report at Section 6 of the Prospectus on Reviewed Historical Financial Information from 17 March 2014 to 31 May 2014 (Folder Item 1)
ties that are trusts	
Evidence that the entity is a registered managed investment scheme (Listing Rule 1.1 Condition 5)	N/A
Please enter "Confirmed" in the column to the right to indicate that the responsible entity is not under an obligation to allow a security holder to withdraw from the trust (Listing Rule 1.1 Condition 5)	N/A
ties applying under the profit test (Listing Rule 1.2)	
Evidence that the entity is a going concern or the successor of a going concern (Listing Rule 1.2.1)	N/A
Evidence that the entity has been in the same main business activity for the last 3 full financial years (Listing Rule 1.2.2)	N/A
Audited accounts for the last 3 full financial years and audit reports (Listing Rule 1.2.3(a))	N/A
If last financial year ended more than 8 months before the date of this application, accounts for the last half year (or longer period if available) and audit report or review (Listing Rule 1.2:3(b))	N/A
A pro forma statement of financial position and review (Listing Rule 1.2.3(c)) <sup>20</sup>	N/A
Evidence that the entity's aggregated profit from continuing operations for the last 3 full financial years has been at least \$1 million (Listing Rule 1.2.4)	N/A
	Please enter "Confirmed" in the column to the right to indicate that the material contracts summarised in the Offer Document include, in addition to those mentioned in item 41, any other material contract(s) the entity or a child entity has entered into with:  (a) its chief executive officer (or equivalent) (b) any of its directors or proposed directors; or (c) any other person or entity who is a related party of the persons referred to in (a) or (b) above  Please enter "Confirmed" in the column to the right to indicate that all information that a reasonable person would expect to have a material effect on the price or value of the securities to be quoted is included in or provided with this information Form and Checklist  A copy of the entity's most recent annual report  It is that are trusts  Evidence that the entity is a registered managed investment scheme (Listing Rule 1.1 Condition 5)  Please enter "Confirmed" in the column to the right to indicate that the responsible entity is not under an obligation to allow a security holder to withdraw from the trust (Listing Rule 1.1 Condition 5)  It is applying under the profit test (Listing Rule 1.2)  Evidence that the entity is a going concern or the successor of a going concern (Listing Rule 1.2.1)  Evidence that the entity has been in the same main business activity for the last 3 full financial years (Listing Rule 1.2.2)  Audited accounts for the last 3 full financial years and audit reports (Listing Rule 1.2.3(a))  If last financial year ended more than 8 months before the date of this application, accounts for the last half year (or longer period if available) and audit report or review (Listing Rule 1.2.3(b))  A pro forma statement of financial position and review (Listing Rule 1.2.3(c)) <sup>20</sup> Evidence that the entity's aggregated profit from continuing operations for the last 3 full financial years has been at least \$1 million (Listing Puersions for the last 3 full financial years has been at least \$1 million (Listing Puersions for the last 3 full financial

Note: the review must be conducted by a registered company auditor (or if the entity is a foreign entity, an overseas equivalent of a registered company auditor) or independent accountant.

53. Evidence that the entity's profit from continuing operations in the past 12 months to a date no more than 2 months before the date of this application has exceeded \$400,000 (Listing Rule 1.2.5)

54. A statement from all directors<sup>21</sup> confirming that they have made enquiries and nothing has come to their attention to suggest that the entity is not continuing to earn profit from continuing operations up to the date of the application (Listing Rule 1.2.5A)

_	Location/Confirmation
	N/A
_	
	N/A

### Entities applying under the assets test (Listing Rule 1.3)

55. Evidence that the entity:

- (a) has, if the entity that is not an investment entity, net tangible assets of at least \$3 million (after deducting the costs of fund raising) or a market capitalisation of at least \$10 million; or
- (b) has, if the entity that is an investment entity other than pooled development fund, net tangible assets of at least \$15 million; or
- (c) is a pooled development fund with net tangible assets of at least \$2 million (Listing Rule 1.3.1 and 1.3.1A)

Refer to Section 6, Investigating Accountants Report Appendix 2 of the Prospectus (Folder, Item 1)

Upon completing the minimum subscription of \$10,000,000, the Company will have net tangible assets of \$18,445,537 (at the issue price of \$0.20).

56. Evidence that:

- (a) at least half of the entity's total tangible assets (after raising any funds) is not cash or in a form readily convertible to cash;<sup>22</sup> or
- (b) there are commitments to spend at least half of the entity's cash and assets in a form readily convertible to cash (Listing Rule 1.3.2)

Refer to Section 3.6 of the Prospectus (Folder, Item 1).

The Company has commitments to spend at least half of its funds raising from the Offer on exploration and development expenditure on its Projects and the acquisition of additional oil and gas leases. There is \$200,000 existing cash reserves.

57. Is there a statement in the Offer Document that there is enough working capital to carry out the entity's stated objectives.

If so, where is it?

capital (Listing Rule 1.3.3(b))?23

If not, attach a statement by an independent expert confirming that the entity has enough working capital to carry out its stated objectives (Listing Rule 1.3.3(a))?

58. Evidence that the entity's working capital is at least \$1.5 million or, if it is not, that it would be at least \$1.5 million if the entity's budgeted revenue for the first full financial year that ends after listing was included in the working

Refer to Section 3.6 of the Prospectus (Folder, Item 1)

Refer to Section 3.6 of the Prospectus (Folder, Item 1)

<sup>21</sup> If the entity applying for admission to the official list is a trust, the statement should come from all directors of the responsible entity of the trust.

<sup>22</sup> In deciding if an entity's total tangible assets are in a form readily convertible to cash, ASX would normally not treat inventories or receivables as readily convertible to cash.

For mining exploration entities and oil and gas exploration entities, the amount must be available after allowing for the first full financial year's budgeted administration costs and the cost of acquiring plant, equipment, mining tenements and/or petroleum tenements. The cost of acquiring mining tenements and/or petroleum tenements includes the cost of acquiring and exercising an option over them.

k to	ltem
N٥	mem.

59. Accounts for the last 3 full financial years (or shorter period if ASX agrees) and the audit report or review or a statement that the accounts are not audited or not reviewed (Listing Rule 1.3.5(a) first bullet point)

### Location/Confirmation

N/A

Refer to Section 6, Investigating Accountants Report Appendix 2 of the Prospectus (Folder, Item 1). The Company was incorporated on 17 March 2014 and accounts have been prepared to 31 May 2014 for this period and reviewed by BDO.

60. If last financial year ended more than 8 months before the date of this application, accounts for the last half year (or longer period if available) and the audit report or review or a statement that the half year accounts not audited or not reviewed (Listing Rule 1.3.5(a) second bullet point)

N/A

61. A pro forma statement of financial position and review (Listing Rule 1.3.5(c))<sup>24</sup>

Refer to Section 7 of the Prospectus (Folder, Item 1)

### Entities with restricted securities

62. A statement setting out a list of any person (either on their own or together with associates) who has held a relevant interest in at least 10% of the entity's voting securities at any time in the 12 months before the date of this application

See Directors Interest at 10.4 and Substantial Shareholder at Section 10.8

63. A completed ASX Restricted Securities Table<sup>25</sup>

Provided to ASX for review on 26/08/14 (Folder, Item 11)

 Copies of all restriction agreements (Appendix 9A) entered into in relation to restricted securities<sup>26</sup> To be provided

65. Copies of all undertakings issued by any bank, recognised trustee or the provider of registry services to the entity in relation to such restriction agreements To be provided

Note: the review must be conducted by a registered company auditor (or if the Entity is a foreign entity, an overseas equivalent of a registered company auditor) or independent accountant.

An electronic copy of the ASX Restricted Securities Table is available from the ASX Compliance Downloads page on ASX's website.

Note: ASX will advise which restricted securities are required to be escrowed under Listing Rule 9.1.3 as part of the admission and quotation decision. If properly completed restriction agreements and related undertakings have not been provided for all such securities advised by ASX, that will need to be rectified prior to admission occurring and quotation commencing.

### Entities (other than mining exploration entities and oil and gas exploration entities) with classified assets<sup>27</sup>

66. Within the 2 years preceding the date of the entity's application for admission to the official list, has the entity acquired, or entered into an agreement to acquire, a classified asset?

If so, where in the Offer Document does it disclose:

- the date of the acquisition or agreement;
- full details of the classified asset, including any title particulars;
- the name of the vendor;
- if the vendor was not the beneficial owner of the classified asset at the date of the acquisition or agreement, the name of the beneficial owner(s);
- details of the relationship between the vendor (or, if the vendor was not the beneficial owner of the tenement at the date of the acquisition or agreement, between the beneficial owner(s)) and the entity or any related party or promoter of the entity; and
- details of the purchase price paid or payable and all other consideration (whether legally enforceable or not) passing directly or indirectly to the vendor.

Is the vendor (or, if the vendor was not the beneficial owner of the classified asset at the date of the acquisition or agreement, is any of the beneficial owner(s)) a related party or promoter of the entity?

If so, please enter "Confirmed" in the column to the right to indicate that the consideration paid by the entity for the classified asset was solely restricted securities, save to the extent it involved the reimbursement of expenditure incurred in developing the classified asset<sup>28</sup> or the entity was not required to apply the restrictions in Appendix 9B under Listing Rule 9.1.3 (Listing Rule 1.1 Condition 10)

Please also provide a copy of the agreement(s) relating to the acquisition entered into by the entity and any expert's report or valuation obtained by the entity in relation to the acquisition

### Mining entities

67. A completed Appendix 1A Information Form and Checklist Annexure I (Mining Entities)29

N/A			

A "classified asset" is defined in Listing Rule 19.12 as:

<sup>(</sup>a) an interest in a mining exploration area or oil and gas exploration area or similar tenement or interest;

<sup>(</sup>b) an interest in intangible property that is substantially speculative or unproven, or has not been profitably exploited for at least three years, and which entitles the entity to develop, manufacture, market or distribute the property;

<sup>(</sup>c) an interest in an asset which, in ASX's opinion, cannot readily be valued; or

<sup>(</sup>d) an interest in an entity the substantial proportion of whose assets (held directly, or through a controlled entity) is properly of the type referred to in paragraphs (a), (b) and (c) above.

ASX may require evidence to support expenditure claims.

An electronic copy of Appendix 1A Information Form and Checklist Annexure I (Mining Entitles) is available from the ASX Compliance Downloads page on ASX's website.

No.	ltem	Location/Confirmation

### Oil and gas entities

68. A completed Appendix 1A Information Form and Checklist Annexure II (Oil and Gas Entities)<sup>30</sup>

Annexed to Appendix 1A

### Entities incorporated or established outside of Australia

 A completed Appendix 1A Information Form and Checklist Annexure III (Foreign Entities)<sup>31</sup>

N/A	

### **Externally managed entities**

70. A completed Appendix 1A Information Form and Checklist Annexure IV (Externally Managed Entities)<sup>32</sup>

N/A	

### Stapled entities

71. A completed Appendix 1A Information Form and Checklist Annexure V (Stapled Entities)<sup>33</sup>

N/A	

### Further documents to be provided before admission to the official list

Please note that in addition to the information and documents mentioned above, all entities will be required to provide the following before their admission to the official list and the guotation of their securities commences:

- A statement setting out the names of the 20 largest holders in each class of securities to be quoted, and the number and percentage of each class of securities held by those holders;
- A distribution schedule of each class of equity securities to be quoted, setting out the number of holders in the categories:
  - 1 1,000
  - 1,001 5,000
  - 5,001 10,000
  - 10,001 100,000
  - 100,001 and over
- The number of holders of a parcel of securities (excluding restricted securities) with a value of more than \$2,000, based on the issue/sale price;
- Any outstanding restriction agreements (Appendix 9A) and related undertakings;<sup>34</sup> and
- Any other information that ASX may require under Listing Rule 1.17.35

An electronic copy of Appendix 1A Information Form and Checklist Annexure II (Oil & Gas Entities) is available from the ASX Compliance Downloads page on ASX's website.

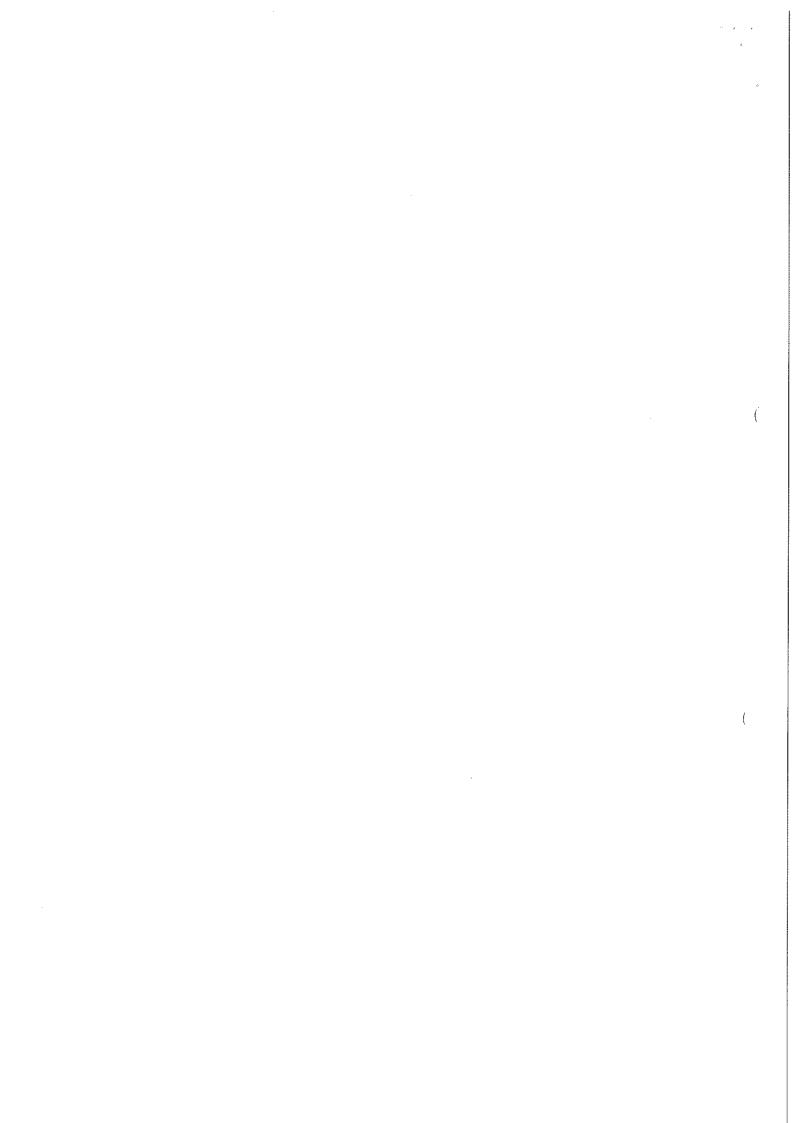
<sup>31</sup> An electronic copy of Appendix 1A Information Form and Checklist Annexure III (Foreign Entities) is available from the ASX Compliance Downloads page on ASX's website.

An electronic copy of Appendix 1A Information Form and Checklist Annexure IV (Externally Managed Entities) is available from the ASX Compliance Downloads page on ASX's website.

An electronic copy of Appendix 1A Information Form and Checklist Annexure V (Stapled Entities) is available from the ASX Compliance Downloads page on ASX's website.

<sup>34</sup> See note 26 above.

Among other things, this information may include evidence (such as copies of the entity's share register, bank statements, application forms and cheques) to demonstrate compliance with the minimum spread requirements in Listing Rule 1 Condition 7.



## **Information Form and Checklist Annexure II (Oil & Gas Entities)**

Nam	e of entity	ABN/ARBN/ARSN
W	inchester Energy Limited	21 168 586 445
sup	s Annexure forms part of the Information Form and Checklis port its application for admission to the official list of ASX L	imited (ASX) as an ASX Listing.
Engi. Engi.	erence in this Annexure to SPE-PRMS means the Petroleum Resources Manag neers, the American Association of Petroleum Geologists, the World Petroleum neers. Terms used in this Annexure which are defined in SPE-PRMS (including urces' or 'prospective resources') have the same meaning as in SPE-PRMS.	Council and the Society of Petroleum Evaluation
Nº.	Item	Location/Confirmation
Ger	eral requirements	
Com pros <sub>i</sub>	plete this section if the Offer Document includes any reference to an estimate o pective resources	f petroleum reserves, contingent resources or
1.	Where in the Offer Document does it state the date at which the estimmade (Listing Rule 5.25.1)?1	ate is N/A
2.	Where in the Offer Document does it state that the estimate of petrole reserves, contingent resources and/or prospective resources has been classified in accordance with SPE-PRMS (Listing Rule 5.25.2)? <sup>2</sup>	um N/A n
3.	Where in the Offer Document does it state:	N/A
	<ul> <li>that the estimate is based on, and fairly represents, information ar supporting documentation prepared by, or under the supervision of named qualified petroleum reserves and resources evaluator or evaluators (Listing Rule 5.42(a));<sup>3</sup></li> </ul>	nd of, a
	<ul> <li>whether the qualified petroleum reserves and resources evaluator employee of the oil and gas entity or a related party and, if not, the name of the qualified petroleum reserves and resources evaluator employer (Listing Rule 5.42(b));</li> </ul>	9
	<ul> <li>the name of the professional organisation of which the qualified petroleum reserves and resources evaluator is a member (Listing Rule 5.42(c)); and</li> </ul>	
	<ul> <li>that the qualified petroleum reserves and resources evaluator has given his or her prior written consent as to the form and context in which the estimated petroleum reserves, contingent resources an prospective resources and the supporting information are present the Offer Document (Listing Rule 5.42)?</li> </ul>	d/or

This date may be referenced as the "evaluation date".

<sup>2</sup> The specific classes of petroleum resources provided for by SPE-PRMS are production, reserves, contingent resources, prospective resources and unrecoverable petroleum.

If an entity is proposing to disclose petroleum resources not reported in accordance with SPE-PRMS (for example, under the US SEC reporting regime for such resources), it should consult with ASX. It will need a waiver from Listing Rule 5.25.2. If granted, that waiver will likely be conditional on the disclosure of specific information otherwise required under Chapter 5 of the Listing Rules.

A person is a qualified petroleum reserves and resources and resources evaluator if he or she:

has obtained a bachelors or advanced degree in petroleum engineering, geology, geophysics or other discipline of engineering or physical science;

Ν	n	Ħ	e	n
IN	v	Ħ	е	Ħ

lace, total N/A

Location/Confirmation

4. Does the Offer Document refer to total petroleum initially-in-place, total resource base, estimated ultimate recovery, remaining recoverable resources or hydrocarbon endowment?

If so, please indicate each place in the Offer Document where that reference occurs, noting that proximate to that reference the following information must also be disclosed:

- an estimate of petroleum reserves;
- · an estimate of contingent resources;
- · an estimate of prospective resources; and
- whether and how each of the resource classes in the summation were adjusted for risk (Listing Rule 5.25.3).<sup>4</sup>
- 5. Does the Offer Document refer to discovered petroleum initially-in-place?
  If so, please indicate each place in the Offer Document where that reference occurs, noting that proximate to that reference the following information must also be disclosed:
  - an estimate of petroleum reserves;
  - · an estimate of contingent resources; and
  - whether and how each of the resource classes in the summation were adjusted for risk (Listing Rule 5.25.4).<sup>5</sup>
- Please enter "Confirmed" in the column to the right to indicate that the estimate is:
  - reported according to the entity's economic interest in the petroleum reserves, contingent resources and prospective resources including its entitlements under production-sharing contracts and risked-service contracts;
  - reported net of:
    - royalties that the entity is required by agreement (including overriding royalties provided for in farm-out agreements) to give inkind to the royalty owner; or
    - those volumes that the entity is allowed to lift and sell on behalf of the royalty owner; and
  - not reported in relation to pure service contracts (Listing Rule 5.25.5)?
- 7. Where in the Offer Document does it disclose whether the deterministic or probabilistic method was used to prepare the estimates of petroleum reserves, contingent resources and/or prospective resources (Listing Rule 5.25.6)?

N/A			

N/A		
INV		

N/A		-		

- has a minimum of five years practical experience in petroleum engineering, petroleum production geology or petroleum geology, with at least three years of such experience being in the evaluation and estimation of petroleum reserves, contingent resources and prospective resources; and
- is a member of good standing of a professional organisation of engineers, geologists or other geoscientists whose professional
  practice includes petroleum reserves, contingent resources and prospective resources evaluations and/or audits. The professional
  organisation must have disciplinary powers, including the power to suspend or expel a member.
- It is acceptable for the purposes of Listing Rule 5.25.3 if the first reference to total petroleum initially-in-place, total resource base, estimated ultimate recovery, remaining recoverable resources or hydrocarbon endowment includes this information and any subsequent reference cross-refers back to the earlier information.
- It is acceptable for the purposes of Listing Rule 5.25.4 if the first reference to discovered petroleum initially-in-place includes this information and any subsequent reference cross-refers back to the earlier information.

No	ltem	Location/Confirmation
8.	Does the Offer Document include estimates of petroleum reserves, contingent resources and/or prospective resources in units of equivalency between oil and gas?	N/A
	If so, where in the Offer Document does it disclose the conversion factor used to convert:	
	<ul> <li>gas to oil, where the estimates are reported in BOEs (barrels of oil equivalents); or</li> </ul>	
	<ul> <li>oil to gas, where the estimates are reported in McfGEs (thousands of cubic feet of gas equivalent) (Listing Rule 5.25.7)?</li> </ul>	
9.	If a petroleum reserves replacement ratio is reported, where in the Offer Document is there an explanation of how the petroleum reserves replacement ratio was calculated (Listing Rule 5.26)?	N/A
10.	Does the Offer Document include estimates of contingent resources?	
	If so, where in the Offer Document does it state that contingent resources have been categorised and reported in the most specific category that reflects the degree of uncertainty in the estimated quantities of potentially recoverable petroleum, that is, 1C, 2C or 3C (Listing Rule 5.27.1)?	N/A
	If an estimate of 3C is reported, where in the Offer Document are the estimates of 2C and 1C also reported (Listing Rule 5.27.1)?	N/A
	Please enter "Confirmed" in the column to the right to indicate that the Offer Document does not include a mean estimate of contingent resources (Listing Rule 5.27.2).	N/A
	If reported contingent resources represent aggregated estimates of contingent resources, where in the Offer Document is the method of aggregation disclosed, noting that this must be either:	N/A
	<ul> <li>arithmetic summation by category (that is, 1C, 2C or 3C); or</li> </ul>	
	<ul> <li>statistical aggregation of uncertainty distributions up to the field, property or project level (Listing Rule 5.27.3).</li> </ul>	
	If any contingent resources have been reported beyond the field, property or project level, where in the Offer Document does it state that estimates of contingent resources have been aggregated by arithmetic summation by category beyond that level of reporting (Listing Rule 5.27.4).	N/A
	If any contingent resources have been reported beyond the field, property or project level, please also indicate where in the Offer Document the required cautionary note has been included stating that the aggregate 1C may be a very conservative estimate and the aggregate 3C may be a very optimistic estimate due to the portfolio effects of arithmetic summation (Listing Rule 5.27.4).	N/A
11.	Does the Offer Document include estimates of prospective resources?	
	If so, where in the Offer Document does it state that prospective resources have been categorised and reported in the most specific category that reflects the degree of uncertainty in the estimated quantities of potentially recoverable petroleum, that is, low estimate, best estimate or high estimate (Listing Rule 5.28.1).	N/A

If a high estimate of prospective resources is reported, where in the Offer Document are the best estimate and low estimate of prospective resources also reported (Listing Rule 5.28.1)

Please also indicate where in the Offer Document the required cautionary statement has been included stating that:<sup>6</sup>

"The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons." (Listing Rule 5.28.2)?

12. Does the Offer Document refer to a geophysical survey?

If so, where in the Offer Document does it include the name, nature and status of the survey, and the permit under which the survey is being conducted (Listing Rule 5.29)?

13. Does the Offer Document include any material exploration and drilling results in relation to petroleum resources?

If so, where in the Offer Document does it state:

- the name and type of well; Thomas 119-1H, Exploration Well Prospectus p.12,76,77
- the location of the well and the details of the permit or lease in which the well is located; Nolan County Texas USA, Prospectus p.85,86
- the entity's working interest in the well; Prospectus p.76
- if the gross pay thickness is reported for an interval of conventional resources, the net pay thickness; Prospectus p.4,11,12,39,42
- the geological rock type of the formation drilled; Prospectus p.61
- the depth of the zones tested; Prospectus p.4,12,11,39,42
- the types of test(s) undertaken and the duration of the test(s); no tests
- the hydrocarbon phases recovered in the test(s); no tests
- any other recovery (such as, formation water and water) associated with the test(s) and their respective proportions; no tests
- the choke size used, the flow rates and, if measured, the volumes of the hydrocarbon phases measured; no tests
- if applicable, the number of fracture stimulation stages and the size and nature of fracture stimulation applied; no fracs, conventional
- any material volumes of non-hydrocarbon gases (such as, carbon dioxide, nitrogen, hydrogen sulphide and sulphur); and no tests
- any other information that is material to understanding the reported results (Listing Rule 5.30)? Prospectus p.59,60

Location/Confirmation

N/A	 	 	

N/A	 		

Yes, refer to Prospectus pages 39,42, 76, Legal Report on the Company's Oil and Gas Assets in Texas, USA particularly Section C. Assets (ii) Beneficial Owner of a 50% working interest (reducing to a 25% working interest after payout) in the Thomas 119-1H well.

Refer to Prospectus Page 4, 11,12

Note that the statement must be proximate to, and with equal prominence as, the reported prospective resources.

### Petroleum reserves for material oil and gas projects7

Complete this section if the Offer Document includes any reference to an estimate of petroleum reserves for a material oil and gas project

N/A 14. Where in the Offer Document does it state all material economic assumptions used to calculate the estimates of petroleum reserves (Listing Rule 5.31.1 and Guidance Note 32 section 7.1)?8 N/A 15. Where in the Offer Document does it state whether the entity has operator or non-operator interests in the material oil and gas project and, if the entity has non-operator interests, the name of the operator (Listing Rule 5.31.2)? N/A 16. Where in the Offer Document does it state the types of permits or licences held by the entity in respect of the reported estimates of petroleum reserves (Listing Rule 5.31.3)? N/A 17. Where in the Offer Document does it include a description of: the basis for confirming commercial producibility and booking petroleum reserves; the analytical procedures used to estimate the petroleum reserves; the proposed extraction method; and if applicable, any specialised processing required following extraction (Listing Rule 5.31.4)?9 18. Where in the Offer Document does it state the estimated quantities (in N/A aggregate) to be recovered: from existing wells and facilities (developed petroleum reserves);and through future investments (undeveloped petroleum reserves) (Listing Rule 5.31.5)? N/A 19. Does the Offer Document, include estimates of petroleum reserves relating to undeveloped petroleum reserves for a material oil and gas project? If so, where in the Offer Document does it include a statement regarding: the status of the material oil and gas project; when development is anticipated; the marketing arrangements that justify development; access to transportation infrastructure; and

environmental approvals required (Listing Rule 5.31.6)?

An oil and gas project is "material" if the entity or child entity has an economic interest in the project (whether alone or jointly with others); and the interest is, or is likely to be, material in the context of the overall business operations or financial results of the entity and its child entities (on a consolidated basis): see Listing Rule 19.12.

<sup>8</sup> If those economic assumptions are commercially sensitive to the entity, an explanation of the methodology used to determine the assumptions rather than the actual figure can be reported.

The type of information ASX would generally expect an entity to disclose for this item is a summary description of the types of tests performed, such as production and/or formation testing, and other analysis undertaken to determine commercial producibility of the accumulation. In the absence of production and/or formation testing, this could be on the basis of well logs and/or core analysis that indicates that the zone is hydrocarbon-bearing and where it is analogous to other reservoirs in the immediate area that have demonstrated commercial producibility by actual production and/or formation testing.

Νo	ltem .	Location/Confirmation
20.	Does the Offer Document include estimates of petroleum reserves relating to unconventional petroleum resources <sup>10</sup> for a material oil and gas project? If so, where in the Offer Document does it state the land area and the number of wells for which the estimates of petroleum reserves are provided (Listing Rule 5.31.7)?	N/A
21.	If 1P is zero for the reported estimates of petroleum reserves, where in the Offer Document does it include a brief explanation of:	N/A
	<ul> <li>why 1P is zero; and</li> <li>why, in the absence of 1P, 3P and 2P have been determined and reported (Listing Rule 5.31.8)?</li> </ul>	
Con	tingent resources for material oil and gas projects	
Com proje	olete this section if the Offer Document includes any reference to an estimate of contin ct	gent resources for a material oil and gas
22.	Where in the Offer Document does it state the types of permits or licences held by the entity in respect of the reported estimates of contingent resources (Listing Rule 5.33.1)?	N/A
23.	Where in the Offer Document does it state the basis for confirming the existence of a significant quantity of potentially moveable hydrocarbons and the determination of a discovery (Listing Rule 5.33.2)?	N/A
24.	Where in the Offer Document does it include a description of:	N/A
	• the analytical procedures used to estimate the contingent resources;	
	<ul> <li>the key contingencies that prevent the contingent resources from being classified as petroleum reserves; and</li> </ul>	
	<ul> <li>any further appraisal drilling and evaluation work to be undertaken to assess the potential for commercial recovery, and to progress the material oil and gas project (Listing Rule 5.33.3)?</li> </ul>	
25.	Does the Offer Document include estimates of contingent resources for a material oil and gas project which are contingent on technology under development?	N/A
	If so, where in the Offer Document does it include an explanation of whether:	
	<ul> <li>the technology is under active development;</li> </ul>	
	a pilot for that technology is planned and budgeted; and	
	<ul> <li>the technology has been demonstrated to be commercially viable in analogous reservoirs and, if not, whether it has been demonstrated to be commercial viable in other reservoirs (Listing Rule 5.33.4)?</li> </ul>	
26.	Does the Offer Document include estimates of contingent resources for a material oil and gas project which are related to unconventional petroleum?	N/A
	If so, where in the Offer Document does it include the land area and the number of wells for which the estimates of petroleum resources are provided (Listing Rule 5.33.5)?	

Refer to the definition of unconventional resources in Appendix A: Glossary of Terms Used in Resources Evaluations in SPE-PRMS.

N/A

### Prospective resources for material oil and gas projects

Complete this section if the Offer Document includes any reference to an estimate of prospective resources for a material oil and gas project

- 27. Where in the Offer Document does it state the types of permits or licences held by the entity in respect of the reported estimates of prospective resources (Listing Rule 5.35.1)?
- N/A
- 28. Where in the Offer Document does it include a brief description of:
  - · the basis on which the prospective resources are estimated; and
  - any further exploration activities, including studies, further data acquisition and evaluation work, and exploration drilling to be undertaken and the expected timing of those exploration activities (Listing Rule 5.35.2)?

N/A				

- 29. Where in the Offer Document does it state the entity's assessment of the chance of discovery and the chance of development associated with the reported estimates of prospective resources (Listing Rule 5.35.3)?
- 30. If risked estimates of prospective resources are reported, where in the Offer Document does it include an explanation of how the estimates were adjusted for risk (Listing Rule 5.35.4)?

N/A				

### Oil and gas exploration entities

Complete this section if the entity is an oil and gas exploration entity?

- 31. Where in the Offer Document is there a map or maps of the entity's petroleum tenements prepared by a qualified petroleum reserves and resources evaluator or other competent person, which:
  - indicate the geology and other pertinent features of the tenements, including their extent and location in relation to a capital city or major town, and relative to any nearby properties which have a significant bearing on the potential of the tenements;
  - · are dated; and
  - identify the qualified petroleum reserves and resources evaluator or other competent person who prepared the map(s)?
- Refer to Independent Technical Experts Report at Page 44,50,52 of the Prospectus

- 32. Where in the Offer Document is there a schedule of the entity's petroleum tenements which states in relation to each petroleum tenement:
  - the geographical area where the petroleum tenement is situated;
     Prospectus p.76
  - the nature of the title to the petroleum tenement; Prospectus p.76
  - whether the title has been formally confirmed or approved and, if not, whether an application for confirmation or approval is pending and whether the application is subject to challenge; and Prospectus p.77
  - the person in whose name the title to the petroleum tenement is currently held? Prospectus p.77
- 33. Where in the Offer Document is there a statement setting out a program of expenditure, together with a timetable for completion of an exploration program, in respect of each petroleum tenement (or, where applicable, each group of tenements)?

Refer to Legal Report at Page	76,	82	to
86 of the Prospectus			

34. Within the 2 years preceding the date of the entity's application for admission to the official list, has the entity acquired, or entered into an agreement to acquire, an interest in an oil and gas exploration area or similar petroleum tenement from any person?

If so, where in the Offer Document does it disclose:

- the date of the acquisition or agreement;
- full details of the tenement, including any title particulars;
- the name of the vendor;
- if the vendor was not the beneficial owner of the tenement at the date of the acquisition or agreement, the name of the beneficial owner(s);
- details of any relationship between the vendor (or, if the vendor was not the beneficial owner of the tenement at the date of the acquisition or agreement, between the beneficial owner(s)) and the entity or any related party or promoter of the entity; and
- details of the purchase price paid or payable and all other consideration (whether legally enforceable or not) passing directly or indirectly to the vendor? Prospectus p.75

Is the vendor (or, if the vendor was not the beneficial owner of the tenement at the date of the acquisition or agreement, is any of the beneficial owner(s)) a related party or promoter of the entity?

If so, please enter "Confirmed" in the column to the right to indicate that the consideration paid by the entity for the classified asset was solely restricted securities, save to the extent it involved the reimbursement of expenditure incurred in developing the tenement<sup>11</sup> or the entity was not required to apply the restrictions in Appendix 9B under Listing Rule 9.1.3 (Listing Rule 1.1 Condition 10)

Please also provide a copy of the agreement(s) relating to the acquisition entered into by the entity and any expert's report or valuation obtained by the entity in relation to the acquisition

35. Is the entity or a child entity in a joint venture arrangement to investigate or explore a petroleum tenement?

If so, please provide a copy of the joint venture agreement

Where in the joint venture agreement does it provide that if the entity requires it, the operator of the joint venture will give the entity all the information the entity requires to comply with the Listing Rules, and that the information may be given to ASX for release to the market if necessary for the entity to comply with the Listing Rules (Listing Rule 5.45)?

Location/Confirmation

Prospectus Page 76, Legal Report on the Company's Oil and Gas Assets in Texas, USA Section C Assets, Items 1 and 2

Confirmed

Refer to Folio 10, Purchase Agreement and Folio 12, Notice of Meeting in respect of the Completion of the Settlement Agreement Refer to Folio 13 ASX Letter and Thomas Well Acquisition

See Folio 13, ASX Letter of Advice, Joint Operating Agreement for Thomas 119-1 H Well

See Folio 13, ASX Letter of Advice, Joint Operating Agreement for Thomas 119-1H Well section on Compliance with Laws and Regulations

<sup>&</sup>lt;sup>11</sup> ASX may require evidence to support expenditure claims.

# Winchester Energy Limited

## Holdings Range Report Generated 17 September 2014 11:12 AM



		I		1			· · ·	<b></b> 1
	0.00	0.00	0.25	14.75	85.00	100.00		
<u>e</u>			14:	Ä	ãó	10(		j
į								
Percentage	<u> </u>							
ů.			Name of the last					
	0	0	2	g g	<u>o</u>	0.0		
			290,000	16,985,250	97,881,000	115,156,250		
			Ä	36,91	97.88	15,13		
S		•			<b>X</b>	Ħ		
Heldings								
Ē								
4		0		in	6			0
	0		65	295	179	503		
lde								
Share Holders								
har								
							* :	
				1				
0 9								
Range			maintide.	:				Ì
				•				
								ا و
	an isti Kalisa							250
								či ×
								000
								0.20
								6
				0	φ 2			arcel
		_	8	00'0	ă			ole p.
	0	2000	0,01	- 10	l an			cetat
	1 - 1000	1001 - 5000	5001 - 10,000	10,001 - 100,000	100,001 and above	<u>.</u>		Unmarketable parcel @ \$0.200000 is < 2500
	-	ÕT	SO SO	10,	ÕT	Total		5

# Winchester Energy Limited

# Top Holders Report Generated 16 September 2014 4:13 PM



2012	26.05	2.17	27.17	1.74	597	1.52		1.17	00 T	1.04		0.87	22.00	0.87
Holding	30,000,000	2,500,000	2,500,000	2,000,000	1,896,000	1,750,000	1,500,000	1,350,000	1,250,000	1,200,000	1,200,000	1,000,000	1,000,000	1,000,000
		THE												
				TO THE LABOR TO TH										
Josephi.				·										
	CHINA LEADER GROUP LIMITED	BERNE NO 132 NOMINEES PTY LTD <599694 A/C>	AUSTRALIAN EXECUTOR TRUSTEE LIMITED <no.1.account></no.1.account>	IS PTY LTD	BELLARINE GOLD PTY LTD <ribblesdale a="" c="" fund="" super=""></ribblesdale>	ADRIAN DARBY INVESTMENTS PTY LTD	INTERSUISSE NOMINEES PTY LTD <placement a="" c=""></placement>	PTY LTD FUND A/C>	DING PTY LTD	Q	APITAL A/C>	ERSON & RSON ON S/F A/C>	-IN COULSON	***
	1 CHINA LEADER	2   BERNE NO 132   <599694 A/C>	3 AUSTRALIAN EXEC LIMITED <no 1="" account=""></no>	4 ANKAA SPRINGS PTY LTD	S BELLARINE GOLD PTY LTD <ribblesdale fur<="" super="" th=""><th>6   ADRIAN DARBY   LTD  </th><th></th><th>B FIRST FARLEY PTY LTD  <timar a="" c="" fund="" super=""></timar></th><th></th><th>10 AZUREE PTY LTD</th><th></th><th>12 MR JASON PETERSON &amp; MRS LISA PETERSON &lt; &lt; 1 &amp; L PETERSON S/F A/C&gt;</th><th>3 MR PHILLP JOHN COULSON</th><th>14 HAIFA PTY LTD</th></ribblesdale>	6   ADRIAN DARBY   LTD 		B FIRST FARLEY PTY LTD <timar a="" c="" fund="" super=""></timar>		10 AZUREE PTY LTD		12 MR JASON PETERSON & MRS LISA PETERSON < < 1 & L PETERSON S/F A/C>	3 MR PHILLP JOHN COULSON	14 HAIFA PTY LTD
Position		-		,				,		<del>-</del>	7.7	ਜ	13	

# Winchester Energy Limited



## Top Holders Report Generated 16 September 2014 4:13 PM

	0.87	0.87	0.87	0.87	0.87	0.81	1,673
90.10		THE PROPERTY OF THE PROPERTY O		The state of the s		To the second se	
Holding	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	937,500	1015; -381 O.S.
investor	15 TRONES INVESTMENTS PTY LTD  «NYLOX DISTRIBUTORS S/F A/C>	CM SUPER FUND PTY LTD <carol a="" c="" fund="" mccoll="" super=""></carol>	17 CELTIC CAPITAL PTE LTD <investment 1="" a="" c=""></investment>	MR DEAN ROBERT TAIT		BELLARINE GOLD PTY LTD <ribblesdale a="" c="" fund="" super=""></ribblesdale>	
Position	1.5	16	<b>Z T</b>		<b>6</b>	. 20	ાલકા

### Winchester Energy Limited ACN 168 586 445

Public Company Limited by Shares

Prepared by:

huntahunt

Gateway 1 Macquarie Place Sydney NSW 2000

### Copyright © 2011 Reckon Docs Pty Ltd

Copyright in this document ("Document") is owned by Reckon Docs Pty Ltd. No part of the Document may be reproduced in Australia or in any other country by any process, electronic or otherwise, in any material form or transmitted to any other person or stored electronically in any form without the prior written permission of Reckon Docs, except as permitted by the Copyright Act 1968.

When you access the Document you agree:

- Not to reproduce all or any part of the Document without the prior written permission of Reckon Docs;
- Not to make any charge for providing the Document or any part of the Document to another person or in any
  way make commercial use of the Document without the prior written consent of Reckon Docs and payment of a
  copyright fee determined by Reckon Docs;
- Not to modify or distribute the Document or any part of the Document without the express prior written permission of Reckon Docs.

Document Version: HH-1.03

### Disclaimer

The template for this Document has been prepared by Hunt & Hunt Lawyers not by Reckon Docs. Neither Reckon Docs nor Hunt & Hunt Lawyers warrant or represent that this Document is accurate or complete. Neither Hunt & Hunt Lawyers nor Reckon Docs nor their employees accept any liability for any loss or damages of any kind whatsoever arising as a result of use of this Document. When accessing the Document you must rely on your own judgment and the advice of your own professional advisers as to the accuracy and completeness of the Document.

### Index

1.	Definitions	
2.	Interpretation	3
3.	Share Capital and Variation of Rights	4
4.	Lien	10
5.	Calls on Shares	12
6.	Transfer of Shares	14
7.	Transmission of Shares	17
8.	Forfeiture of Shares	18
9.	General Meetings	20
10.	Proceedings at General Meetings	21
11.	The Directors	26
12.	Powers and Duties of Directors	30
13.	Proceedings of Directors	32
14.	Secretary	36
15.	Common Seal and Official Seal	37
16.	Inspection of Records	37
17.	Dividends and Reserves	37
18.	Capitalisation of Profits	40
19.	Notices	40
20.	Audit and Accounts	41
21.	Winding Up	41
22.	Indemnity	42
23.	Overseas Members	42
24.	Listing Rules	42
25.	CHESS	43
26.	Wholly Owned Subsidiary	43
27.	Miscellaneous	43
28.	General Authorisation	44
Cale.	adula A	2 65

{This page is intentionally left blank}

### Corporations Act 2001

## A Company Limited by Shares

## Constitution

ΟÎ

## Winchester Energy Limited

# 1. Definitions

The following words have these meanings in these Clauses unless the contrary intention appears.

- "ASC Clearing Rules" means the operating rules of Australian Clearing House Pty Ltd ACN 001 314 503.
- "Alternate Director" means a person appointed as alternate director under Clause 13.6.
- "ASTC Settlement Rules" means the operating rules of the ASX Settlement Pty Limited ACN 008 504 532.
- "Auditor" means the auditor or auditors for the time being of the Company.
- "Business Day" means a day other than a Saturday, a Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day which the Exchange shall declare and publish to be a day which is not a business day.
- "Chess" means the Clearing House Electronic Sub-Register System established and operated by the Exchange including but not limited to:
  - (a) the clearing and settlement of transaction in CHESS approved securities;
  - (b) the transfer of securities; and
  - (c) the registration of transfers.
- "Chess approved securities" means securities of a company for which CHESS approval has been given in accordance with the ASTC Settlement Rules.
- "Chess sub-register" means that part of a company's register for a class of the company's CHESS approved securities that is administered by as an approved CS facility and that records uncertificated holdings of securities in that class.
- "Company" means Winchester Energy Limited.
- "Constitution" means this Constitution as amended from time to time.
- "Corporations Act" means the Corporations Act 2001 as amended;
- "Corporations Regulations" means the regulations prescribed under the Corporations Act.
- "Director" means a director for the time being of the Company, and where appropriate includes an Alternate Director.

- "Dividend Interest" means the right of a Member to receive dividends under this Constitution or any law.
- "Exchange" means ASX Limited, commonly known as Australian Securities Exchange.
- "Executive Director" means a person appointed as executive director under Clause 13.36.
- "Listed" means, in relation to the Company, the Company being and remaining admitted to the official list of the Exchange.
- "Listing Rules" means the Listing Rules of the Exchange and any other rules of the Exchange which are applicable while the Company is admitted to the Official List of the Exchange, each as amended or replaced from time to time, except to the extent of any express written waiver by the Exchange.
- "Listed Securities" means any shares, share options, stock, debentures, debenture stock or other securities for the time being issued by the Company and officially quoted by the Exchange.
- "Managing Director" means a person appointed as managing director under Clause 13.36.

#### "Market Transfer" means:

- (a) a transfer of shares in the Company where the transfer is pursuant to or connected with a transaction entered into on the stock market operated by the Exchange and for the avoidance of doubt includes a proper ASTC transfer; or
- (b) an allotment of shares in the Company as a result of the exercise of any rights, options or convertible notes where such rights, options or notes are traded on a market operated by the Exchange.
- "Member" means a person for the time being entered in the Register as a member of the Company.
- "Ordinary shares" means all the shares other than any class of shares established by the Directors upon the issue of shares.
- "Prescribed information" means information as to whether the shares are held beneficially by the holder of the shares and, if not, who has beneficial interests in the shares, whether the holder of the shares or any person who has a beneficial interest in the shares is in a position to exercise control of another licence (giving particulars of any such position) and any other information which the Directors consider is necessary or desirable for determining the eligibility of that person or any other person to hold or continue to hold shares in the Company having regard to the provisions of the Corporations Act.
- "Proper ASTC transfer" has the same meaning as that term has under the Corporations Regulations.
- "Register" means the register of members of the Company to be kept by the Company.
- "Registered Office" means the registered office for the time being of the Company.
- "Restricted Securities" has the meaning ascribed to it by the Listing Rules;

"Seal" means the common seal of the Company.

"Secretary" means a person appointed by the Directors under Clause 14.1 to perform the duties of secretary of the Company.

"Security" means and includes a Share, or right to a Share, an option to acquire a Share and any other security with a right of conversion to equity.

"State" means the state or territory in which the Company is from time to time registered.

"Unmarketable Parcel" means a number of shares which is less than that required to constitute a marketable parcel.

"Voting interests" means the right of a Member to exercise a vote at any meeting of the company under this Constitution or any law.

"Winding Up Interest" means the right under this Constitution or any law for a Member to receive a share in the property of the company that could be distributed among members of the Company is property of the Company was distributed among Members, whether as a result of a winding up or otherwise.

"Writing" includes printing, typing and other methods of representing or reproducing words in a visible form and "written" has a corresponding meaning.

"Rule" or "rules" or "Rules" means the provisions set out in the clauses of this Constitution.

# 2. Interpretation

- 2.1 In this Constitution:
  - (a) word importing any gender include all others genders;
  - (b) the word person includes a firm, a body corporate, an unincorporated association or an authority;
  - (c) the singular includes the plural and vice versa; and
  - (d) a reference to a statute or code or the Corporations Act (or to a provision of same) means the statute, code or the Corporations Act (or provisions of same) as modified or amended and in operation for the time being, or any statute, code or provision enacted (whether by the State or Commonwealth of Australia) in its place and includes any regulation or rule for the time being in force under the statute, code or the Corporations Act.
- 2.2 Unless the contrary intention appears in this Constitution, an expression has, in a provision of this Constitution that deals with a matter dealt with by a particular provision of the Corporations Act, the same meaning as in that provision of the Corporations Act.
- 2.3 Headings are inserted for convenience and do not affect the interpretation of this Constitution.
- 2.4 Where the phrase "permitted by the Listing Rules" or similar phrase is used in this Constitution that expression under this Constitution shall be deemed to include any act, omission or transaction which is subject to a waiver of the Listing Rules by the Exchange.
- 2.5 In this Constitution a reference to the Listing Rules is to have effect if, and only if, at the relevant time, the Company has been admitted to and remains on the Official List of the ASX and is otherwise to be disregarded.

#### Replaceable Rules not to apply

2.6 The Replaceable Rules contained in the Corporations Act do not apply to the Company.

### **Transitional**

- 2.7 (a) This Constitution supersedes the constitution in force immediately before the adoption of this Constitution.
  - (b) Everything done under any previous constitution of the Company continues to have the same operation and effect after the adoption of this Constitution as if properly done under this Constitution. In particular, without limitation, every Director, Alternate Director and Secretary in office immediately before the adoption of this Constitution is taken to have been appointed and continues in office under this Constitution.

# 3. Share capital and variation of rights

#### Directors to issue shares

- 3.1 Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject to the Corporations Act and the Listing Rules, except as the Company in general meeting may when authorising any issue of shares otherwise direct and subject to this Constitution, shares in the Company are under the control of the Directors who may allot or dispose of all or any of the same to such person at such times at such price and on such terms and conditions and having attached to them such preferred, deferred or other special rights or such restrictions, whether with regard to dividend, voting, return of Capital or otherwise and whether as preference shares that are at the option of the Company likely to be redeemed as the Directors think fit.
- 3.2 Subject to the Listing Rules the Directors have the right to grant to any person options or other securities with rights of conversion to shares or pre-emptive rights to any shares for any consideration and for any stock.
- 3.3 The Directors have the right to settle the manner in which fractions of a share, however arising, are to be dealt with.
- 3.4 The Directors must not allot any shares in the Company to any person where the allotment would have the effect of transferring a controlling interest in the Company without the prior approval of a resolution of the Company in general meeting.
- 3.5 A Director or any person associated with a Director must not participate in an issue by the Company of shares under Clause 3.1 or options or other securities under Clause 3.2 unless the participation of the Director or the person associated with a director in the issue is permitted under the Listing Rules.
- 3.6 The issued capital of the Company is classified as Ordinary Shares and any other class of Shares which the Directors may determine from time to time and which, if the Company is Listed, the term of which, the ASX, has approved.

## Variation of rights

3.7 If at any time the share capital is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, be varied or abrogated in any way with the consent in writing of the holders of three-quarters of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. Any variation under this Clause shall be subject to Sections 246B to 246E of the Corporations Act.

- 3.8 The provisions of this Constitution relating to general meetings apply so far as they are capable of application and with the necessary changes to every separate meeting of the holders of a class of shares except that:
  - a quorum is constituted by 2 persons who, between them, hold or represent onethird of the issued shares of the class; and
  - (b) any holder of shares of the class, present in person or by proxy, attorney or representative appointed under Clause 10.2 may demand a poll.
- 3.9 The rights conferred on the holders of the shares of any class are not deemed to be varied by the creation or issue of further shares ranking equally with the first-mentioned shares unless otherwise:
  - (a) expressly provided by the terms of issue of the first-mentioned shares; or
  - (b) required by the Corporations Act.

# Commission and brokerage

- 3.10 The Company may exercise the power to pay brokerage or commission conferred by the Corporations Act. The rate or the amount of the brokerage or commission paid or agreed to be paid must be disclosed in the manner required by the Corporations Act.
- 3.11 The brokerage or commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or other securities or partly by the payment of cash and partly by the allotment of fully or partly paid shares or other securities.
- 3.12 The Company must comply with the requirements of the Corporations Act and the Listing Rules in the payment of such brokerage or commission.

### Recognition and disclosure of interests

- 3.13 Except as required by law, the Company is not bound or compelled in any way to recognise a person as holding a share on any trust.
- 3.14 The Company is not bound by or compelled in any way to recognise (whether or not it has notice of the interest or rights concerned) any equitable, contingent, future or partial interest in any share or unit of a share or (except as otherwise provided by this Constitution or by law) any other right in respect of a share except an absolute right of ownership in the registered holder.

# **Uncertificated Holdings and Electronic Transfer**

- 3.15 The Directors may determine not to issue a share certificate or option certificate or may determine to cancel such a certificate without issuing any certificate in its place notwithstanding any other provision in this Constitution, if that determination is not contrary to the Corporations Act or the Listing Rules.
- 3.16 The Directors may do anything they consider necessary or desirable and which is permitted under the Corporations Act and the Listing Rules to facilitate the participation by the Company in CHESS developed by the Exchange or in any computerised or electronic system established or recognised by the Corporations Act or the Listing Rules for the purposes of facilitating dealings in shares or securities. Where the securities of the Company are CHESS approved securities the Company shall comply with the ASTC Settlement Rules and if required the ASC Clearing Rules.

## **Share Holding Statements**

3.17 Where the Directors of the Company have pursuant to Clause 3.15 determined not to issue share certificates or to cancel existing share certificates a Member shall have the right to receive such statements of the holdings of the Member as are required to be distributed to a Member under the Corporations Act and the Listing Rules.

#### **Share Certificates**

- **3.18** Subject to Clause 3.15 3.17 if the Directors determine to issue a certificate for shares held by a Member the following provisions apply:
  - (a) A person whose name is entered as a Member in the Register or as an option holder in the register of options is entitled without payment to receive a certificate in respect of the shares or options registered in the person's name issued in accordance with the Corporations Act but, in respect of shares or options held jointly by several persons, the Company is not bound to issue more than one certificate;
  - (b) Delivery of a certificate for a share may be effected by delivering it personally to the holder or by posting it in a prepaid envelope addressed to the holder at the address shown in the Register or by delivering or posting the certificate in accordance with the written instructions of the holder. Delivery of a certificate for a share to one of several joint holders is sufficient delivery to all such holders;
  - (c) Where satisfactory evidence has been received by the Company that the certificate for shares previously issued has been stolen, lost or destroyed and has not been pledged, charged, sold or otherwise disposed of, and the holder has undertaken in writing to the Company to return any such certificate to the Company if it is found or received by the holder, then the Company must issue a replacement certificate in accordance with the Corporations Act;
  - (d) Where a certificate for shares previously issued has been worn out or defaced and has been surrendered to the Company for cancellation and has been cancelled the person whose name is entered as the Member in respect of those shares in the Register is entitled to receive a replacement certificate in accordance with the Corporations Act and the Listing Rules.
  - (e) The Directors may determine the number of shares to be issued in any one certificate; and
  - (f) Every certificate for shares must be issued in accordance with the Corporations Act and the Listing Rules.

## Joint holders of shares

3.19 Where 2 or more persons are registered as the joint holders of shares they are deemed to hold the shares as joint tenants.

#### **Restricted Securities**

- 3.20 The Company must comply in all respects with the requirements of the Listing Rules with respect to Restricted Securities; without limiting the generality of the foregoing:
  - (a) Restricted Securities cannot be disposed of during the escrow period except as permitted by the Listing Rules or the Exchange;

- (b) the Company will refuse to acknowledge a disposal (including registering a transfer) of Restricted Securities during the escrow period except as permitted by the Listing Rules or the Exchange;
- (c) during a breach of the Listing Rules relating to Restricted Securities, or a breach of a restriction agreement, the holder of the Restricted Securities is not entitled to any dividend or distribution, or voting rights, in respect of the Restricted Securities.

## Restrictions on issue which transfers controlling interest

Where the Company is Listed, an issue of Shares which would have the effect of transferring a controlling interest in the Company may only be made with the prior approval of the Company in general meeting, unless that issue may otherwise be made without contravening the Listing Rules.

## Restriction on related party's participation

3.22 Where the Company is Listed, a related party and any person whose relationship with the Company or a related party is, in the ASX's opinion, such that approval of the ASX should be obtained, may only participate in an issue of Securities, or rights to, or options to subscribe for, Securities, in accordance with the Listing Rules.

#### **Preference Shares**

- 3.23 Subject to any limitations referred herein, the Company may issue preference shares including:
  - (a) preference shares that are, or at the option of the Company are, liable to be redeemed; and
  - (b) preference shares of the kind described in Schedule 1 on the terms set out in Schedule 1.

## **Applications for Shares**

- 3.24 Where the Company receives an application for Shares signed by or on behalf of the applicant and the Company allots Shares to the applicant in satisfaction of that application, the application is to be treated as:
  - (a) an agreement by the applicant to accept those Shares;
  - (b) a request by the applicant for the Company to place the applicant's name in the Register of Members in respect of those Shares; and
  - (c) an agreement by the applicant that the applicant is bound by this Constitution.

## Payment for Shares by instalments

3.25 Where a Share is allotted on terms that all or any of the issue price of that Share is payable by instalments, each of those instalments must be paid when due by the person who is at that time the holder of that Share.

#### Certificates

3.26

(a) Subject to rule 3, the Director may determine to issue certificates for Securities of the Company and to cancel any certificates on issue and to replace lost, destroyed or defaced certificates on issue on the basis and in the form they determine from time to time. (b) Where the ASTC Settlement Rules apply to the Company, the Directors are not required to issue share certificates for issued Shares in the Company or allocate a distinguishing number to those Shares.

## Register - joint holders

- 3.27 If two or more persons are registered as the holders of any Securities, those persons are considered to hold the Securities as joint tenants with benefits of survivorship subject to the following provisions:
  - (a) the joint holders of the Securities are liable severally as well as jointly in respect of all payments which are to be made in respect of those Securities;
  - (b) on the death of any one of the joint holders, the Company only recognises the remaining joint holders as having any title to the Securities but the Directors may require evidence of death and the estate of the deceased joint holder is not released from any liability in respect of the Securities;
  - (c) any one of the joint holders may give a receipt for any Dividend, bonus or return of capital payable to the joint holders in respect of the Securities; and
  - (d) only the person whose name first appears in the Register as one of the joint holders of the Securities is entitled, if the Company determines to issue certificates for Securities, to delivery of a certificate relating to the Securities or to receive notices from the Company, and any notice given to that person is considered notice to all joint holders.

## Recognition of trusts

- **3.28** Except as required by law or as otherwise provided by this Constitution, the Company is not bound to recognise:
  - (a) that a person holds any Security on trust; or
  - (b) any equitable, contingent, future or partial claim to, or interest in, any Security or unit of a Security, or any other right in respect of a Security,

even if the Company has notice of the relevant trust, right or interest concerned, except the registered holder's absolute right of ownership.

### Reduction of capital

3.29

- (a) The Company may reduce its share capital subject to, and in accordance with, the Corporations Act and the Listing Rules.
- (b) When the Company reduces its capital it may return capital arising from the reduction by either a distribution of money to Members or the distribution of specific assets to Members (including without limitation, paid up shares or other securities of a body corporate other than the Company).

## Share buy-back authorisation

3.30 The Company may buy back Shares subject to, and in accordance with, the Corporations Act and the Listing Rules.

## Variation of rights

- 3.31 If at any time the issued Shares are divided into different classes, the rights attached to any class of Shares (unless the terms of issue of that class otherwise provide) may only be varied or abrogated with either:
  - (a) the consent in writing of the holders of 7 5% of the issued Shares of the class affected; or
  - (b) the sanction of a special resolution passed at a separate meeting of the holders of Shares of that class,

and for the purposes of this rule, the following provisions apply:

- (c) in relation to any separate meeting of the holders of Shares in a class, the provisions of this Constitution which relate to general meetings apply, as far as they are capable of application and changed as necessary, to those meetings as if they were general meetings, except that any holder of Shares of that class, present in person or by proxy, attorney or representative, may demand a poll; and
- (d) the rights attached to a class of Shares are not taken to be varied by the issue of further Shares of that class on identical terms, unless the terms of issue of that class of Shares expressly provide otherwise.

#### Notification of interest

#### 3A.

- (a) Members shall comply with those provisions of Part 6C.2 of the Corporations Act, which, if the Company were Listed, would empower the Company by notice in writing to direct (Direction) a Member to disclose to the Company, within 2 Business Days of receiving that Direction, the full particulars of their relevant interest (as that expression is defined in the Corporations Act) in Shares, the details of any other person who has a relevant interest in Shares, and the details of any person who has given that Member instructions in relation to their relevant interest in Shares and the particulars of those instructions (which provisions in this rule, read as though they expressly apply to the Company, are referred to as "the statutory disclosure requirements").
- (b) A person named in a disclosure by a Member as having a relevant interest in, or having given instructions about, Shares shall also comply with the statutory disclosure requirements as they apply to Members.
- (c) If a person fails to comply with the statutory disclosure requirements then:
  - (1) if the Shares, the subject of the relevant Direction, are held in certificated form, from the date of that person's failure to comply with the statutory disclosure requirements until the date that is not more than seven days after the earlier of the receipt by the Company of a notice of transfer of those Shares pursuant to an "arm's length sale" (as that expression is defined in rule 3A(d)(2)) and due compliance, to the satisfaction of the Company, with the statutory disclosure requirements:
    - (A) (should the Directors so resolve) the holder of the Shares the subject of the Direction shall not be entitled to attend, vote or exercise any other right that person is otherwise entitled to exercise at a general meeting in respect of those Shares;

- (B) (where the Shares the subject of the Direction represent at least 0.25 per cent of the issued Shares in the same class of Shares and the Directors so resolve) the Company may withhold the payment of any Dividend payable in respect of the Shares the subject of the Direction; and
- (C) (where the Shares the subject of the Direction represent at least 0.25 per cent of the issued Shares of the same class of Shares and the Directors so resolve) the Shares the subject of the Direction may not be transferred unless transferred by way of an arm's length sale; or
- if the Shares the subject of the relevant Direction are held in uncertificated (2)form or are held through a holder of depository interests, the Directors may give to the holder of those Shares (Holder) notice requiring that Holder to convert, within the period specified in the notice, those Shares into certificated form and to continue to hold those Shares in certificated form for so long as the failure to comply with the statutory disclosure requirements continues. If the Holder fails to comply with a notice under this rule 3A(c)(2) within the time specified in that notice, the Directors may take all steps and issue all instructions by means of the relevant computerised or electronic system for market settlement, security transfer and registration or otherwise in the name of the Holder necessary to convert those Shares into certificated form. Any steps taken by the Directors to convert the Shares will be as effective as if those steps had been taken by the registered holder of those Shares. The provisions of rule 3A(c)(1) shall apply from the date of conversion to certificated form.
- (d) For the purposes of this rule 3A:
  - a person is taken to have a relevant interest in Shares if that person has an interest in a depository interest in Shares;
  - (2) an "arm's length sale" means a sale to an unconnected party under which the beneficial ownership of the Shares in question passes.
- (e) If the Company becomes Listed, rules 3A(a) to 3A(d) (inclusive) shall not have force and effect for so long as it remains Listed during which time the Company must comply with the Corporations Act in respect of the tracing of beneficial ownership.

## 4. Lien

#### Lien on share

- 4.1 The Company has a first and paramount lien on every share (other than a fully paid share) for all money (whether presently payable or not) called or payable at a fixed time in respect of that share and such lien extends to all dividends, rights and other distributions from time to time declared paid or made in respect of that share. Such lien extends to cover reasonable interest (not exceeding 10% per annum) and expenses incurred because such monies are not paid.
- 4.2 The Company also has a first and paramount lien on all shares (other than fully paid shares) registered in the name of a Member for all money presently payable by that Member to the Company and all money which the Company may be called on by law to pay in respect of the shares of that Member.

- 4.3 Whenever any law for the time being of any country, state or place imposes any immediate or future or possible liability on the Company to make any payment or empowers any government or taxing authority or government official to require the Company to make any payment in respect of any share registered in the name of any Member (whether solely or jointly with others) or in respect of any dividends or other moneys paid or due or payable or which may become due or payable to that Member by the Company on or in respect of any of those shares the Company in that case:
  - (a) is fully indemnified by that Member or that Member's executor or administrator from all that liability;
  - (b) has lien on the shares registered in the name of that Member for all money paid or payable by the Company in respect of those shares under or in consequence of any such law together with interest at the rate, not exceeding 20% per annum, determined by the directors from the date of payment to the date of repayment;
  - (c) has a lien on all dividends, payable in respect of the shares registered in the name of that Member for all moneys paid by the Company in respect of those shares or in respect of such dividends under or in consequence of any such law together with interest at the rate, not exceeding 20% per annum, determined by the Directors from the date of payment to the date of repayment and may deduct or set off against any of those dividends or other moneys any of those moneys paid by the Company together with interest;
  - (d) may recover as a debt due from such Member or that Member's executor or administrator wherever constituted or situated any moneys paid by the Company under any such law; and
  - (e) may if any such money is paid by the Company under any such law refuse to register a transfer of any shares other than by a Market Transfer by any such Member or that Member's executor or administrator until such money and interest have been set off or deducted as aforesaid or have been otherwise paid to the Company.

Nothing in this Constitution prejudices or affects any right or remedy which any such law may confer on the Company and as between the Company and every such Member, that Member's executors, administrator and estate wherever constituted or situated any right or remedy which such law confers on the Company is enforceable by the Company.

- 4.4 The Company may do all such things as may be necessary or appropriate for it to do under the ASTC Settlement Rules (and if necessary the ASC Clearing Rules) to protect any lien, charge or other right to which it may be entitled under any law or this Constitution.
- 4.5 The Directors may at any time exempt a share wholly or in part from the provisions of Clauses 4.1 to 4.3.
- 4.6 The Company's lien on a share is extinguished if a transfer of the share is registered without the Company giving notice of the claim to the transferee.

# Sale under lien

- 4.7 The Company may sell, in such manner as the Directors think fit, any share on which the Company has a lien as if the share were forfeited subject to Clauses 4.8 and 4.9.
- 4.8 A share on which the Company has a lien may not be sold by the Company unless:
  - (a) a sum in respect of which the lien exists is presently payable; and

(b) the Company has, not less than 14 days before the date of sale, given to the registered holder for the time being of the share or the person entitled to the share by reason of the death or bankruptcy of the registered holder, a notice in writing setting out, and demanding payment of, such part of the amount in respect of which the lien exists as is presently payable.

#### Transfer on sale under lien

- 4.9 For the purpose of giving effect to a sale mentioned in Clause 4.7, the Company may receive the consideration (if any) given for the share so sold and may (if required) execute a transfer of the share sold in favour of the person to whom the share is sold or where the transfer of shares is to be effected as a Market Transfer, the Company may do all such things as may be necessary or appropriate for it to do to effect the transfer.
- **4.10** The title of the transferee to the share is not affected by any irregularity or invalidity in connection with the sale of the share.

#### Proceeds of sale

4.11 The proceeds of a sale mentioned in Clause 4.7 must be applied by the Company in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue (if any) must (subject to any like lien for sums not presently payable that existed on the share before the sale) be paid to the person entitled to the share at the date of the sale.

## 5. Calls on shares

#### Directors to make calls

- 5.1 The Directors may make calls on a Member in respect of any money unpaid on the shares of that Member subject to compliance with the requirements of the Corporations Act, the Listing Rules and the original terms of issue of the shares.
- 5.2 A call may be made payable by instalments.
- 5.3 The Directors may revoke or postpone a call.
- **5.4** A call must be made in accordance with the Listing Rules.

## Time of call

5.5 A call is deemed to be made at the time when the resolution of the Directors authorising the call is passed.

## Notice of call and Members' Liability

- 5.6 Each Member must, on receiving at least 15 Business Days notice (or such longer period as the Listing Rules shall require) specifying:
  - (a) the name of the Member;
  - (b) the number of shares held by the member;
  - (c) the amount of the call;
  - (d) the due date for payment of the call;
  - (e) the consequences of non-payment of the call;

- (f) the taxation deductions applicable (if any) and how they may be applied for;
- (g) market details regarding the shares and any other shares in the Company as required by the Listing Rules; and
- (h) such other information as required by the Listing Rules,

pay to the Company at the time or times and place so specified the amount called on the shares.

- 5.7 The joint holders of a share are jointly and severally liable to pay all calls in respect of the share.
- 5.8 The non-receipt of a notice of any call by, or the accidental omission to give notice of a call to, a Member does not invalidate the call.

#### Interest on default

5.9 If a sum called in respect of a share is not paid before or on the day appointed for payment of the sum, the person from whom the sum is due must pay interest on the sum from and including the day for payment to the time of actual payment at the rate, not exceeding 20% per annum, determined by the Directors, but the Directors may waive payment of that interest wholly or in part.

#### Fixed Instalments deemed calls

5.10 If by the terms of issue of a share any sum becomes payable on allotment or at a fixed date, then that sum is deemed for the purposes of this Constitution to be a call duly made and payable on the date on which (by the terms of issue) the sum becomes payable.

If a payable sum is not paid, then interest and expenses, forfeiture or otherwise will apply in accordance with the relevant provisions of this Constitution. These provisions will apply as if the sum had become payable by virtue of a call duty made and notified.

## Differentiation between shareholders as to calls

5.11 The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.

#### Prepayment of calls

- 5.12 The Directors may accept from a Member the whole or a part of the amount unpaid on a share although no part of that amount has been called.
- 5.13 The Directors may authorise payment by the Company of interest on the whole or any part of an amount so accepted, until the amount becomes payable, at such rate, not exceeding the prescribed rate, as is agreed on between the Directors and the Member paying the sum.
- **5.14** For the purposes of Clause 5.13, the prescribed rate of interest is:
  - (a) if the Company has, by resolution, fixed a rate the rate so fixed; and
  - (b) in any other case 10% per annum.

## 6. Transfer of shares

#### General

6.1

- (a) Subject to this Constitution (and in particular rule 6(1)(b), a Member may transfer all or any of its Shares, or other Securities, by an instrument in writing in any usual or common form or in any other form approved by the Directors.
- (b) The Company may participate in any computerised or electronic system for market settlement, security transfer and registration in which the Corporations Act permits the Company to participate. If the Company participates in such a system, then despite any other provisions of this Constitution:
  - Shares or other Securities may be transferred, and transfers may be registered, in any manner required or permitted by the rules applying in relation to the system;
  - (2) the Company must comply with, and give effect to, those rules; and
  - (3) the Company may, in accordance with those rules, decline to issue share certificates for holdings of Shares.
- (c) An instrument of transfer must be executed by, or on behalf of, both the transferor and the transferee, unless it is a sufficient transfer of Securities within the meaning of the Corporations Act, and properly stamped (if necessary).
- (d) The Company must register all registrable transfer forms, renunciations and transfers, issue transmission receipts, and mark (if marked within 2 Business Days after the transfer form is lodged) or note transfer forms, without charge.

# Certificated holding

6.2

- (a) Except for a proper ASTC transfer, for a transfer of Shares or other Securities in certificated mode:
  - (1) the written instrument of transfer must be left for registration at the registered office of the Company or any other place the Directors determine;
  - (2) unless the Directors otherwise determine either generally or in a particular case, the instrument is to be accompanied by the certificate for the Securities to be transferred;
  - (3) the instrument is to be accompanied by any other evidence which the Directors may require to prove the title of the transferor, the transferor's right to transfer the Securities, execution of the transfer or compliance with the provisions of any law relating to stamp duty.
- (b) Subject to rule 6.2(a), on each application to register the transfer of Securities or to register any person as the holder in respect of any Securities transmitted to that person by operation of law or otherwise, the certificate specifying the Securities in respect of which registration is required must be delivered to the Company for cancellation and on registration the certificate is considered to have been cancelled.

## Uncertificated holding

- **6.3** For a transfer of Shares or other Securities in uncertificated mode:
  - (a) if the Company participates in a computerised or electronic system of the kind described in rule 6.1, then transfers must be effected in accordance with the rules applying to the system; or
  - (b) if the Company does not participate in such a system then the Company must, subject to the powers vested in Directors by this Constitution, register the transferee as a Member if:
    - the instrument of transfer is left for registration at the company's registered office;
    - (2) any fee payable on registration of the transfer has been paid; and
    - (3) the instrument of transfer is accompanied by such other information as the Directors reasonably require to show the right of the transferor to make the transfer.

## Directors' power to decline registration

6.4

- (a) Subject to rule 6.4(b), the Directors may, in their absolute discretion, refuse to register any transfer of Shares or other Securities;
  - on which stamp duty is payable but unpaid;
  - (2) if the Shares are not fully paid or the Company has a lien on the Shares;
  - (3) where the holder of the Shares, or any other person with a relevant interest (as that expression is defined in the Corporations Act) in the Shares, has failed to comply with the statutory disclosure requirements under rule 3A(a) and rule 3A(c) applies in respect of that failure; and
  - (4) In any circumstances permitted by the Listing Rules.
- (b) Subject to rule 6.4(c), the Directors must not register, or otherwise give effect to, any transfer of Shares or other Securities which is an ASTC regulated transfer unless the transfer is a proper ASTC transfer and must decline to register any transfer of Shares or other Securities:
  - (1) where the Listing Rules require the Company to do so; or
  - (2) where the transfer is in breach of the Listing Rules or any escrow agreement relating to restricted securities entered into by the Company under the Listing Rules.
- (c) The Company must not prevent, delay, refuse, or fail to register, or refuse or fail to give effect to, or in any way, interfere with, a proper ASTC transfer.
- (d) If, in exercise of their rights under rules 6.4(a) and 6.4(b), the Directors refuse to register a transfer of a Security, they must give written notice in accordance with the Listing Rules of the refusal to the transferee and the broker lodging the transfer (if any). Failure to give such notice will not invalidate the decision of the Directors.

#### Transferor remains member

**6.5** Except, where the ASTC Settlement Rules apply to the Company, in the ease of a proper ASTC transfer, the transferor of a Share remains the holder of that Share until the transfer is registered and the name of the transferee is entered in the Register of Members in respect of that Share.

## Powers of attorney

- 6.6 Where a power of attorney granted by a Member is lodged with, or produced or exhibited to, the Company and that power of attorney confers power on the attorney to transfer any or all of the Member's Shares, the Company is entitled to assume, as against the Member, that the power remains in full force and effect and may be relied on by the Company until the Company receives express notice in writing at its registered office of either:
  - (a) the revocation of the power of attorney; or
  - (b) the death of the Member.

## Unmarketable parcels

6.7

- (a) Where the Company is Listed, if a Member holds an Unmarketable Parcel of Shares, the Company may sell or otherwise dispose of (Divest) those Shares (together with all rights attached to them, including any Dividends declared but unpaid) if that Unmarketable Parcel of Shares was created by the transfer of a parcel of Shares that was an Unmarketable Parcel at the time a proper transfer of the Shares occurred (the Relevant Shares).
- (b) The Company is not required to give a Member any notice in respect of the Relevant Shares before the Company can Divest the Relevant Shares.
- (c) After the Company has Divested the Relevant Shares, the Company must send the proceeds of the sale of the Relevant Shares (less expenses reasonably incurred by the Company in the Divestment of the Relevant Shares) to the postal address of the Member as recorded in the Company's Register.

## Directors power to decline to register

- 6.8 The Directors may decline to register any transfer of shares (other than a Market Transfer) where the Listing Rules or ASTC Settlement Rules permits or requires the Company to do so.
- 6.9 If in the exercise of their rights under Clause 6.5 the Directors refuse to register a transfer of a security they must give written notice in accordance with the Listing Rules of the refusal to the transferee and the broker lodging the transfer (if any). Failure to give such notice will not invalidate the decision of the Directors.
- 6.10 The Company must not prevent, delay or interfere with the registration of a Market Transfer where to do so would be contrary to the provisions of any of the Listing Rules or the ASTC Settlement Rules, which overrule this Constitution notwithstanding any other provisions contained in this Constitution.

## Closure of the Register

6.11 Subject to the Corporations Act the Listing Rules and the ASTC Settlement Rules the Company may at any time close the Register for a period not exceeding in the whole 30 days in any year.

## Company to retain instrument of transfer

**6.12** The Company must retain every instrument of transfer it receives pursuant to the terms of this Part for registration for such period as the Directors determine.

### **Other Securities**

6.13 The provisions of this Clause 6 shall apply with necessary alterations to any other Listed Securities for the time being issued by the Company.

### 7. Transmission of shares

#### Transmission of shares on death of holder

7.1 If a deceased Member is a joint holder and the survivor or survivors are the only persons recognised by the Company as having any title to the deceased's interest in the shares the estate of the deceased joint holder will not be released from any liability. The same applies where the deceased Member is a sole holder and the legal representatives are the only persons recognised by the Company as having any title to the deceased's interest in the shares.

## Right to registration on death or bankruptcy

- 7.2 If as a result of the death or bankruptcy of a Member a person becomes entitled to a share, that person may, subject to the *Bankruptcy Act 1966* either:
  - (a) elect to be registered as a holder of the share; or
  - (b) nominate another person to be registered as the transferee of the share.

providing that such information as is required by the Directors is properly produced. Where the surviving joint holder becomes entitled to a share in consequence of the death of a member, the Directors must on satisfactory evidence of that death being produced to them, direct the Register to be altered accordingly.

- 7.3 If the person becoming entitled elects to be registered as holder of the share under Clause 7.2 the person must deliver or send to the company a notice in writing signed by the person in such form as the Directors approve stating that the person so elects.
- 7.4 If the person becoming entitled nominates another person to be registered as the transferee of the share under Clause 7.2 the person must do all things necessary or appropriate to effect the transfer.
- 7.5 All the limitations, restrictions, and provisions of this Constitution the Listing Rules ASTC Settlement Rules or the Corporations Act relating to the transfer, and the registration of transfer of, shares are applicable to any such notice or transfer as if the death or bankruptcy of the Member had not occurred and the actions and procedures taken to effect the transfer were actions taken by that Member.

## Effect of transmission

7.6 If the registered holder of a share dies or becomes bankrupt, the personal representative or the trustee of the estate of the registered holder, as the case may be, is, on the production of such information as is properly required by the Directors, entitled to the same dividends and other advantages, and to the same rights (whether in relation to meetings of the Company, or to voting or otherwise), as the registered holder would have been entitled to if the registered holder had not died or become bankrupt.

7.7 If 2 or more persons are jointly entitled to any share in consequence of the death of the registered holder, they are, for the purpose of this Constitution, deemed to be joint holders of the share.

## Market Transfers not affected

7.8 In the case of a Market Transfer the provisions of this Clause 7 are subject to any such obligation as may be imposed on the Company or the person entitled to the shares in the death or bankruptcy of the Member by the Listing Rules, ASTC Settlement Rules or any law.

### 8. Forfeiture of shares

## Notice requiring payment of call

- 8.1 If a Member fails to pay a call or instalment of a call on the day appointed for payment of the call or instalment, the Directors may serve a notice on the Member requiring payment of so much of the call or instalment as is unpaid, together with any interest that has accrued and all costs and expenses that have been incurred by the Company by reason of such non-payment.
- 8.2 The notice must name a further day being the date 10 Business Days after the day for payment of the call or instalment on or before which the payment required by the notice is to be made and must state that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

## Forfeiture for failure to comply with notice

- 8.3 If the requirements of a notice served under Clause 8.1 are not complied with, any share of which a call is unpaid at the expiration of 10 Business Days after the day for its payment is thereupon forfeited without any resolution of the Directors to that effect.
- 8.4 Such a forfeiture includes all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
- 8.5 Any share forfeited under Clause 8.3 may be sold, re-allotted or otherwise disposed of to whom and on such terms and conditions, subject to the Corporations Act and Listing Rules, as the Directors think fit.
- 8.6 If any share is forfeited under Clause 8.3, notice of the forfeiture must be given to the Member holding the share immediately prior to the forfeiture and an entry of forfeiture with the date thereof must be made in the Register.
- 8.7 The Directors may accept the surrender of any share which they are entitled to forfeit on such terms as they think fit and any share so surrendered is deemed to be a forfeited share.
- **8.8** Failure of the Company to give a notice or effect such entry in the Register will not invalidate the forfeiture.
- 8.9 A Share forfeited immediately becomes the property of the Company and the Directors may sell, re-allot or otherwise dispose of the Share on the terms and conditions, subject to Listing Rules, they determine.

## Cancellation of forfeiture

8.10 At any time before a sale or disposition of a share, the forfeiture of that share may be cancelled on such terms as the Directors think fit.

### Surrender as forfeiture

8.11 When the Directors are entitled to forfeit a Share, they may accept the surrender of that Share on any terms and conditions they so determine, and a Share so surrendered may be disposed of in the same way as a Share that has been forfeited.

#### Directors may waive

8.12 The Directors may, subject to the Listing Rules, elect not to enforce payment, in whole or in part, of amounts owing to the Company pursuant to Rule 8.13.

## Effect of forfeiture on former holder's liability

8.13 If a person ceases to be a Member due to their shares being forfeited, that person remains liable to pay the Company all money that was payable in respect of the shares, at the date of forfeiture. This amount includes interest at the rate, not exceeding 20% per annum, determined by the Directors from the date of forfeiture on the money for the time being unpaid if the Directors think fit to enforce payment of the interest and also expenses owing. Once the Company receives payment in full of all money owing in respect of the shares (including interest and expenses), that person's liability ceases.

#### Evidence of forfeiture

8.14 A statement in writing declaring that the person making the statement is a director or a secretary of the Company, and that a share in the Company has been duly forfeited in accordance with this Constitution on a date stated in the statement, is prima facie evidence of the facts stated in the statement as against all persons claiming to be entitled to the share.

#### Transfer of forfeited share

- 8.15 The Company may receive the consideration (if any) given for a forfeited share on any sale or disposition of the share and may effect a transfer of the share in favour of the person to whom the share is sold or disposed.
- **8.16** Upon the effecting of the transfer, the transferee must be registered as the holder of the share and is not bound to see to the application of any money paid as consideration.
- 8.17 The title of the transferee to the share is not affected by any irregularity or invalidity in connection with the forfeiture, sale or disposal of the share.

## Forfeiture applies to non-payment of instalment

- 8.18 The provisions of this Constitution as to forfeiture apply in the case of non-payment of any sum that, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if that sum had been payable by virtue of a call duly made and notified.
- 8.19 Where the transfer of forfeited shares is to be effected by a ASTC regulated transfer, the Company may do all such things as may be necessary or appropriate for it to do under the ASTC Settlement Rules.

# **Listing Rules**

8.20 The Company shall comply with the Listing Rules with respect to forfeited shares.

## Application of proceeds

8.21 The Company must apply the net proceeds of any sale or disposal of a Share (after payment of all costs and expenses incurred) in or towards payment or satisfaction of the money due in respect of that Share and any residue must be paid to the person entitled to that Share immediately prior to the sale or disposal or as that person directs.

## 9. General meetings

## **Annual General Meeting**

**9.1** Annual general meetings of the Company are to be held in accordance with the Corporations Act and the Listing Rules.

#### **General Meeting**

9.2 A Director may convene a general meeting of the Company whenever they think fit provided that if there are no Directors holding office the Secretary shall convene a general meeting for the purpose of electing Directors.

## **Notice of General Meeting**

- 9.3 A notice of a general meeting must specify:
  - (a) the place, date and time of the meeting;
  - (b) the general nature of the business of the meeting (except to the extent permitted by rule 9.5); and
  - (c) any other matters required by the Corporations Act and the Listing Rules.
- 9.4 The non-receipt of notice of a general meeting by, or the accidental omission to give notice of a general meeting to, a person entitled to receive notice does not invalidate any resolution passed at the general meeting.

### Business not requiring notice

- 9.5 The business of an Annual General Meeting may include:
  - (a) the consideration of the annual financial report, directors' report and Auditor's report;
  - (b) the election of Directors;
  - (c) the appointment of the Auditor; and
  - (d) the fixing of the Auditor's remuneration,

even if not referred to in the notice of meeting.

#### Requisitioned meeting

9.6 A general meeting shall also be convened on requisition as is provided for by the Corporations Act or in default maybe convened by such requisitionists as empowered to do so by the Corporations Act.

# Objects of requisitioned meeting

9.7 The requisition for a general meeting must state any resolution to be proposed at the meeting and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents if the working at the request is identical in each copy each signed by one or more of the requisitionists.

### Expenses of requisitioned meeting

9.8 Any reasonable expenses incurred by the requisitionists by reason of the failure of the Directors to convene a general meeting must be paid to the requisitionists by the Company and any sum so paid may be recovered by the Company in the manner provided in Section 249E (5) of the Corporations Act.

## Postponement or cancellation of meeting

**9.9** The Directors may postpone or cancel any general meeting whenever they think fit (other than a meeting convened as the result of a requisition under Clause 9.6).

## 10. Proceedings at general meetings

#### Representation of Member

- 10.1 Any Member may be represented at any meeting of the Company by a proxy or attorney.
- 10.2 If a body corporate is a Member it may also, by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative either at a particular general meeting or at all general meetings of the Company or of any class of Members.
- 10.3 A person authorised under Clause 10.2 is, in accordance with that authority and until it is revoked by the body corporate, entitled to exercise the same powers on behalf of the body corporate as the body corporate could exercise if it were a natural person who was a Member.
- 10.4 Unless the contrary intention appears, a reference to a Member in the succeeding provisions of this Part 10 means a Member, a proxy or attorney of a Member or a person appointed under Clause 10.2 to represent a body corporate which is a Member.

#### Quorum

10.5 No business may be transacted at any general meeting unless a quorum is present.

A quorum consists of:

- (a) if only member is entitled to vote that member
- (b) if the number of members entitled to vote is 2 or more -2 of these members

If a quorum is present at the beginning of a meeting it is deemed present throughout the meeting unless the chairman of the meeting otherwise declares, on the chairman's own motion or at the instance of a member, proxy, attorney or representative appointed under Clause 10.2.

## Fallure to achieve quorum

- 10.6 If a meeting is convened on the requisition of Members and a quorum is not present within half an hour from the time appointed for the meeting, the meeting must be dissolved.
- 10.7 If a meeting is convened in any other case and a quorum is not present within half an hour from the time appointed for the meeting:
  - (a) the meeting must be adjourned to such day, time and place as the Directors determine or if no determination is made by them to the same day in the next week at the same time and place; and
  - (b) if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting:
    - (1) 2 Members present in person or by proxy, attorney or representative appointed under Clause 10.2 constitute a quorum; or
    - (2) where 2 such persons are not present the meeting must be dissolved.

## Appointment and powers of chairman of general meeting

- 10.8 If the Directors have elected one of their number as chairman of their meetings, that person must preside as chairman at every general meeting.
- 10.9 If a general meeting is held and:
  - (a) a chairman has not been elected as provided by Clause 10.8 or
  - (b) the chairman is not present within 15 minutes after the time appointed for the holding of the meeting or is unable or unwilling to act,

then the deputy chairman elected under Clause 13.16 (if any) must act as chairman of the meeting. If there is no such person or that person is absent or unable or unwilling to act, the Directors present must elect one of their number to be chairman of the meeting, or, if no Director is present or if all Directors present decline to take the chair, the Members present must elect one of their number as chairman of the meeting.

10.10 The chairman is responsible for the general conduct of a general meeting and may make rulings and in addition to any general power to adjourn may adjourn the meeting without putting the question to the vote if such action is required to ensure the orderly conduct of the meeting.

## Adjournment of general meeting

- 10.11 The chairman may, with the consent of any meeting at which a quorum is present, and must if so directed by the meeting, adjourn the meeting from day to day, time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- **10.12** When a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of an original meeting.
- **10.13** Except as provided by Clause 10.12, it is not necessary to give any notice of an adjournment or of the business to be transacted at any adjourned meeting.

## Voting at general meeting

- **10.14** At any general meeting a resolution put to the vote of the meeting must be decided on a show of hands unless a poll is demanded:
  - (a) by the chairman;
  - (b) by not less than 2 Members having the right to vote at the meeting; or
  - (c) by a Member or Members present who are together entitled to not less than 5% of the total voting rights of all the Members having the right to vote as the resolution at the meeting.

A poll may be demanded:

- (a) before a vote is taken;
- (b) before the voting results on a show of hands are declared; or
- (c) immediately after the voting results on a show of hands are declared.

Unless a poll is properly demanded, a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company, is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution provided that the declaration reflects the show of hands and the votes of the proxies received.

Before a vote is taken the Chairman must inform the meeting whether any proxy votes have been received and how the proxy votes are to be cast.

## Questions decided by majority

10.15 Subject to the requirements of the Corporations Act in relation to special resolutions, a resolution is taken to be carried if the proportion that the number of votes cast in favour of the resolution exceeds one half of the total number of votes cast on the resolution.

#### Poli

- 10.16 If a poll is properly demanded, it must be taken in such manner and (subject to Clause 10.17) either at once or after an interval or adjournment or otherwise as the chairman directs, and the result of the poll is the resolution of the meeting at which the poll was demanded.
- 10.17 A poll demanded on the election of a chairman or on a question of adjournment must be taken immediately.
- 10.18 The demand for a poll may be withdrawn.

#### **Equality of votes**

10.19 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, in addition to the vote or votes (if any) to which the chairman may be entitled as a Member, proxy, representative or attorney, has a casting vote. The chairman has a discretion both as to the use of the casting vote and as to the way in which it is used.

# Entitlement to vote

- 10.20 Subject to any rights or restrictions for the time being attached to any class or classes of shares at general meetings of Members or classes of Members:
  - each Member entitled to vote may vote in person or by proxy, attorney or representative;
  - (b) on a show of hands, every person present who is a Member or a proxy, attorney or representative of a Member has one vote;
  - (c) on a poll, every person present who is a Member or a proxy, attorney or representative of a Member shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares, shall have a fraction of a vote for each partly paid share. The fraction must be equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited). In this Clause, amounts paid in advance of a call are ignored when calculating the proportion.

10.21 If a Member is present at any meeting of the Company and any one or more proxy, attorney or representative for such a Member is also present, or if more than one proxy, attorney or representative for a Member is present at any meeting of the Company then no such proxy, attorney or representative is entitled to vote on a show of hands and on a poll the vote of each one is of no effect unless each such person is appointed to represent a specified proportion of the Member's voting rights, not exceeding in the aggregate 100%.

#### Joint Shareholder's vote

10.22 In the case of joint holders of a share in the Company the vote of the senior who tenders a vote, whether in person or by proxy, attorney or representative, must be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority is determined by the order in which the names stand in the Register.

#### Vote of shareholder of unsound mind

10.23 If a Member is of unsound mind or is a person whose person or estate is liable to be dealt with in any way under the law relating to mental health then the Member's committee or trustee or such other person as properly has the management of the Member's estate may exercise any rights of the Member in relation to a general meeting as if the committee, trustee or other person were a Member.

#### Effect of unpaid call

10.24 A Member is not entitled to vote at a general meeting in respect of those shares on which calls are outstanding; this restriction does not apply in respect of those shares on which no calls are outstanding.

#### Objection to voting qualification

- 10.25 An objection may be raised to the qualification of a voter only at the meeting or adjourned meeting at which the vote objected to is given or tendered.
- 10.26 Any such objection must be referred to the chairman of the meeting, whose decision is final.
- 10.27 A vote not disallowed under such an objection is valid for all purposes.

# Appointment of proxy

## 10.28

- (a) A Member of a Company who is entitled to attend and cast a vote at a meeting of the Company's members may appoint a person as the member's proxy to attend and vote for the Member at the meeting.
- (b) The appointment may specify the proportion or number of votes that the proxy may exercise.
- (c) Each Member may appoint a proxy. If the Member is entitled to cast 2 or more votes at the meeting, they may appoint 2 proxies. If the Member appoints 2 proxies and the appointment does not specify the proportion or number of the Member's votes each proxy may exercise, each proxy may exercise half of the votes.
- (d) Disregard any fractions of votes resulting from the application of paragraphs (b) and (c).

- 10.29 An instrument appointing a proxy must be in writing under the hand of the appointor or of the appointor's attorney duly authorised in writing or, if the appointor is a corporation, under seal. A proxy need not be a member.
- 10.30 An instrument appointing a proxy may specify the manner in which the proxy is to vote in respect of a particular resolution and, where an instrument of proxy so provides, the proxy is not entitled to vote on the resolution except as specified in the instrument.
- **10.31** An instrument appointing a proxy is deemed to confer authority to demand or join in demanding a poll.
- 10.32 An instrument appointing a proxy must:
  - (a) be in the form approved by the Directors from time to time and which complies with the Corporations Act; and
  - (b) comply with the Listing Rules.
- **10.33** The Directors must issue with the notice of a meeting a form of proxy in blank as to the first proxy but may include the name of any suggested alternative or other proxy.

## Deposit of proxy and other instruments

- 10.34 For an instrument appointing a proxy to be valid, compliance with the following is required:
  - (a) the instrument, and the power of attorney or other authority (if any) under which the instrument is signed or a copy or facsimile which appears on its face to be an authentic copy of that power or authority must be certified as a true copy by statutory declaration; and
  - (b) the instrument must be received by the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote at the Registered Office or share registry of the Company or at such other place (as is specified for that purpose in the notice convening the meeting).

## Validity of vote in certain circumstances

- 10.35 Notwithstanding the following:
  - (a) previous death or unsoundness of mind of the principal;
  - (b) revocation of the instrument (or of the authority under which the instrument was executed) or of the power, or the transfer of the share in respect of which the instrument or power is given

a vote given in accordance with the terms of an instrument of proxy or of a power of attorney is valid providing that none of the following instances have occurred:

- (a) intimation in writing of the death;
- (b) unsoundness of mind;
- (c) revocation or transfer has been received by the Company at its Registered Office or share registry before the commencement of the meeting or adjourned meeting at which the instrument is used or the power is exercised

## Director entitled to notice of meeting

10.36 A Director is entitled to receive notice of and to attend all general meetings and all separate general meetings of the holders of any class of shares in the Company and is entitled to speak at those meetings.

## 11. The directors

#### Number and Appointment of Directors

11.1 The number of Directors must not be less than 3 nor more than 10 or such lesser number as the Directors determine provided that the number so determined must not be less than the number of Directors when the determination takes effect. The names of the first Directors of the Company shall be the persons nominated with their consent in the application for registration of the Company or the Directors in office at the time of adoption of this Constitution will continue in office subject to the provisions of this Constitution as the case may be.

The number of Directors must be:

- (a) a minimum of 3; and
- (b) a maximum of 10

If the Directors determine that less than 3 Directors as a minimum and less that 10 Directors as a maximum should be the number of Directors appointed, then this is allowable only if the number so determined exceeds the number of Directors when the determination takes effect.

The names of the first Directors of the Company will be as follows:

- (a) the persons nominated with their consent in the application for registration of the Company; or
- (b) the Directors in office at the time of adoption of this Constitution will continue in office subject to the provisions of this Constitution.
- 11.2 The Company in general meeting may, by resolution, increase or reduce the number of Directors and may also determine in what rotation the increase or reduced number is to go out of office.
- 11.3 Subject to Clause 13.39 at the Annual General Meeting in every year one-third of the Directors for the time being, or, if their number is not 3 nor a multiple of 3, then the number nearest one-third, and any other Director not in such one-third who has held office for 3 years or more (except the Managing Director), must retire from office.

Directors must retire from office at the Annual General Meeting in the following circumstances:

- (a) One third of Directors ;or
- (b) the nearest one-third of Directors if a Director's number is not 3 nor a multiple of 3; and
- (c) any other director not in such one-third who has held office for 3 years or more (except the Managing Director).

This clause is subject to Clause 13.39.

- 11.4 A retiring Director is eligible for re-election.
- 11.5 The Directors to retire at any annual general meeting must be those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire must (unless they otherwise agree among themselves) be determined by lot.

The Directors to retire at any Annual General Meeting must be those who have served longest on office since their last election. Where person(s) became Directors on the same day, those to retire must be determined by lot unless this is agreed upon between those person(s).

11.6 No Director except a Managing Director shall hold office for a period in excess of 3 years or until the third annual general meeting following his appointment whichever is the longer without submitting himself for re-election.

#### **Election of Directors**

11.7 No person other than a Director seeking re-election shall be eligible for election to the office of Director at any general meeting unless he or some Shareholder intending to propose him has not later than 5 Business Days after the date shown on the notice to the Home Exchange referred to in Clause 9.10(a), left at the Registered Office a notice in writing duly signed by the nominee giving his consent to the nomination and signifying his candidature for the office or the intention of such Shareholder to propose him. Notice of each and every candidature for election as a Director shall be given to each Shareholder with or as part of the notice of the Meeting at which the election is to take place. The Company shall observe the requirements of Section 201E of the Corporations Act with respect to the election of the Directors.

In order for a person to be eligible for election to the office of Director, that person or a Shareholder intending to propose him must do the following:

- (a) Prepare a notice in writing duly signed by the nominee giving his consent to the nomination and signifying his candidature for the office or the intention of such Shareholder to propose him; and
- (b) Leave the notice at the Registered office no later than 5 Business Days after the date shown on the notice to the Home Exchange referred to in Clause 9.10(a).

Notice of each and every candidature for election as a Director must be given to each Shareholder with or as part of the notice of the Meeting at which the election is to take place. When electing Directors, compliance with section 201E of the Corporations Act is required.

11.8 Where the number of nominations for election as a Director exceeds the number of Directors who have or are to resign at the general meeting, the order in which the nominations are to be voted on shall be determined by drawing lots and once the relevant vacancies have been filled, no further nominations shall be voted on.

#### **Qualifications of Directors**

11.9 A Director is not required to hold any share in the Company.

## **Casual Vacancy**

11.10 The Company in general meeting may by resolution and the Directors may at any time appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the number determined in accordance with Clauses 11.1 and 11.2

11.11 Any Director appointed under Clause 11.10 holds office until the next annual general meeting of the Company and is then eligible for re-election but is not to be taken into account in determining the Directors who are to retire by rotation at that meeting.

#### Removal of Director

- 11.12 The Company in general meeting may by resolution (of which notice is given in accordance with the Corporations Act) remove any Director from office and may by resolution appoint another person in that Director's stead.
- 11.13 Any Director appointed under Clause 11.12 is to be treated, for the purpose of determining the time at which that Director or any other Director is to retire, as if that director had become a Director on the day on which the Director in whose place that Director was appointed was last elected a Director.

#### Remuneration of Directors

- 11.14 The Directors will be paid out of the funds of the Company, by way of remuneration for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Directors prior to the first annual general meeting of the Company, to be divided among themselves and in default of agreement then in equal shares. The remuneration of the Directors shall not be increased except pursuant to a resolution passed at a general meeting of the Company where notice of the suggested increase has been given to Members in the notice convening the meeting. No non-executive Director will be paid as part or whole of his remuneration a commission on or a percentage of profits or a commission on or a percentage of operating revenue, and no Executive Director will be paid as whole or part of his remuneration a commission on or percentage of operating revenue.
- 11.15 The Directors' remuneration is deemed to accrue from day to day.
- 11.16 If a Director, being willing, is called on to perform extra services or to make any special exertions in going or residing abroad or otherwise for the Company, the Company may remunerate that Director by payment of a fixed sum determined by the Directors and that remuneration may be either in addition to or in substitution for that Director's share in the remuneration provided for in Clause 11.14.

The Company may remunerate a Director who is called upon to perform extra services in going or residing abroad or otherwise for the Company.

# Remuneration may be:

- (a) in the form of a fixed sum determined by the Directors; and
- (b) in addition to or in substitution for that Director's share in the remuneration provided for in Clause 11.14.
- 11.17 The Directors may also be paid all travelling and other expenses properly incurred by them in attending, participating in and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or otherwise in connection with the business of the Company.

#### Directors' interests

11.18 Subject to Clause 11.20 no Director is disqualified by his office from contracting with the Company whether as vendor purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided or prejudiced on that account, nor shall any Director be liable to account to the Company for any profit arising from any such contract or agreement by reason only of such Director holding that office or of the fiduciary relationship thereby established.

### A Director will not be:

- (a) disqualified by his office if he/she contracts with the Company whether as vendor, purchaser or otherwise;
- (b) liable to account to the Company for any profit arising from any such contract or agreement by reason only of such Director holding that office or of the fiduciary relationship thereby established.

If a contract or arrangement is entered into by or on behalf of the Company and a Director is in any way interested, that contract or arrangement should not be avoided or prejudiced for this reason.

- 11.19 A director who has a material personal interest in a matter that relates to the affairs of the Company must give to the other directors notice of the interest unless such interest falls within the exception of Section 191 (2) of the Corporations Act. The nature of this interest must be disclosed by the director at a directors' meeting as soon as practicable after the relevant facts have come to his knowledge and such director must comply with the requirements of Sections 191, 192 and 195 of the Corporations Act.
- 11.20 Subject to the requirements of Sections 191 and 192 of the Corporations Act, a standing notice that a Director has an interest in any matter shall be a sufficient disclosure under this Clause as regards the interest of the Director in any transactions relating to the matter and after such standing notice it shall not be necessary for such Director to give a special notice relating to any particular transaction relating to that matter.

## **Related Body Corporate Contracts**

11.21 Subject to the requirements of Chapter 2E and of Section 191 of the Corporations Act a Director will not be deemed to be interested or to have been at any time interested in any contract or arrangement by reason only that in a case where the contract has been or will be made with, for the benefit of, or on behalf of a Related Body Corporate, he is a director in that Related Body Corporate.

## Vacation of office of Director

- 11.22 In addition to the circumstances in which the office of a Director becomes vacant under the Corporations Act, the office of a Director becomes vacant if the Director:
  - (a) becomes of unsound mind or a person whose person or estate is liable to be deaft with in any way under the law relating to mental health;
  - (b) resigns from the office by notice in writing to the Company;
  - is absent without the consent of the remaining Directors from meetings of the Directors held during a period of 6 months;
  - (d) is removed from office under Clause 11.12;

- (e) ceases to be a Director by virtue of Section 206A or any other provision of the Corporations Act;
- (f) becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (g) becomes prohibited from being a Director by reason of any order made under the Corporations Act.

## 12. Powers and duties of directors

## **Directors to Manage Company**

- 12.1 The business of the Company is managed by the Directors, who may exercise all such powers of the Company as are not, by the Corporations Act or by this Constitution, required to be exercised by the Company in general meeting. This clause is subject to the Corporations Act the Listing Rules and to any other provision of this Constitution.
- 12.2 Without limiting the generality of Clause 12.1, the Directors may at any time:
  - (a) exercise all the powers of the Company to borrow or raise money, to charge any property or business of the Company or all or any of its uncalled capital and to issue debentures or give any other security for a debt, liability or obligation of the Company or of any other person;
  - (b) sell or otherwise dispose of the whole or any part of the assets, undertakings and other properties of the Company or any that may be hereafter acquired on such terms and conditions as they may deem advisable, but:
    - (1) the Company shall comply with the Listing Rules;
    - (2) any sale or disposal of the Company's main undertaking will only be made subject to the prior approval or ratification of the sale or disposal by the Company in general meeting; and
    - (3) on the sale or disposition of the Company's main undertaking or on the liquidation of the Company, no commission or fee will be paid to any Director or Directors or to any liquidator of the Company unless it has been ratified by the Company in general meeting, with prior notification of the amount of such proposed payments having been given to all Members at least 10 days prior to the meeting at which any such payment is to be considered; and
  - (c) take any action necessary or desirable to enable the Company to comply with the Listing Rules.
- 12.3 The Directors may raise or secure the payment or repayment of moneys or any debt, liability or obligation in such manner and on such terms and conditions in all respects as they may determine and in particular by the issue of debentures, debenture stock (perpetual or otherwise), bonds, notes or other securities or debt instruments the payment of which may be charged on all or any part of the property of the Company (both present and future) including its uncalled capital for the time being.
- 12.4 Debentures, debenture stock, bonds, notes or other securities or debt instruments may be made assignable free from any equities between the Company and the person to whom the same may be issued.
- 12.5 Any debentures, debenture stock, bonds, notes or other securities or debt instruments may be issued at the discretion of the Directors at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Company, appointment of Directors and otherwise.

## Appointment of attorney

- 12.6 The Directors may, by power of attorney, appoint any person or persons to be the attorney or attorneys of the Company for such purposes, with such powers, authorities and discretions (being powers, authorities and discretions vested in or exercisable by the Directors), for such period and subject to such conditions as they think fit.
- 12.7 Any such power of attorney may contain such provisions for the protection and convenience of persons dealing with the attorney as the Directors think fit and may also authorise the attorney to delegate all or any of the powers, authorities and discretions vested in the attorney.

#### Minutes

- 12.8 The Directors must cause minutes to be made:
  - (a) of the names of the Directors present at or involved in all general meetings and all meetings of the Directors; and
  - (b) of all proceedings of general meetings and of meetings of Directors,

and cause those minutes to be entered, within one month after the relevant meeting is held, in the minute book.

12.9 The minutes referred to in Clause 12.8 must be signed by the chairman of the meeting at which the proceedings took place or by the chairman of the next succeeding meeting.

## Execution of Company cheques etc.

12.10 All cheques, promissory notes, bankers' drafts, bills of exchange and other negotiable instruments, and all receipts for money paid to the Company, must be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner and by such persons as the Directors determine from time to time.

## **Retirement Benefits for Directors**

12.11 The Directors may at any time adopt any scheme or plan which they consider to be in the interest of the Company and which is designed to provide retiring or superannuation benefits for both present and future non-executive Directors, and they may from time to time vary any such scheme or plan. Any scheme or plan may be effected by agreements entered into by the Company with individual Directors, or by the establishment of a separate trust or fund, or in such other manner as the Directors consider proper. The Directors may attach such terms and conditions to any entitlement under any such scheme or plan as they think fit, including, without limitation, a minimum period of service by a Director before the accrual of any entitlement and the acceptance by the Directors of a prescribed retiring age. No such scheme or plan shall operate to confer upon any Director or on any of the dependants of any Director any benefits exceeding those permitted by Section 200G of the Corporations Act, except with the approval of the Company in general meeting.

## Securities to Directors

12.12 If the Director acting solely in his capacity as a Director of the Company shall become personally liable for the payment of any sum primarily due by the Company, the Directors may create any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the persons or person so becoming liable from any loss in respect of such liability.

## 13. Proceedings of directors

### Directors' meetings

- 13.1 The Directors may meet together for the dispatch of business and adjourn and otherwise regulate their meetings as they think fit.
- 13.2 A Director may at any time, and the Secretary must on the requisition of a Director, convene a meeting of the Directors but not less than 48 hours' notice of every such Directors meeting shall be given to each Director either by personal telephone contact or in writing by the convenor thereof. The Directors may by unanimous resolution agree to shorter notice.

## Questions decided by majority

- 13.3 Subject to this Constitution and to the provisions of Section 195 of the Corporations Act, questions arising at a meeting of Directors are to be decided by a majority of votes of Directors involved and voting and any such decision is for all purposes deemed a decision of the Directors.
- 13.4 An Alternate Director involved in any meeting of Directors has one vote for each Director for which that person is an Alternate Director and if that person is a Director also has one vote as a Director.
- 13.5 In the event of there being an equality of votes, the chairman of the meeting, in addition to the chairman's deliberate vote, has a casting vote except where only two Directors are present and entitled to vote on a question. The Chairman has a discretion both as to whether or not to use the casting vote and as to which way it is used.

#### Alternate Directors

- 13.6 A Director may, with the approval of the Directors, appoint a person (whether a Member of the Company or not) to be an Alternate director in the Director's place during such period as the Director thinks fit.
- 13.7 An Alternate Director is entitled to notice of all meetings of the Directors and, if the appointor is not involved in such a meeting, is entitled to participate and vote in the appointor's stead.
- 13.8 An Alternate Director may exercise any powers that the appointor may exercise and in the exercise of any such power the Alternate Director is an officer of the Company and is not deemed an agent of the appointor.
- **13.9** An Alternate Director is not required to hold any share in the Company.
- 13.10 An Alternate Director is subject in all respects to the conditions attaching to the Directors generally except that an Alternate Director is not entitled to any remuneration under Clause 11.15 otherwise than from the Alternate Director's appointor.
- 13.11 The appointment of an Alternate Director may be terminated at any time by the appointor notwithstanding that the period of the appointment of the Alternate Director has not expired, and terminates in any event if the appointor vacates office as a Director.
- **13.12** An appointment, or the termination of an appointment, of an Alternate Director must be effected by a notice in writing signed by the Director who makes or made the appointment and served on the Company.

13.13 The notice of appointment or termination of appointment of an Alternate Director may be served on the Company by leaving it at the Registered Office or by forwarding it by facsimile transmission to the Registered Office and in the case of a facsimile transmission, the appearance at the end of the message of the name of the Director appointing or terminating the appointment is sufficient evidence that the Director has signed the notice.

## **Quorum for Directors' meetings**

13.14 At a meeting of Directors, the number of Directors whose involvement is necessary to constitute a quorum is 2, or such greater number as is determined by the Directors from time to time. However, if there are not enough directors to form a quorum for a directors meeting because of the provisions of Sub-section 195 (1) of the Corporations Act one or more directors (including those who have a material personal interest in that matter) may call a general meeting and the general meeting may pass a resolution to deal with the matter. Provided a quorum is present at the place where the meeting is held, other Directors unable to attend in person may participate in the proceedings of the meeting in accordance with Clauses 13.32 and 13.33.

### Remaining Directors may act

- 13.15 In the event of a vacancy or vacancies in the office of a Director or offices of Directors, the remaining Director or Directors may act but, if the number of remaining Directors is not sufficient to constitute a quorum at a meeting of Directors, they may act only for the purpose of:
  - increasing the number of Directors to a number sufficient to constitute such a quorum; or
  - (b) convening a general meeting of the Company.

#### Chairman of Directors

- 13.16 The Directors must elect one of their number as chairman of their meetings and may determine the period for which the person elected as chairman is to hold office. The Directors may also elect one of their number as deputy-chairman of their meetings and may determine the period for which the person elected as deputy-chairman is to hold office.
- 13.17 When a Directors' meeting is held and:
  - (a) a chairman has not been elected as provided by Clause 13.16; or
  - (b) the chairman is not present within 10 minutes after the time appointed for the holding of the meeting or is unable or unwilling to act,

the deputy-chairman (if any) must act as chairman of the meeting. If there is no such person or that person is absent or unable or unwilling to act, the Directors involved must elect one of their number to be a chairman of the meeting.

### Directors' committees

- 13.18 The Directors may delegate any of their powers, other than powers required by law to be dealt with by the directors as a board, to a committee or committees consisting of at least one of their number and such other persons as they think fit.
- 13.19 A committee to which any powers have been so delegated must exercise the powers delegated in accordance with any directions of the Directors and a power so exercised is deemed to have been exercised by the Directors.
- 13.20 The members of such a committee may elect one of their number as chairman of their meetings.

- 13.21 If such a meeting is held and:
  - (a) a chairman has not been elected as provided by Clause 13.20; or
  - (b) the chairman is not present within 10 minutes after the time appointed for the holding of the meeting or is unable or unwilling to act,

the members involved may elect one of their number to be chairman of the meeting.

- 13.22 A committee may meet and adjourn as it thinks proper.
- 13.23 Questions arising at a meeting of a committee are to be determined by a majority of votes of the members involved and voting.
- 13.24 In the event of there being an equality of votes, the chairman, in addition to the chairman's deliberative vote, has a casting vote.

## Written resolution by Directors

13.25 A resolution in writing signed by all Directors for the time being or their respective alternate Directors (except those Directors (or their alternates) who expressly indicate their abstention in writing to the Company and those who would not be permitted by virtue of Section 195 of the Corporations Act to vote were the resolution to be put to a meeting of the Directors) shall be as valid and effectual as if it had been passed at a Directors' meeting duly convened and held.

Any such resolution may consist of several documents in like form but each document must contain a statement that the Directors are in favour of the resolution and the wording of the resolution and the statement of the Directors must be identical, each document signed by one or more Directors.

A telex, telegram, facsimile transmission or other document produced by mechanical means and bearing the signature of the Director, printed mechanically and with his authority, shall be deemed to be a document in writing signed by the Director.

## **Defective Appointment**

13.26 All acts done by any Directors' meeting or of a committee of Directors or by any person acting as a Director are, notwithstanding that it is afterwards discovered that there was some defect in the appointment of a person to be, or to act as, a Director, or that a person so appointed was disqualified, as valid as if the person had been duly appointed and was qualified to be a Director or to be a member of the committee.

## **Directors May Hold Other Offices**

13.27 A Director may hold any other office or place of profit in or in relation to the Company (except that of auditor) in conjunction with his office of Director and on such terms as to remuneration or otherwise as the Directors shall approve.

### Directors May Hold Shares, etc

13.28 A Director may be or become a shareholder in or director of or hold any other office or place of profit in or in relation to any other company promoted by the Company or in which the Company may be interested, whether as a vendor, shareholder or otherwise.

# **Directors Not Accountable for Benefits**

13.29 No Director shall be accountable for any benefits received as the holder of any other office or place of profit in or in relation to the Company or any other company referred to in Clause 13.28 or as a shareholder in or director of any such other company.

#### Voting, Affixation of Seal

13.30 A Director may in all respects act as a Director in relation to any contract or arrangement in which he is interested; including, without limiting the generality of the foregoing, in relation to the execution of the contract or agreement or the use of the Company's common seal, but he may not vote in relation to any contract or proposed contract or arrangement in which he has directly or indirectly a material interest and in that respect he shall comply with the requirements of Sections 191 and 192 of the Corporations Act.

## Exchange to be Advised

- 13.31 The Directors shall advise the Company, which in turn shall advise the Exchange without delay of any material contract involving Directors' interests. The advice shall include at least the following information:
  - (a) the names of the parties to the contract;
  - the name or names of the Director or Directors who has or have any material interest in the contract;
  - (c) particulars of the contract; and
  - (d) particulars of the relevant Director's or Director's interest or interests in that contract.

## Meetings to be Effectual

- 13.32 For the purposes of this Constitution, but subject to Clause 13.14, the contemporaneous linking together by instantaneous communication device of a number of consenting Directors not less than the quorum, whether or not any one or more of the Directors is out of Australia, shall be deemed to constitute a Directors' meeting and all the provisions of this Constitution as to the Directors' meetings shall apply to such meetings held by instantaneous communication device so long as the following conditions are met:
  - (a) all the Directors for the time being entitled to receive notice of the Directors' meeting (including any alternate for any Director) shall be entitled to notice of a meeting by instantaneous communication device for the purposes of such meeting. Notice of any such Directors' meeting shall be given on the instantaneous communication device or in any other manner permitted by this Constitution:
  - (b) each of the Directors taking part in the Directors' meeting by instantaneous communication device must be able to hear each of the other Directors taking part at the commencement of the Directors' meeting; and
  - (c) at the commencement of the Directors' meeting each Director must acknowledge his presence for the purpose of a Directors' meeting of the Company to all the other Directors taking part.

## Procedure at Meetings

13.33 A Director may not leave a Directors' meeting held under Clause 13.32 by disconnecting his instantaneous communication device unless he has previously obtained the express consent of the Chairman of the Directors' meeting and shall be conclusively presumed to have been present and to have formed part of the quorum at all times during the Directors' meeting by instantaneous communication device unless he has previously obtained the express consent of the Chairman of the Directors' meeting to leave the Directors' meeting as aforesaid. However, if the Director would not be permitted by virtue of Section 195 of the Corporations Act to be present or to vote during the consideration of a matter then such Director may disconnect his instantaneous communication device during the consideration of such matter without obtaining the express consent of the Chairman and he shall not be counted for the purpose of determining a quorum during the consideration of that matter.

#### Minutes

13.34 A minute of the proceedings at a Directors' meeting held under Clause 13.32 shall be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as a correct minute by the Chairman or the person taking the chair at the Directors' meeting under Clause 13.32.

#### Definition

13.35 For the purpose of this Constitution "Instantaneous communication device" shall include telephone, television or any other audio or audio-visual device which permits instantaneous communication.

#### **Appointment of Managing Director**

13.36 The Directors may from time to time appoint one or more of their number to the office of Managing Director or Managing Directors of the Company or to the office of Executive Director or Executive Directors either for a fixed term or at will, but not for life and, subject to the terms of any agreement entered into in a particular case, may revoke any such appointment. The appointment of a Managing Director or Executive Director so appointed automatically terminates if he ceases for any reason to be a Director.

#### Remuneration

13.37 Subject to Clause 11.15 a Managing Director or Executive Director shall, subject to the terms of any agreement entered into in a particular case, receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine.

#### **Powers**

13.38 The Directors may, upon such terms and conditions and with such restrictions as they think fit confer upon a Managing Director or Executive Director any of the powers exercisable by them. Any powers so conferred may be concurrent with, or be to the exclusion of, the powers of the Directors. The Directors may at any time withdraw or vary any of the powers so conferred on a Managing Director or an Executive Director.

#### Rotation

13.39 A Managing Director shall not retire by rotation in accordance with Clause 11.3, but if there is more than one Managing Director then the first appointed Managing Director shall not be subject to re-election and the other Managing Director and the Executive Directors shall be subject to re-election.

# 14. Secretary

# Appointment of Secretary

14.1 There must be at least one Secretary of the Company who may be appointed by the Directors for such term, at such remuneration and on such conditions as they think fit.

#### Suspension and removal of Secretary

14.2 The Directors have power to suspend or remove a Secretary.

#### Powers and duties of Secretary

14.3 The Directors may vest in a Secretary such powers, duties and authorities as they may from time to time determine and a Secretary must exercise all such powers and authorities subject at all times to the control of the Directors.

#### Secretary to attend meetings

14.4 A Secretary is entitled to participate in all meetings of the Directors and all general meetings of the Company and may be heard on any matter.

# 15. Common seal and official seal

#### Custody of common seal

15.1 The Directors may provide for a common seal and must provide for the safe custody of the common seal.

#### Use of common seal

15.2 The common seal may be used only by the authority of the Directors, or of a committee of the Directors authorised by the Directors to authorise the use of the common seal, and every document to which the common seal is affixed must be signed by a Director and be countersigned by another Director, a Secretary or another person appointed by the Directors to countersign that document or a class of documents in which that document is included.

#### **Execution of Documents without the Common Seal**

- 15.3 The Company may execute a document without using a common seal if the document is signed by:
  - (a) 2 Directors; or
  - (b) a Director and a Secretary.

# 16. Inspection of records

#### Inspection by Members

Except as otherwise required by the Corporations Act, the Directors may determine whether and to what extent, and at what times and places and under what conditions, the accounting records and other documents of the Company or any of them will be open to the inspection of Members other than Directors, and a Member other than a Director does not have the right to inspect any document of the Company except as provided by law or authorised by the Directors or by the Company in general meeting.

#### 17. Dividends and reserves

#### Declaration of dividend

17.1 Subject to the rights of persons (if any) entitled to shares with special rights to dividend, the Directors may declare a final dividend in accordance with the Corporations Act and may authorise the payment or crediting by the Company to the Members of such a dividend.

#### Directors may authorise interim dividend

17.2 The Directors may authorise the payment or crediting by the Company to the Members of such interim dividends as appear to the Directors to be justified subject to the requirements of the Corporations Act.

#### No interest on dividends

17.3 Interest may not be paid by the Company in respect of any dividend, whether final or interim.

# Reserves and profits carried forward

- 17.4 The Directors may, before declaring any dividend, set aside out of the profits of the Company such sums as they think proper as reserves, to be applied, at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.
- 17.5 Pending any such application, the reserves may, at the discretion of the Directors, be used in the business of the Company or be invested in such investments as the Directors think fit.
- 17.6 The Directors may carry forward so much of the profits remaining as they consider ought not to be distributed as dividends without transferring those profits to a reserve.

#### Calculation and apportionment of dividends

- 17.7 Subject to the provisions of the Corporations Act and to the rights of persons (if any) entitled to shares with special rights as to dividend all dividends are to be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividends is paid.
- 17.8 Subject to the provisions of the *Corporations Act* unless any share is issued on terms providing to the contrary, all dividends are to be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid.
- 17.9 An amount paid or credited as paid on a share in advance of a call is not to be taken as paid or credited as paid on the share for the purposes of Clause 17.7 and 17.8.

#### **Deductions from dividends**

17.10 The Directors may deduct from any dividend payable to a Member all sums of money (if any) presently payable by that Member to the Company on account of calls or otherwise in relation to shares in the Company.

# Distribution of specific assets

- 17.11 The Directors, when paying or declaring a dividend, may direct payment of a dividend wholly or partly by the distribution of specific assets, including fully paid shares in, debentures of or other securities of, the Company or any other corporation.
- 17.12 If a difficulty arises in regard to such a distribution, the directors may settle the matter as they consider expedient and fix the value for distribution of the specific assets or any part of those assets and may determine that cash payments will be made to any Members on the basis of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as the Directors consider expedient. If a distribution of specific assets to a particular Member or Members is illegal or, in the Directors' opinion, impracticable then the Directors may make a cash payment to that Member or Members on the basis of the cash amount of the dividend instead of the distribution of specific assets.

#### Payment by cheque and receipts from joint holders

- 17.13 Any dividend, interest or other money payable in cash in respect of shares may be paid by cheque sent through the post directed:
  - (a) to the address of the holder as shown in the Register or, in the case of joint holders, to the address shown in the Register as the address of the joint holder first named in the Register; or
  - (b) to such other address as the holder or joint holders in writing directs or direct.
- 17.14 Any one or two or more joint holders may give effectual receipts for any dividends, interest or other money payable in respect of the shares held by them as joint holders.

#### **Bonus Share Plan**

- 17.15 The Company may, by ordinary resolution in general meeting, authorise the Directors to implement a Bonus Share Plan on such terms and conditions as are referred to in such resolution and which plan provides for any dividend which the Directors may declare from time to time under the Clauses in this Part 17, less any amount which the Company shall either pursuant to this Constitution or any law be entitled or obliged to retain, not be payable on shares which are participating shares in the Bonus Share Plan but for those shares to carry instead an entitlement to receive an allotment of additional fully paid ordinary shares to be issued as bonus shares.
- 17.16 Any resolution passed by the Company in general meeting pursuant to Clause 17.15 may, at any time, be amended or revoked by the Company by ordinary resolution in general meeting.

#### **Dividend Plans**

#### 17.17

- (a) Notwithstanding any other provision of this Constitution, but subject to the requirements of the Corporations Act and, if applicable, the Listing Rules, the Directors may in their absolute discretion establish on such terms and conditions as they think fit:
  - (1) plans (to be called a "dividend reinvestment plan" or an "interest reinvestment plan" as the case may be) for cash dividends paid by the Company in respect of shares issued by the Company and interest paid by the Company on unsecured notes or debenture stock issued by the Company to be reinvested by way of subscription for shares in the Company; and
  - (2) a plan (to be called a "dividend election plan") permitting holders of shares to the extent that his shares are fully paid up, to have the option to elect to forego his right to share in any dividends (whether interim or otherwise) payable in respect of such shares and to receive instead an issue of shares credited as fully paid up to the extent as determined by the Directors.
- (b) The Directors may in their absolute discretion, modify, suspend or terminate all or any plans established pursuant to the Clause 17.17 from time to time on not less than one month's written notice to all Members.
- (c) The powers given to the Directors by this Clause 17.17 are additional to the other powers reposed in the Directors by this Constitution and shall not in any way be limited, restricted or otherwise affected by the Clauses in this Part 17 and 18 inclusive.

#### **Unclaimed Dividends**

17.18 All dividends declared but unclaimed may be invested by the Directors as they think fit for the benefit of the Company until claimed or until required to be dealt with in accordance with any law relating to unclaimed moneys.

# 18. Capitalisation of profits

#### Capitalisation of reserves and profits

- **18.1** Subject to the Listing Rules a Company may capitalise profits. The capitalisation need not be accompanied by the issue of shares.
- 18.2 Subject to the Listing Rules if the capitalisation involves the issue of shares the Directors may do all things necessary to give effect to the resolution and, in particular, to the extent necessary to adjust the rights of the Members among themselves, may:
  - (a) issue fractional certificates or make cash payments in cases where shares or debentures become issuable in fractions; and
  - (b) authorise any person to make, on behalf of all or any of the Members entitled to any further shares or debentures on the capitalisation, an agreement with the Company providing for the issue to them, credited as fully paid up, of any such further shares or debentures or for the payment up by the Company on their behalf of the amounts or any part of the amounts remaining unpaid on their existing shares by the application of their respective proportions of the sum resolved to be capitalised, and any such agreement is effective and binding on all the Members concerned.

#### 19. Notices

#### Service of notices

- 19.1 A notice may be given by the Company to any Member or other person receiving notice under this Constitution either by serving it on the person personally or by sending it by post or facsimile transmission to the person at their address as shown in the Register or the address or number supplied by the person to the Company for the giving of notices to the person or to the electronic address nominated by that person.
- 19.2 If a notice is sent by post, service of the notice is deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and the notice is deemed to have been served three (3) days after the date of its posting.
- 19.3 If a notice is sent by facsimile transmission or other electronic means, service of the notice is deemed to be effected by properly addressing the facsimile transmission and transmitting same and to have been served on the Business Day following its despatch.
- 19.4 A notice may be given by the company to the joint holders of a share by giving the notice to the joint holder first named in the Register in respect of the share.
- 19.5 Every person who by operation of law, transfer or other means whatsoever becomes entitled to any share is absolutely bound by every notice given in accordance with this Constitution to the person from whom that person derives title prior to registration of that person's title in the Register.
- 19.6 All notices sent by post outside Australia must be sent by pre-paid airmail post or facsimile or in another way that ensures that it will be received quickly or by the means provided by Clause 19.10.

#### Persons entitled to notice of general meeting

- 19.7 Notice of every general meeting must be given in a manner authorised by Clauses 19:1 to 19.6 (inclusive) and in accordance with the Corporations Act to:
  - (a) every Member;
  - (b) every Director or Alternate Director;
  - (c) the Auditor;
  - (d) the Exchange (if the Company is listed); and
  - (e) every person entitled to a share in consequence of the death or bankruptcy of a Member who, but for his death or bankruptcy, would be entitled to receive notice of the meeting.
- 19.8 No other person is entitled to receive notices of general meetings.

#### Change of Address

**19.9** The Company shall acknowledge receipt of all notifications of change of address by holders of partly paid shares.

#### Incorrect Address

19.10 Where the Company has bona fide reason to believe that a Member is not known at his registered address, and the Company has subsequently made an enquiry in writing at that address as to the whereabouts of the Member which enquiry either elicits no response or a response indicating that the Member or his present whereabouts are unknown, all future notices will be deemed to be given to such Member if the notice is exhibited in the Registered Office (or, in the case of a member registered on a Branch Register, in a conspicuous place in the place where the Branch Register is kept) for a period of 48 hours (and shall be deemed to be duly served at the commencement of that period) unless and until the Member informs the Company that he has resumed residence at this registered address or notifies the Company of a new address to which the Company may send him notices (which new address shall be deemed his registered address).

# 20. Audit and accounts

## Company to keep accounts

20.1 The directors must cause the Company to keep accounts of the business of the Company in accordance with the requirements of the Corporations Act and the Listing Rules.

#### Company to audit accounts

20.2 The directors must cause the accounts of the Company to be audited in accordance with the requirements of the Corporations Act and the Listing Rules.

# 21. Winding up

#### Distribution of assets

21.1 Subject to Clause 21.3, if the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide among the Members in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the Members or different classes of Members.

21.2 The liquidator may, with the sanction of a special resolution of the Company, vest the whole or any part of any such property in trustees on such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Member is compelled to accept any shares or other securities in respect of which there is any liability.

#### Order for Winding Up

- 21.3 Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, shares classified by the Exchange as Restricted Securities at the time of the commencement of the winding up shall rank in priority after all other shares.
- 21.4 Subject to the rights of Members (if any) entitled to shares with special rights in a windingup, all monies and property that are to be distributed among Members on a winding-up, shall be so distributed in proportion to the shares held by them respectively, irrespective of the amount paid-up or credited as paid up on the shares.

# 22. Indemnity

Except as may be prohibited by Sections 199A and 199B of the Corporations Act every Officer, auditor or agent of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer, auditor or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal.

# 23. Overseas members

Each Member with a registered address outside Australia acknowledges that, with the approval of the Exchange, the Company may, as contemplated by and in accordance with the Listing Rules, arrange for a nominee to dispose of any of its entitlement to participate in any issue of shares or options by the Company to Members.

## 24. Listing rules

# **Listing Rules**

- 24.1 If the Company is admitted to the Official List of the Exchange, the following clauses apply:
  - (a) Notwithstanding anything contained in this Constitution, if the Listing Rules prohibit an act being done, the act shall not be done.
  - (b) Nothing contained in this Constitution prevents an act being done that the Listing Rules require to be done.
  - (c) If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be).
  - (d) If the Listing Rules require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision.
  - (e) If the Listing Rules require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision.
  - (f) If any provision of this Constitution is or becomes inconsistent with the Listing Rules, this Constitution is deemed not to contain that provision to the extent of the inconsistency.

## 25. Chess

# **Participation**

25.1 The Directors may do anything permitted by the Corporations Act, the Listing Rules or the ASTC Settlement Rules which they consider necessary or desirable in connection with the participation of the Company in any computerised or electronic system established or recognised by the Corporations Act, the Listing Rules or the ASTC Settlement Rules for the purpose of facilitating dealings in shares.

#### Sub-Register

25.2 The Company may provide facilities for members to hold securities in the Company on an issuer sponsored sub-register in accordance with the Listing Rules and the ASTC Settlement Rules.

#### Lien

25.3 The Company may do anything necessary or desirable for it to do under the ASTC Settlement Rules to protect or enforce any lien, charge or other right to which it is entitled under any law or under this Constitution.

# Compliance with ASTC Settlement Rules and ASC Clearing Rules

- 25.4 The Company shall comply:
  - (a) with the Listing Rules and with the ASTC Settlement Rules in respect of its participation in CHESS;
  - (b) with the ASC Clearing Rules as required.

# 26. Wholly owned subsidiary

#### Directors' authority to act

At any time when the Company is a wholly-owned subsidiary of another body corporate, each Director is authorised to act in the best interests of that body corporate.

### 27. Miscellaneous

#### Restricted securities

- 27.1 Where the Company is Listed and has on issue any restricted securities notwithstanding any other provision of this Constitution:
  - those restricted securities cannot be disposed of during the escrow period except as permitted by the Listing Rules or the ASX;
  - the Company must operate a certificated sub-register in accordance with the Listing Rules;
  - (c) the Company must not acknowledge, deal with, accept or register any sale, assignment or transfer of those restricted securities which is or may be in breach of the Listing Rules or any escrow agreement entered into by the Company under the Listing Rules in relation to those restricted securities;

- (d) on liquidation of the Company, the holders of those restricted securities (if Shares) which are subject to restrictions under an escrow agreement entered into by the Company under the Listing Rules at the commencement of the winding up, rank on a return of capital behind all other Shares; and
- (e) if there is a breach of an escrow agreement entered into by the Company under the Listing Rules or a breach of the Listing Rules in relation to those restricted securities, while that breach continues the Member holding those restricted securities automatically ceases to be entitled to receive any Dividends and to exercise any voting rights in respect of those restricted securities.

## 28. General authorisation

#### General authorisation

28.1 Where the Corporations Act authorises or permits a Company to do any thing if so authorised by its Constitution, the Company is authorised by tins rule to do that thing.

#### Compliance with timetable

28.2 The Company shall comply with any timetable or time period specified in the Listing Rules and the Corporations Act, and this rule shall prevail to the extent of any inconsistency between this rule and any other rule of the Company.

# Schedule

## Preference shares

1. In this Schedule, unless the context otherwise requires:

**Dividend Date** means, in relation to a Preference Share, a date specified in the Issue Resolution on which a Dividend in respect of that Preference Share is payable;

**Dividend Rate** means, in relation to a Preference Share, the terms specified in the Issue Resolution for the calculation of the amount of Dividend to be paid in respect of that Preference Share on any Dividend Date, which calculation may be wholly or partly established by reference to an algebraic formula;

Franked Dividend has the meaning ascribed to it in the Tax Act;

Issue Resolution means the resolution specified in paragraph (3);

Preference Share means a Share, if any, issued under rule 3;

Redeemable Preference Share means a Preference Share which is, at the option of the Company, liable to be redeemed;

**Redemption Amount** means, in relation to a Redeemable Preference Share, the amount specified in the Issue Resolution as the amount to be paid on redemption of the Redeemable Preference Share;

Redemption Date means, in relation to a Redeemable Preference Share, the date specified in the Issue Resolution for the redemption of that Preference Share; and

Tax Act means the Income Tax Assessment Act 1936 (Cth);

- **2.** Each Preference Share confers upon its holder the following, subject to the *Corporations Act*:
  - (a) the right on a winding up to payment of the capital for the time being paid up on that Preference Share and any arrears of Dividends declared but unpaid in respect of that Preference Share in priority to any other class of Shares, as specified in the Issue Resolution;
  - (b) the right to a cumulative preferential Dividend payable on each Dividend Date in relation to that Preference Share calculated in accordance with the Dividend Rate in relation to that Preference Share in priority to the payment of Dividend on any other class of Shares, as specified in the Issue Resolution; and
  - (c) no right to participate beyond the extent required to give effect to paragraphs (a) and (b above in surplus assets or profits of the Company, whether in winding up or otherwise.
- 3. The Directors may only proceed to allot a Preference Share where, by a resolution, it specifies the Dividend Date, Dividend Rate, the priority of that Share as to payment of capital and payment of Dividend and, if the Preference Share is a Redeemable Preference Share, the Redeemption Amount and Redemption Date for that Redeemable Preference Share and any other terms and conditions to apply to that Preference Share.
- 4. The Issue Resolution in establishing the Dividend Rate for a Preference Share may specify that the Dividend is to be any or all of the following:
  - (a) fixed;

- (b) variable depending upon any variation of the respective values of any factors in algebraic formula specified in the Issue Resolution;
- (c) variable depending upon such other facts as the Directors may specify in the Issue Resolution; and
- (d) a Franked Dividend or not a Franked Dividend.
- 5. Where the Issue Resolution specifies that the Dividend to be paid in respect of the Preference Share is to be a Franked Dividend, the Issue Resolution may also specify:
  - (a) the extent to which such Dividend is to be franked; and
  - (b) the consequences of any Dividend paid not being so franked, which may include a provision for an increase in the amount of the Dividend to such an extent, or by reference to such factors, as may be specified in the Issue Resolution.
- **6.** Subject to the Corporations Act, the Company must redeem a Redeemable Preference Share on the Redemption Date.
- 7. The certificate of title to a Preference Share (if any) must specify in relation to that Preference Share:
  - (a) the date of issue of the Preference Share;
  - (b) the Dividend Rate and Dividend Date;
  - (c) if the Preference Share is a Redeemable Preference Share, the Redemption Amount and Redemption Date; and
  - (d) any other matter the Directors consider desirable.
- 8. Each Preference Share confers upon its holder the same rights as the holders of Ordinary Shares to receive notices, reports, audited accounts of the Company and to attend general meetings but does not confer upon its holder the right to vote at any general meeting of the Company other than in the following circumstances:
  - (a) at the date of the notice convening the meeting, any Dividend (or part of a Dividend) payable in respect of the Preference Share is in arrears; or
  - (b) the business of the meeting includes the consideration of a resolution for reducing the capital of the Company, or for approving the terms of a buy-back agreement, or for sanctioning a disposal of the whole of the Company's property, business and undertaking, or for winding up the Company, or any resolution that directly or indirectly affects any of the rights attached to the Preference Share; or
  - (c) during the winding up of the Company.
- 9. Where there has been a change in the Tax Act which, in the opinion of the Directors, will cause any Dividend in respect of a Preference Share not to qualify for a rebate under Section 46 of the Tax Act, the Directors may by resolution alter such of the terms upon which that Preference Share was issued (including without limitation the terms specified in accordance with this Schedule) as will ensure that the Dividend will qualify for that rebate.
- 10. On redemption of a Redeemable Preference Share, the Company, after the holder has surrendered to the Company the certificate of title (if any) in respect of that Redeemable Preference Share, must pay to the holder the Redemption Amount in cash, by cheque or in any other form that the holder agrees to in writing and which is acceptable to the Company.

{This page is intentionally left blank}

ı (



# Completion of CEP Purchase Agreement

Winchester Energy Limited (ACN 168 586 445) (Company) is pleased to confirm that the CEP Purchase Agreement dated 24 June 2014 between the Company, CEP Nolan Partners Inc., and the Shareholders of CEP Nolan Partners Inc. has now completed (CEP Purchase Agreement) and the Company has issued the following securities pursuant to the CEP Purchase Agreement:

- (a) 51,000,000 shares in the capital of the Company (Shares);
- (b) 14,000,000 options to acquire Shares;
- (c) 1,000 Class A Convertible Milestone Notes;
- (d) 2,000 Class B Convertible Milestone Notes; and
- (e) 3,000 Class C Convertible Milestone Notes.

 $16.67\% \pm 0.000 \pm 0.0$ 

--ENDS-

For further information please contact:

Nicholas Calder Company Secretary T: +61 1300 133 921

E: nc@winchesterenergyltd.com

Date: 17 September 2014

ASX Code: WEL

Directors Peter Allchurch Non-Executive Chairman

Neville Henry Executive Director

James Hodges
Non-Executive Director

John D Kenny Non-Executive Director

Nicholas Calder

Contact Details
Level 1
100 Havelock Street

100 Havelock Street West Perth WA 6005 Australia

PO Box 875

West Perth WA 6872 Australia

Tel: +61 1300 133 921 Fax: +61 8 6160 5901

vinchesterenergyltd.com



# Completion of ESPB Contribution Agreement

Winchester Energy Limited is pleased to confirm that the conditions precedent under the ESPB Contribution Agreement dated 24 June 2014 between CEP Nolan Partners Inc and ESPB Investments Inc. (ESPB Contribution Agreement) have now been satisfied and the ESPB Contribution Agreement has now completed.

--ENDS-

For further information please contact:

Nicholas Calder Company Secretary T: +61 1300 133 921

E: nc@winchesterenergyltd.com

Date: 17 September 2014

ASX Code: WEL

Directors Peter Allchurch Non-Executive Chairman

Neville Henry Executive Director

√ames Hodges Non-Executive Director

John D Kenny Non-Executive Director

Nicholas Calder Company Secretary

Contact Details Level 1 100 Havelock Street West Perth WA 6005 Australia

PO Box 875 West Perth WA 6872 Australia

Tel: +61 1300 133 921 Fax: +61 8 6160 5901

vinchesterenergyltd.com



# **Completion of Vendor Contribution Agreement**

Winchester Energy Limited is pleased to confirm that the conditions precedent under the Vendor Contribution Agreement dated 4 June 2014 between CEP Nolan Partners Inc., the shareholders of CEP Nolan Partners Inc., Carina Energy LLC and Carina Energy Partners LLC (Vendor Contribution Agreement) have now been satisfied and the Vendor Contribution Agreement has now completed.

--ENDS-

For further information please contact:

Nicholas Calder Company Secretary T: +61 1300 133 921

E: nc@winchesterenergyltd.com

Date: 17 September 2014

ASX Code: WEL

Directors Peter Allchurch Non-Executive Chairman

Neville Henry Executive Director

James Hodges
Non-Executive Director

John D Kenny Non-Executive Director

Nicholas Calder Company Secretary

Contact Details Level 1 100 Havelock Street West Perth WA 6005 Australia

PO Box 875 West Perth WA 6872 Australia

Tel: +61 1300 133 921 Fax: +61 8 6160 5901

vinchesterenergyltd.com -



# Repayment of secured loan

Winchester Energy Limited (ACN 168 586 445) (**Company**) is pleased to confirm that the secured loan in the sum of \$400,000 lent to the Company by Haifa Pty Ltd and JDK Nominees Pty Ltd and secured against all the Company's assets has now been repaid, discharged and released.

--ENDS-

For further information please contact:

Nicholas Calder Company Secretary T: +61 1300 133 921

E: nc@winchesterenergyitd.com

Date: 17 September 2014

ASX Code: WEL

Directors Peter Allchurch Non-Executive Chairman

Neville Henry Managing Director

James Hodges Non-Executive Director

John D Kenny Non-Executive Director

Nicholas Calder Company Secretary

Contact Details Level 1 100 Havelock Street West Perth WA 6005 Australia

PO Box 875 West Perth WA 6872 Australia

Tel: +61 1300 133 921 Fax: +61 8 6160 5901

winchesterenergyltd.com



## TERMS AND CONDITIONS OF OPTIONS

#### 1. Exercise Price

The exercise price of each Option is A\$0.25 (Exercise Price).

# 2. Expiry Date

Each Option will expire at 5.00pm WST on 30 April 2019 (Expiry Date).

# 3. Exercise Period

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

# 4. Exercise of Options

The Options may only be exercised during the Exercise Period.

# 5. No Official Quotation of Options

The Company will not apply for official quotation of the Options.

## 6. Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of each Option.

## 7. Notice of Exercise

The Options may be exercised by giving written notice to the Company at any time during the Exercise Period. The notice (Exercise Notice) must:

- (a) specify the number of Options being exercised and the number of Shares to be issued;
- (b) specify whether the Shares are to be issued to the holder of the Options or a nominee; and
- (c) be accompanied by payment of the Exercise Price for each Option being exercised.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

## 8. Shares Issued on Exercise

Shares issued on exercise of the Options rank equally with the then Shares currently on issue.

# 9. Official Quotation of Shares on Exercise

Application will be made by the Company to the ASX for official quotation of the Shares issued upon the exercise of the Options.

# 10. Timing of issue of Shares

- (a) Within 3 Business Days after the receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised, the Company will allot and issue the Shares pursuant to the exercise of the Options and will (subject to paragraph (ii) below), at the same time, issue a cleansing notice under section 708A(5) of the Corporations Act.
- (b) If the Company is not then permitted to issue a cleansing notice under section 708A(5) of the Corporations Act, the Company must either:
  - (i) issue a prospectus on the date that the Shares are issued under paragraph (a) above (in which case the date for issuing those Shares may be extended to not more than 10 Business Days after the receipt of the Notice of Exercise, to allow the Company time to prepare that prospectus); or
  - (ii) issue a prospectus before the date that the Shares are issued under paragraph (a) above, provided that offers under that prospectus must still be open for acceptance on the date those Shares are issued,

in accordance with the requirements of section 708A(11) of the Corporations Act.

## 11. Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

# 12. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

# 13. Adjustment for Rights Issue

If the Company makes an issue of Shares pro rata to existing Shareholders (except a bonus issue) the Exercise Price of an Option will be reduced according to the following formula:

New exercise price = 
$$O - \frac{E[P-(S+D)]}{N+1}$$

- O = the old Exercise Price of the Option.
- E = the number of underlying Shares into which one Option is exercisable.
- P = average market price (as defined in the ASX Listing Rules) per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

# 14. Adjustments for Reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholders will, be varied to the extent necessary to comply with the ASX Listing Rules which apply to the reorganisation at the time of the reorganisation.

# 15. Options Transferable

The Options are transferable provided that the transfer of Options complies with section 707(3) of the Corporations Act.

# 16. Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.



# Statement of restricted securities

Date: 17 September 2014

ASX Code: WEL

Directors Peter Allchurch Non-Executive Chairman

James Hodges Non-Executive Director

John D Kenny Non-Executive Director

Nicholas Calder Company Secretary

Contact Details Level 1 100 Havelock Street West Perth WA 6005 Australia

PO Box 875 West Perth WA 6872 Australia

Tel: +61 1300 133 921 Fax: +61 8 6160 5901

/inchesterenergyltd.com

Winchester Energy Limited confirms the following information in relation to the restrictions applying to its securities:

Type of security	Number of securities subject to 24 month restriction	Number of securities subject to 12 month restriction
Shares	65,671,266	34,589,156
Options	23,204,288	6,795,712
Class A Convertible Milestone Notes	9,515	485
Class B Convertible Milestone Notes	19,030	970
Class C Convertible Milestone Notes	28,545	1,455

--ENDS-

For further information please contact:

Nicholas Calder Company Secretary T: +61 1300 133 921

E: nc@winchesterenergyltd.com

# Issued Capital Report Generated 18 September 2014 4:40 PM



Report Criteria	
Security Class(es)	ORDINARY FULLY PAID SHARES, VENDOR SHARES - ESCROW 12 MONTHS, VENDOR SHARES - ESCROW 24 MONTHS, VENDOR OPTIONS - ESCROW 12 MONTHS, VENDOR OPTIONS - ESCROW 24 MONTHS, SEED SHARES - ESCROW 12 MONTHS, SEED SHARES - ESCROW 12 MONTHS, VENDOR CLASS A NOTES ESCROW 12 MONTHS, VENDOR CLASS B NOTES ESCROW 12 MONTHS, VENDOR CLASS C NOTES ESCROW 12 MONTHS, VENDOR CLASS C NOTES ESCROW 24 MONTHS, SEED - CM NOTES CLASS C ESCROW 24 MONTHS, BROKER SHARES - ESCROW 24 MONTHS, SEED - CM NOTES CLASS C ESCROW 24 MONTHS, BROKER SHARES - ESCROW 24 MONTHS
Per Date	18/09/2014



# Issued Capital Report Generated 18 September 2014 4:40 PM



Security	Security Name	CHESS	CHESS	Holdings %	Issuer	Issuer	Holdings %	Holders	Holdings Total
Code		Holders	Holdings	CHESS	Holders	Holdings	Issuer	Total	
WEL	ORDINARY FULLY PAID SHARES	415	63,495,000	55.14	88	51,661,250	44.86	503	115,156,250
VEN12	VENDOR SHARES - ESCROW 12 MONTHS	0	0	0.00	29	24,755,822	100.00	29	24,755,822
VEN24	VENDOR SHARES - ESCROW 24 MONTHS	0	0	0.00	6	26,244,178	100.00	6	26,244,178
VENO12	VENDOR OPTIONS - ESCROW 12 MONTHS	0	0	0.00	29	6,795,712	100.00	29	6,795,712
VENO24	VENDOR OPTIONS - ESCROW 24 MONTHS	0	0	0.00	6	7,204,288	100.00	6	7,204,288
SEE12	SEED SHARES - ESCROW 12 MONTHS	0	0	0.00	30	9,833,334	100.00	30	9,833,334
SEE24	SEED SHARES - ESCROW 24 MONTHS	0	0	0.00	12	31,427,088	100.00	12	31,427,088
SEEO24	SEED OPTIONS - ESCROW 24 MONTHS	0	0	0.00	5	16,000,000	100.00	5	16,000,000
VENA12	VENDOR CLASS A NOTES ESCROW 12 MONTHS	0	0	0.00	29	485	100.00	29	485
VENB12	VENDOR CLASS B NOTES ESCROW 12 MONTHS	0	0	0.00	29	970	100.00	29	970
VENC12	VENDOR CLASS C NOTES ESCROW 12 MONTHS	0	0	0.00	29	1,455	100.00	29	1,455
VENA24	VENDOR CLASS A NOTES ESCROW 24 MONTHS	0	0	0.00	6	515	100.00	6	515
VENB24	VENDOR CLASS B NOTES ESCROW 24 MONTHS	0	0	0.00	6	1,030	100.00	6	1,030

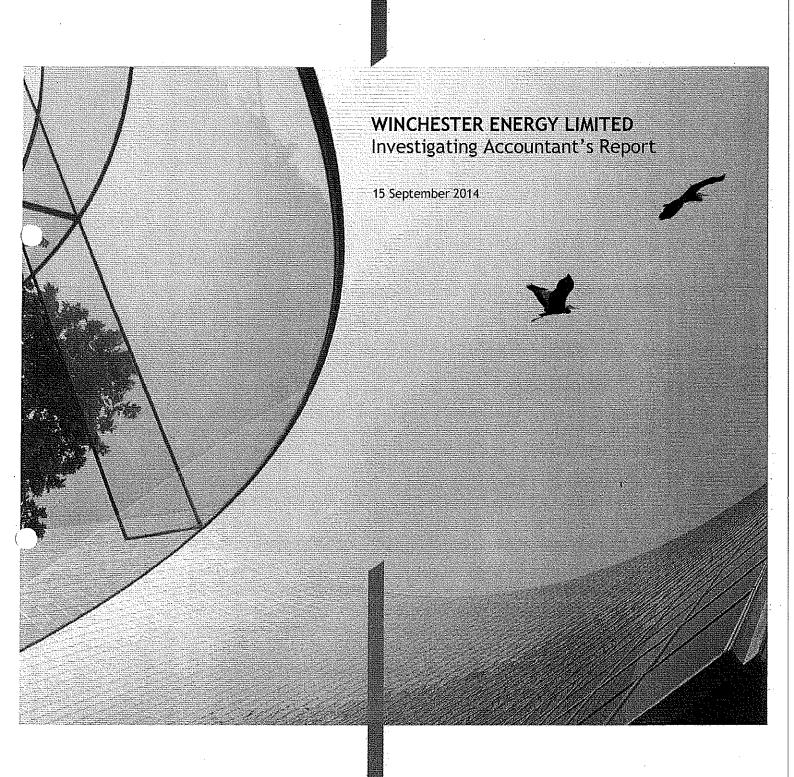


# Issued Capital Report Generated 18 September 2014 4:40 PM



Security	Security Name	CHESS	CHESS	Holdings %	Issuer	Issuer	Holdings %	Holders	Holdings Total
Code		Holders	Holdings	CHESS	Holders	Holdings	Issuer	Total	
VENC24	VENDOR CLASS C NOTES ESCROW 24 MONTHS	0	0	0.00	6	1,545	100.00	6	1,545
SEEA	SEED - CM NOTES CLASS A ESCROW 24 MONTHS	0	0	0.00	5	9,000	100.00	5	9,000
SEEB	SEED - CM NOTES CLASS B ESCROW 24 MONTHS	0	0	0.00	5	18,000	100.00	5	18,000
SEEC	SEED - CM NOTES CLASS C ESCROW 24 MONTHS	0	0	0.00	5	27,000	100.00	5	27,000
BRO24	BROKER SHARES - ESCROW 24 MONTHS	0	0	0.00	6	8,000,000	100.00	6	8,000,000
Total		415	63,495,000		331	181,981,672		746	245,476,672









Tet: +61 8 6382 4609 Fax: +61 8 6382 4601 www.bdo.com.au 38 Station Street Subjaco, WA 6008 PO Box 700 West Perth WA 6872 Australia

15 September 2014

The Directors
Winchester Energy Limited
Level 1, 100 Havelock Street
West Perth WA 6005

Dear Directors

# INVESTIGATING ACCOUNTANT'S REPORT

## 1. Introduction

We have been engaged by Winchester Energy Limited ('Winchester' or 'the Company') to prepare this Investigating Accountant's Report ('Report') on the historical financial information and pro forma historical financial information of Winchester for inclusion in a prospectus ('Prospectus') issued by the Company in respect of the initial public offering and listing on the Australian Securities Exchange ('ASX'). Broadly, the Prospectus has raised A\$20,000,000 through the issue of 100,000,000 Shares at an issue price of A\$0.20 each (before associated costs) ('the Offer').

All Shares offered under this Prospectus will rank equally with the existing Shares on issue.

Expressions defined in the Prospectus have the same meaning in this Report. BDO Corporate Finance (WA) Pty Ltd ('BDO') holds an Australian Financial Services Licence (AFS Licence Number 316158).

# 2. Scope

#### Historical financial information

You have requested BDO to review the following historical financial information of Winchester included in the Prospectus:

- The Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 May 2014;
- The Statement of Financial Position as at 31 May 2014; and
- The Statement of Changes in Equity for the period ended 31 May 2014.

(collectively the 'historical financial information').

The historical financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian

Accounting Standards and Winchester's adopted accounting policies. The historical financial information has been extracted from the financial report of Winchester for the period ended 31 May 2014, which was reviewed by BDO Audit (WA) Pty Ltd in accordance with the Australian Auditing Standards. BDO Audit (WA) Pty Ltd issued an unmodified opinion on the financial report.

The historical financial information is presented in the Appendices to this report in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act* 2001.

#### Pro Forma historical financial information

You have requested BDO to review the pro forma historical statement of financial position as at 31 May 2014 for Winchester referred to as the 'pro forma historical financial information'.

The pro forma historical financial information has been derived from the historical financial information of Winchester, after adjusting for the effects of any subsequent events described in section 7 and the pro forma adjustments described in section 8. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in section 7 and section 8, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the pro forma historical financial information does not represent the company's actual or prospective financial position.

# Background

Winchester was incorporated on 17 March 2014 and is focused on the exploration, development and production of oil and gas in Texas, USA. The current directors and senior management of Winchester are:

- Mr Peter Allchurch, Non executive Chairman;
- Mr Neville Henry, Managing Director;
- Mr James Hodges, Non executive Director;
- Mr John Kenny, Non executive Director; and
- Mr Nicholas Calder, Company Secretary.

Winchester holds a 50% working interest in the Thomas 119-1H well ('Thomas Well') located in Nolan County, Texas, USA. The Thomas well is subject to a joint venture with CraRuth Energy Corporation ('CraRuth'). The Company paid US\$2 million for its 50% working interest.

Please refer to section 1.3 of the Prospectus for information on the Thomas Well Project.

Acquisition of CEP Nolan Partners Inc.

On 24 June 2014, the Company executed a Purchase Agreement to acquire the entire share capital of CEP Nolan Partners Inc. ('CEP') from the shareholders of CEP ('CEP Vendors'). CEP's main asset is the Van Hoogen Oil project. The Van Hoogen Oil project is located in the developing Cline Shale oil play of central west Texas, USA. The project area covers the counties of Kent, Stonewell, Fisher, Nolan, Mitchell, Coke and Tom Green, with major operators such as Devon Energy and Range Resources leasing tracts of land in the Cline Shale and experiencing successful horizontal drilling results.

The consideration payable by the Company is as follows:

- 51 million ordinary shares in Winchester;
- 14 million options in Winchester, with an exercise price of \$0.25 each and an expiry date of 30 April 2019;
- 1,000 Class A convertible milestone notes, with each note converting to 1,000 fully paid
  ordinary shares in Winchester in the event the Company announces to the ASX that it has
  attained average daily production of 500 barrels of oil equivalent per day ('BOEPD') for a
  period of 60 days from the oil and gas leases located within the Nolan County, Texas
  ('Class A Milestone Notes');
- 2,000 Class B convertible milestone notes, with each note converting to 1,000 fully paid
  ordinary shares in Winchester in the event the Company announces to the ASX that it has
  attained 2P Reserves of 5 million barrels of oil equivalent ('BOE') from the oil and gas
  leases located within the boundaries of Kent, Stonewall, Fisher, Nolan, Mitchell, Coke
  and Tom Green Countries, Texas ('Class B Milestone Notes');
- 3,000 Class C convertible milestone notes, with each note converting to 1,000 fully paid
  ordinary shares in Winchester in the event the Company announces to the ASX that it has
  attained 2P Reserves of 10 million BOE and average daily production of 1,000 BOEPD
  from the oil and gas leases located within the boundaries of Kent, Stonewall, Fisher,
  Nolan, Mitchell, Coke and Tom Green Counties, Texas ('Class C Milestone Notes').

The Class A, Class B and Class C Milestone Notes expire on 30 April 2019 (collectively referred to as 'the Milestone Notes'); and

- A deferred cash payment of US\$3.1 million (within 180 days of the following occurring):
  - o settlement of the Acquisition; and
  - o the drilling and completion and achievement of commercial scale successful oil and gas production from at least 4 wells in which Winchester has a working interest situated within the boundaries of Kent, Stonewall, Fisher, Nolan, Mitchell, Coke and Tom Green Counties, Texas, USA on or before 30 April 2019. The achievement of commercial scale successful oil and gas production is defined as average oil and gas production during the first 30 days of oil and gas production of 250 or higher BOEPD ('Deferred Cash Payment').

(referred to as the 'Acquisition').

# 4. Director's responsibility

The directors of Winchester are responsible for the preparation of the historical financial information and pro forma historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma historical financial information that are free from material misstatement, whether due to fraud or error.

# 5. Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

# 6. Conclusion

#### Historical financial information

Based on our review, which was not an audit, nothing has come to our attention which would cause us to believe the historical financial information as set out in the Appendices to this report does not present fairly, in all material aspects, the financial performance for the period ended 31 May 2014 or the financial position as at 31 May 2014 in accordance with the stated basis of preparation as described in section 2.

# Pro-forma historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro-forma historical financial information is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in section 2.

# 7. Subsequent Events

The pro-forma statement of financial position reflects the following events that have occurred subsequent to the period ended 31 May 2014:

- The Company has incurred director fees totalling \$114,000 from 1 June 2014 to 31 July 2014. These fees relate to services performed by companies associated with Mr Peter Allchurch, Mr Neville Henry, Mr James Hodges and Mr John Kenny with each director being paid a fee of A\$13,000, A\$25,000, A\$6,000 and A\$13,000 respectively per month; and
- The Company has incurred exploration expenditure on its Thomas Well project totalling A\$560,634 subsequent to 31 May 2014. This includes A\$160,634 relating to oil lease acquisition costs applicable to the Thomas Well, which was paid out of the Company's existing cash reserves and additional drilling costs relating to the Thomas Well project, which was paid through Director Loans. These Director Loans are interest free and are repayable on demand, but are secured against Winchester's assets.

Apart from the matters dealt with in this Report, and having regard to the scope of our Report, to the best of our knowledge and belief, no other material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

# 8. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro-forma statement of financial position post issue is shown in Appendix 2. This has been prepared based on the reviewed financial statements as at 31 May 2014, the subsequent events set out in section 7, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of 100,000,000 Shares at an offer price of A\$0.20 each to raise A\$20,000,000 before costs based on the actual subscription amount;
- Costs of the Offer, based on the actual subscription amount are estimated to be \$1,448,511. These costs are to be offset against the contributed equity;
- On completion of the Offer, a share success fee of one Share for every A\$6 of capital raised, will be issued to the Joint Lead Managers, based upon their respective firm's performance in the capital raising. Therefore under the actual subscription amount, 3,333,333 shares will be issued to the Joint;
- On 29 July 2014, the Company entered into an agreement with Chatsworth Stirling Pty Ltd ('Chatsworth Stirling') whereby Chatsworth Stirling has agreed to provide consulting services to the Company in relation to the Acquisition and the Offer. In the event that more than A\$10,000,000 is raised under the Offer, the Company will first pay all fees as required to the Joint Lead Managers, and to the extent that 8,000,000 Shares have not been issued to the Joint Lead Managers, the remaining balance will be paid to Chatsworth Stirling. Therefore under the actual subscription amount, 4,666,667 shares will be issued to Chatsworth Stirling.
- Contingent on completion of the Offer, the Company will acquire CEP with the consideration payable for the Acquisition consisting of the following:
  - The issue of 51 million ordinary shares in Winchester;
  - The issue of 14 million Options in Winchester exercisable at \$0.25 on or before 30 April 2019;
  - 1,000 Class A convertible milestone notes, 2,000 Class B convertible milestone notes and 3,000 Class C convertible milestone notes, convertible to shares subject to certain milestones being achieved as set out in section 3; and
  - O A deferred cash payment of US\$3.1 million payable subject to certain milestones being achieved as set out in section 3.

# 9. Disclosures

BDO Corporate Finance (WA) Pty Ltd is the corporate advisory arm of BDO in Perth. Without modifying our conclusions, we draw attention to the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Neither BDO Corporate Finance (WA) Pty Ltd nor BDO, nor any director or executive or employee thereof, has any financial interest in the outcome of the proposed transaction except for the normal professional fee due for the preparation of this Report.

Consent to the inclusion of the Investigating Accountant's Report in the Prospectus in the form and context in which it appears, has been given. At the date of this Report, this consent has not been withdrawn.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd

Adam Myers

Director

# **APPENDIX 1**

# WINCHESTER ENERGY LIMITED

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Reviewed for the
	period ended
	31-May-14
	\$
Interest income	1,178
Expenses	
Bank fees	-564
Directors fees	114,000
Consulting & accounting	16,000
IT operating expense	928
Legal expenses	2,705
Rent	12,954
Travel - International	1,979
Loss before income tax expense	(147,952)
Income tax benefit/(expense)	
Net Loss for the period	(147,952)

This consolidated statement of profit or loss and other comprehensive income shows the historical financial performance of Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4. Past performance is not a guide to future performance.

**APPENDIX 2** 

## WINCHESTER ENERGY LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Winchester		Pro-forma	Pro-forma
		Reviewed as at	Subsequent	adjustments	after Offer
		31-May-14	events \$2	0 million raising \$2	0 million raising
	Notes	\$		s	
CURRENT ASSETS					. /
Cash and cash equivalents	2	803,232	(160,634) —	18,551,489	19,194,087
Trade and other receivables		-50,000			50,000
Fixed assets		8,990			8,990
TOTAL CURRENT ASSETS		862,222	(160,634)	18,551,489	19,253,077
NON CURRENT ASSETS					
Exploration expenditure	3	2,153,321	560,634	6,497,700	9,211,655
TOTAL NON CURRENT ASSETS		2,153,321	560,634	6,497,700	9,211,655
TOTAL ASSETS		3,015,543	400,000	25,049,189	28,464,732
CURRENT LIABILITIES					
Trade and other payables	4	109,245	514,000		623,245
TOTAL CURRENT LIABILITES		109,245	514,000		623,245
NON CURRENT LIABILITIES					
Financial liabilities		5,400			5,400
TOTAL NON CURRENT LIABILITIES		5,400		7	5,400
TOTAL LIABILITIES		114,645	514,000		628,645
NET ASSETS		2,900,898	(114,000)	25,049,189	27,836,087
ΕQUΠΥ					
Share capital	5	3,047,250		23,019,189	26,066,439
Accumulated losses	6	(147,952)	(114,000)		(261,952)
Option premium reserve	7	1,600		2,030,000	2,031,600
TOTAL EQUITY		2,900,898	(114,000)	25,049,189	27,836,087

The consolidated pro-forma statement of financial position after the Offer is as per the consolidated statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The consolidated statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.

# **APPENDIX 3**

# WINCHESTER ENERGY LIMITED

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Winchester		Pro-forma	Pro-forma
		Reviewed as at 5	ubsequent	adjustments	after Offer
		31-May-14	events	\$20 million raising: \$2	O million raising
	Notes	, e a a a a a a a a a a	\$	international states	
Comprehensive income for the period					
Current year losses	6	(147,952)	(114,000)	• • • • • • • • • • • • • • • • • • •	(261,952)
Total comprehensive income for the period		(147,952)	(114,000)		(261,952)
Transactions with equity holders in their					
capacity as equity holders					
Contributed equity, net of transaction costs	5	3,047,250		23,019,189	26,066,439
Option premium reserve	7	1,600		2,030,000	2,031,600
Total transactions with equity holders		3,048,850		25,049,189	28,098,039
Balance at 31 May 2014		2,900,898	(114,000)	25,049,189	27,836,087

The above consolidated statement of changes in equity is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.

#### APPENDIX 4

#### WINCHESTER ENERGY LIMITED

#### NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

#### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

#### Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('AIFRS'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial information has also been prepared on a historical cost basis, except for derivatives and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair value attributable to the risks that are being hedged. Non-current assets and disposal group's held-for-sale are measured at the lower of carrying amounts and fair value less costs to sell.

#### Going Concern

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus. The Directors believe that the Company will continue as a going concern. As a result the financial information has been prepared on a going concern basis. However should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

## Reporting Basis and Conventions

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

# a) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Winchester at the end of the reporting period. A controlled entity is any entity over which Winchester has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are also considered.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are shown separately within the Equity section of the consolidated statement of financial position and statement of financial performance. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

#### b) Income Tax

The income tax expense or benefit (revenue) for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

The charge for current income tax expenses is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

# c) Cash and Cash Equivalents

Cash and cash equivalents includes cash at bank and in hand, deposits held at call with financial institutions, other short-term highly liquid deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

#### d) Trade and other receivables

Trade receivables are recognised as the amount receivable and are due for settlement no more than 90 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off against the receivable directly unless a provision for impairment has previously been recognised.

A provision for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Loans granted are recognised at the amount of consideration given or the cost of services provided to be reimbursed.

#### e) Revenue Recognition

Revenues are recognised at fair value of the consideration received net of the amount of GST.

#### Interest

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

#### f) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

## g) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 30 days of recognition.

#### h) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between proceeds (net of transaction costs) and the redemption amount is recognised in the statement of financial performance over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

# i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flow on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

#### j) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure, including costs of acquiring the licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore the area are recognised in the statement of financial performance.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

- 1. The expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or
- II. Activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient date exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purpose of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

When an area of interest is abandoned or the directors decide that it is not commercial, and accumulated costs in respect of that area are written off in the financial period the decision is made.

#### k) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

#### Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of financial performance. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

#### l) Contributed Equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Costs directly attributable to the issue of new shares or options associated with the acquisition of a business are included as part of the purchase consideration.

#### m) Financial Instruments

# Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

# Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

#### n) Employee Benefits

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the statement of financial position date are recognised in respect of employees' services rendered up to statement of financial position date and measured at amounts expected to be paid when the liabilities are settled.

Liabilities for non-accumulating sick leave are recognised when leave is taken and measured at the actual rates paid or payable. Liabilities for wages and salaries are included as part of Other Payables and liabilities for annual and sick leave are included as part of Employee Benefit Provisions.

# Long Service Leave

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the statement of financial position date using the projected unit credit method. Consideration is given to expect future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at the statement of financial position date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### Share-based payments transactions

The Company provides benefits to employees (including directors) of the Company in the form of share options. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employee becomes unconditionally entitled to the options. The fair value of the options granted is measured using Black-Scholes valuation model, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on a straight line basis over the period from grant date to the date on which the relevant employees become fully entitled to the award ("vesting date"). The amount recognised as an expense is adjusted to reflect the actual number that vest.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

# o) Accounting estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

#### Valuation of share based payment transactions

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model taking into account the terms and conditions upon which the instruments were granted.

# Options

The fair value of options issued is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

Determination of fair values on exploration and evaluation assets acquired

On initial recognition, the assets and liabilities of the acquired business are included in the statement of financial position at their fair values. In measuring fair value of exploration projects, management considers generally accepted technical valuation methodologies and comparable transactions in determining the fair value. Due to the subjective nature of valuation with respect to exploration projects with limited exploration results, management have determined the price paid to be indicative of its fair value.

# Recoverability of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related lease itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

#### Taxation

The Company is subject to income taxes in Australia. Significant judgement is required when determining the Company's provision for income taxes. The Company estimates its tax liabilities based on the Company's understanding of the tax law.

	Reviewed	Pro-forma
	31-May-14	after Offer
NOTE 2. CASH AND CASH EQUIVALENTS	\$	\$
Cash and cash equivalents	803,232	19,194,087
Adjustments to arise at the pro-forma balance:		
Reviewed balance of Winchester at 31 May 2014		803,232
Pro-forma adjustments:		
Proceeds from shares issued under this Prospectus		20,000,000
Capital raising costs		(1,448,511)
		18,551,489
Subsequent events:		
Purchases of oil leases applicable to the Thomas Well		(160,634)
project		
		(160,634)
Pro-forma Balance		19,194,087

	Reviewed	Pro-forma
	31-May-14	after Offer
NOTE 3. EXPLORATION EXPENDITURE	\$	\$
Exploration expenditure	2,153,321	9,211,655
Adjustments to arrive at the pro-forma balance:		
Reviewed balance of Winchester as at 31 May 2014		2,153,321
Pro-forma adjustments:		
Acquisition of CEP (see Note 8)		6,497,700
		6,497,700
Subsequent events:		
Additional costs of drilling the Thomas Well		400,000
Purchase of oil leases applicable to Thomas Well		160,634
		560,634
Pro-forma balance		9,211,655

	Reviewed	Pro-forma
	31-May-14	After Offer
NOTE 4. TRADE AND OTHER PAYABLES	\$	\$
Trade and other payables	109,245	623,245
Adjustments to arise at the pro-forma balance:		
Reviewed balance of Winchester as at 31 May 2014		109,245
Subsequent events:		
Accrued director fees for June and July 2014		114,000
Director Loans to cover additional drilling costs for		400,000
Thomas Well		
		514,000
Pro-forma Balance		623,245

À

	Reviewed	Pro-forma
	31-May-14	after Offer
NOTE 5. SHARE CAPITAL		\$
Share Capital	3,047,250	26,066,439
	No. of shares	\$
Adjustments to arise at the pro-forma balance:		
Fully paid ordinary share capital	56,416,672	3,047,250
Pro-forma adjustments:		
Proceeds from shares issued under this Prospectus	100,000,000	20,000,000
Capital raising costs		(1,448,511)
Shares issued as consideration for the acquisition of		
CEP (see Note 8)	51,000,000	4,467,700
Shares issued to Joint Lead Managers*	3,333,333	•
Shares issued to Chatsworth Stirling*	4,666,667	
	159,000,000	23,019,189
Pro-forma Balance	215,416,672	26,066,439
Shares issued to Joint Lead Managers and Chatsworth Stirling are o	osts of the Offer	

	Reviewed	Pro-forma
	31-May-14	after Offer
NOTE 6. ACCUMULATED LOSSES	\$	
Accumulated losses	(147,952)	(261,952)
Adjustments to arrive at the pro-forma ba		
Reviewed balance of Winchester at 31 N	Nay 2014	(147,952)
Subsequent events:		
Accrued director fees for June and July	/ 2014	(114,000)
		(114,000)
Pro-forma balance		(261,952)

	Reviewed	Pro-forma
	31-May-14	after Offer
NOTE 7. OPTION PREMIUM RESERVE		5 To 10 S
Option premium reserve	1,600	2,031,600
Adjustments to arise at the pro-forma balar	nce:	
Reviewed balance of Winchester as at 31	May 2014	1,600
Pro-forma adjustments:		
Acquisition of CEP (see Note 8)		2,030,000
		2,030,000
Pro-forma Balance		2,031,600

Using the Black Scholes option pricing model the fair value of the Options issued as consideration to the CEP Vendors has been calculated. The following inputs were used in the valuation:

				Options
Underlying sh	are price			\$0.20
				\$0,25
				15-Jul-14
	е	TALLES AND ADDRESS OF THE PARTY	 -,	
	tions			
				4,70
volatility				100%
Risk-free rate				2.88%

# NOTE 8: ASSET ACQUISITION

A summary of the details with respect to the acquisition as included in our report is set out below. These details have been determined for the purpose of the pro forma adjustments as at 31 May 2014.

The acquisition of CEP by Winchester is not deemed to be a business combination, as CEP is not considered to be a business under AASB 3 Business Combinations. The Company has therefore treated the acquisition of CEP as an asset acquisition and have provisionally accounted for this under AASB 2 Share Based Payments whereby equity instruments were issued as consideration for the net assets of CEP. In accordance with AASB 2, the entity measures the goods and services received by reference to the fair value of those goods and services or if that is not considered reliable or obtainable then the fair value of equity instruments issued is assessed to obtain the value of the goods and services provided.

In the case of CEP, consideration needs to be given to whether it is possible to determine the fair value of the net assets of CEP. At the time of entering the purchase agreement, the statement of financial position of CEP being acquired by Winchester consisted of project leases, capitalised expenses and unsecured debts. The project leases relate to the acquisition of the Van Hoogen Oil Project and the capitalised expenses relate to subsequent work on the project. Set out below is the balance sheet of CEP as at 31 May 2014.

	Reviewed as at
Statement of Financial Position	31-May-14
	uss us a series of the USS
ASSETS	
Project leases	6,252,354
Capitalised expenses	47,646
TOTAL ASSETS	6,300,000
LIABILITIES	
Unsecured debts	250,000
TOTAL LIABILITIES	250,000
NET ASSETS	6,050,000
TOTAL EQUITY	6,050,000

The Company has converted the net asset value of CEP to Australian Dollars as set out below.

				71-M avr-14
Net Asset Valu	e			
Adjusted Net	Assets (US\$)			6,050,000
Exchange rate				
Adjusted Net /	asser value	(A7)	all la virta es	0,437,700

The fair value of the asset represents the net asset value of \$6,497,700. Per AASB 2 paragraph 10, given the fair value of the goods and services received can be estimated reliably, the corresponding increase in equity shall be accounted for directly.

Normally the \$6,497,700 would be allocated directly to equity. However, the consideration payable includes ordinary shares, options, convertible milestone notes and deferred cash consideration. Under AASB 2, the entity shall measure the equity components as the difference between the fair value of the goods and services received and the fair value of the equity instrument. The different components of the consideration payable can be split as follows:

- Shares issued: The fair value of the shares issued represents the fair value of the asset less the fair value of the options.
- Options issued: 14 million options in Winchester, with an exercise price of \$0.25 each
  and an expiry date of 30 April 2019. The fair value has been determined using the BlackScholes option pricing model with the inputs per Note 7.
- Convertible milestone notes: The Company has been unable to determine, with any certainty whether the conditions for the convertible milestone notes will be satisfied at this point in time. Winchester is unable to reliably assess the value of the CEP assets being acquired if these conditions were to be met. For these reasons, the Company has not assigned a value to the convertible milestone notes.
- Deferred Cash Payment: Winchester will be required to pay US\$3.1 million on the achievement of commercial scale successful oil and gas production from at least 4 wells on or before 30 April 2019. The Company is unable to determine, with any certainty whether this condition will be satisfied at this point in time. The Company is also unable to reliably assess the value of the CEP assets being acquired if this condition was to be met. For these reasons, Winchester has not assigned a value to the Deferred Cash Payment.

#### NOTE 9: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

# NOTE 10: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

# NOTE 11: HISTORICAL FINANCIAL INFORMATION

Winchester does not consider it appropriate to disclose three years historical financial information because the Company has only been in operation since 17 March 2014. We have therefore included the most recent statement of profit or loss and other comprehensive income and statement of financial position, reviewed as at 31 May 2014, as detailed at Appendix 1 and Appendix 2 respectively and consider that these provide sufficient detail of historical financial information for the Company.