

**Artist & Entertainment Group Limited
ACN 097 771 581**

**Notice of Annual General Meeting
to be held on 3 December 2014**

**Explanatory Memorandum
for the Notice of Annual General Meeting**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES
YOUR IMMEDIATE ATTENTION.
IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE
PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR, ACCOUNTANT OR
OTHER PROFESSIONAL ADVISER.**

**NOTICE OF THE ANNUAL GENERAL MEETING TO BE HELD AT
LEVEL 14, 264-278 GEORGE STREET, SYDNEY, NSW 2000
AT 3:00PM SYDNEY TIME ON WEDNESDAY, 3 DECEMBER 2014**

**TO BE VALID, FORMS OF PROXY FOR USE AT THE ANNUAL GENERAL MEETING MUST BE
COMPLETED AND RETURNED TO THE COMPANY NO LATER THAN
3:00PM SYDNEY TIME ON MONDAY, 1 DECEMBER 2014**

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Section A - Chairman's Letter

Artist & Entertainment Group Limited

ABN 67 097 771 581

Level 2 Hudson House 131 Macquarie Street Sydney NSW 2000

GPO Box 3723 Sydney NSW 2001

Phone: +61 2 9258 9900
Fax: +61 2 9247 6225

28 October 2014

Dear Shareholder

The Directors of Artist & Entertainment Group Limited ACN 097 771 581 (**Company**) have convened the Annual General Meeting of Shareholders to be held on Wednesday, 3 December 2014 to:

- table the financial statements and reports of the Company for the financial year ended 30 June 2014;
- vote on the re-election of Directors;
- obtain the approval of Shareholders for the change of the Company's name to "**Enhanced Oil & Gas Recovery Limited**"; and
- for the issue of Shares to certain converting noteholders of the Company.

Notice of Annual General Meeting and accompanying documents

This letter is accompanied by a Notice of Annual General Meeting (Section C) and an Explanatory Memorandum (Section D). The Notice of Annual General Meeting sets out the Resolutions that Shareholders are to consider. The Explanatory Memorandum explains in greater detail the background to the proposed Resolutions.

Shareholders are encouraged to read the enclosed Explanatory Memorandum closely in its entirety and to attend the Annual General Meeting and vote on the Resolutions. A proxy form is enclosed to enable any Shareholder who is unable to attend the Annual General Meeting to vote at the meeting.

The Directors support the Resolutions contained in the Notice of Annual General Meeting. We recommend that you vote in favour of all Resolutions, full details of which are contained in the Notice of Annual General Meeting.

Yours faithfully



Ross Hill
Chairman

Section B - Glossary

1. Definitions

The following definitions are used in the Chairman's Letter, the Notice of Annual General Meeting and the Explanatory Memorandum:

AEM or the **Company** means Artist & Entertainment Group Limited ACN 097 771 581;

Annual General Meeting means the general meeting of the Company to be held on Wednesday, 3 December 2014 pursuant to the Notice of Annual General Meeting;

Annual Report means the Directors' Report, the Financial Report and the Auditor's Report in respect to the financial year ended 30 June 2014;

ASIC means the Australian Securities & Investments Commission;

Associate has the meaning given to that term in Part 1.2, Division 2 of the Corporations Act;

ASX means ASX Limited ACN 008 624 691;

ASX Listing Rules means the official listing rules issued and enforced by the ASX, as amended from time to time;

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

Board or **Board of Directors** means the board of Directors of the Company;

Business Day means a day which is not a Saturday, Sunday or public holiday in Sydney;

Chairman means the chairman of the Company, who is currently Ross Hill;

Company or **AEM** means Artist & Entertainment Group Limited ACN 097 771 581;

Constitution means the constitution of the Company, as amended from time to time;

Converting Notes means the converting notes issued by AEM to each Converting Noteholder pursuant to the Converting Note Agreement;

Converting Note Agreement means the converting note agreement entered into by the Company and each of the Converting Noteholders;

Converting Noteholder means a converting noteholder set out in the Schedule of Converting Noteholders contained in paragraph 7 of the Explanatory Memorandum and **Converting Noteholders** means any two or more of them;

Corporations Act means *Corporations Act 2001* (Cth);

Directors means the directors of the Company;

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

Explanatory Memorandum means the explanatory memorandum set out in Section D of this document;

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

Notice of Annual General Meeting or **Notice** means the notice of Annual General Meeting set out in Section C of this document;

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

Resolution means a resolution passed by the requisite majority of Shareholders of the Company on a show of hands or by the requisite majority of votes given on a poll;

Share means a fully paid ordinary share in the issued capital of the Company and **Shares** means any two or more of them; and

Shareholder means a holder of a Share.

2. Interpretation

For the purposes of interpreting the Chairman's Letter, the Explanatory Memorandum and the Notice of Annual General Meeting:

- (a) the singular includes the plural and vice versa;
- (b) words importing any gender include both genders;
- (c) reference to any statute, ordinance, regulation, rule or other law includes all regulations and other instruments and all consolidations, amendments, re-enactments or replacements for the time being in force;
- (d) all headings, bold typing and italics (if any) have been inserted for convenience of reference only and do not define, limit or affect the meaning or interpretation of the Chairman's Letter, the Explanatory Memorandum and the Notice of Annual General Meeting;
- (e) reference to persons includes bodies corporate and government authorities and in each and every case, includes a reference to the person's executors, administrators, successors, substitutes (including without limitation persons taking by novation and assignment); and
- (f) reference to **\$, A\$, Australian Dollars** or **dollars** is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia.

Section C - Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of Artist & Entertainment Group Limited ACN 097 771 581 (**AEM** or the **Company**) will be held at Level 14, 264-278 George Street, Sydney, NSW 2000 on Wednesday, 3 December 2014 at 3:00pm (Sydney time).

Defined terms used in this Notice of Annual General Meeting have the meanings given to them in the Glossary accompanying this Notice of Annual General Meeting.

1. Ordinary Business

1.1 Annual Report

To table and consider the Annual Report of the Company and its controlled entities for the year ended 30 June 2014, which includes the Financial Report, Directors' Report and Auditor's Report.

Note: The Financial Report, Directors' Report and Auditor's Report for the Company for the year ended 30 June 2014 will be laid before the meeting. There is no requirement for Shareholders to approve those reports. Shareholders will be given an opportunity to raise questions of the Directors and the Company's auditor on the Financial Report and Auditor's Report at the Annual General Meeting.

1.2 Resolution 1: Adoption of Remuneration Report

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

"That, the Remuneration Report for the year ended 30 June 2014 which is attached to the Financial Report as required under section 300A of the Corporations Act 2001 (Cth), be adopted by the Company."

Note: The Remuneration Report is set out in the Directors' Report, specifically on pages 9 and 10 of the Annual Report. In accordance with section 250R(3) of the Corporations Act, the votes cast in respect of this Resolution are advisory only and do not bind the Company.

1.3 Resolution 2: Election of John Carmody as Director

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

"That, John Carmody having retired from his office as a Director in accordance with Rule 7.1(d) of the Constitution and, being eligible, having offered himself for election, be elected as a Director."

1.4 Resolution 3: Re-election of David Hickie as Director

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

"That, David Hickie having retired from his office as a Director in accordance with Rule 7.1(f) of the Constitution and, being eligible, having offered himself for re-election, be re-elected as a Director."

2. Special business

2.1 Resolution 4: Change of Company Name

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

*"That, in accordance with Section 157 of the Corporations Act 2001 (Cth), the Company adopts the new name "**Enhanced Oil & Gas Recovery Limited**" and shareholders approve the Company changing its name to "**Enhanced Oil & Gas Recovery Limited**" with the effect from the day on which the Australian Securities and Investments Commission alters the details of the Company's registration."*

2.2 Resolution 5: Issue of Shares to the Converting Noteholders

To consider and, if thought fit, to pass, with or without amendment, the following Resolution:

"That, in accordance with ASX Listing Rule 7.1, the Company be permitted and authorised to issue up to 44,408,333 Shares to the Converting Noteholders in consideration for the conversion of 44,408,333 Converting Notes held by them, on the terms more fully described in paragraph 7 of the Explanatory Memorandum."

3. Voting exclusion statements

3.1 Resolution 1

The Corporations Act prohibits any votes being cast on Resolution 1 by or on behalf of a person who is disclosed in the Remuneration Report as a member of the key management personnel of the Company (including the Directors and the Chairperson) or a closely related party of that key management personnel. However, such a person may cast a vote on Resolution 1 as a proxy for a person who is permitted to vote and the appointment of the proxy specifies the way the proxy is to vote on the resolution.

3.2 Resolution 5

In accordance with the notice requirements of ASX Listing Rule 7.3 for approval under ASX Listing Rule 7.1, and ASX Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 5 by:

- (a) the Converting Noteholders;
- (b) a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed; and
- (c) any Associate of that person(s).

However, the Company will not disregard a vote if:

- (d) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (e) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4. Determination of membership and voting entitlement

For the purpose of determining a person's entitlement to vote at the Annual General Meeting, a person will be recognised as a member of the Company and the holder of Shares if that person is registered as a holder of those Shares at 3:00 pm Sydney time on Monday, 1 December 2014, being the second Business Day prior to the date of the Annual General Meeting.

5. Votes of members

On a show of hands, each member present in person or by proxy (or, in the case of a body corporate, by a representative) at the Annual General Meeting will have one vote.

On a poll, every member present in person or by attorney or by proxy (or, in the case of a body corporate, by a representative) shall have one vote for each Share held by him, her or it, provided that all Shares are fully paid.

6. Proxies

Please note that:

- (a) a member entitled to attend and vote at the Annual General Meeting is entitled to appoint no more than two proxies;
- (b) an instrument appointing a proxy must be in the form of the proxy form attached to this Notice of Annual General Meeting;
- (c) where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. If a member appoints two proxies, neither person may vote on a show of hands and on a poll, each person may only exercise the voting rights for the portion of votes the person holds;
- (d) a proxy may be a member of the Company;
- (e) a proxy need not be a member of the Company;
- (f) a proxy form may specify the manner in which the proxy is to vote in respect of a particular Resolution and, where a proxy form so provides, the proxy is not entitled to vote on the Resolution except as specified in the proxy form;
- (g) a proxy has the authority to vote on the member's behalf as he or she thinks fit, on any motion to adjourn the Annual General Meeting, or any other procedural motion, unless the member gives a direction to the contrary;
- (h) a valid proxy form will be deemed to confer authority to demand or join in demanding a poll;
- (i) to be valid, a proxy form must be signed by the member or the member's attorney or, if the member is a corporation, executed in accordance with the corporation's constitution and the Corporations Act (and may be signed on behalf of the corporation by its attorney); and
- (j) to be valid, a proxy form and the power of attorney or other authority (if any) under which it is signed (or an attested copy of it) must be received by no later than 3:00pm on Monday, 1 December 2014;

by the Company:

- in person: Artist & Entertainment Group Limited
Level 2, 131 Macquarie Street
SYDNEY NSW 2000
Australia
- or - by mail: Artist & Entertainment Group Limited
Level 2, 131 Macquarie Street
SYDNEY NSW 2000
Australia
- or - by facsimile: +61 2 9247 6225

by the Company's share registry:

- in person: Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
ABBOTSFORD VIC 3067
Australia
- or - by mail: Computershare Investor Services Pty Limited
GPO Box 242
MELBOURNE VIC 3001
Australia
- or - by facsimile: +61 3 9473 2555

By order of the Board



Eric Kam
Company Secretary

Dated: 28 October 2014
Sydney

Section D - Explanatory Memorandum

1. Introduction

This Explanatory Memorandum contains the information needed for Shareholders to assess the Resolutions to be put to them at the Annual General Meeting of the Company on Wednesday, 3 December 2014. A Notice of Annual General Meeting accompanies this Explanatory Memorandum.

This Explanatory Memorandum, as well as the Notice of Annual General Meeting, should be read carefully and in their entirety.

The Explanatory Memorandum and Proxy Form are part of this Notice of Annual General Meeting.

2. Annual Report

The Annual Report of the Company for the year ended 30 June 2014 will be laid before the meeting. There is no requirement for Shareholders to approve the Annual Report. Shareholders will be given an opportunity to:

- (a) raise questions to the Directors or make comment on the management of the Company; and
- (b) ask the Company's auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

3. Resolution 1 – Adoption of Remuneration Report

Resolution 1 is proposed for the adoption of the Remuneration Report contained in the Directors' Report referred to in the first item of the agenda set out in the Notice. Under the Corporations Act, the Company is required to present its Remuneration Report to Shareholders for adoption at its Annual General Meeting. The Remuneration Report of the Company for the financial year ended 30 June 2014 is set out in the Directors' Report, specifically on pages 9 and 10 of the Annual Report.

The Annual Report may be accessed on the ASX company announcements platform using the ASX code: AEM. Shareholders will be given a reasonable opportunity to raise questions of the Directors and make comments on the Remuneration Report prior to the Resolution being put to Shareholders. The Resolution to adopt the Remuneration Report is a non-binding Resolution on the Company and its Directors.

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report, the Company's next Remuneration Report must explain the Board's proposed action in response or explain why no action has been taken.

In the following year, if at least 25% of the votes cast on the resolution that the Remuneration Report be adopted are against adoption, Shareholders will then vote to determine whether the Directors will need to stand for re-election. If more than 50% of the votes cast on the resolution are in favour, a separate re-election meeting must be held within 90 days.

The Board recommends that Shareholders vote in favour of adopting the Remuneration Report.

4. Resolution 2 – Election of John Carmody

Resolution 2 relates to the election of John Carmody as a Director of the Company.

John Carmody was appointed as a director of the Company in accordance with Rule 7.1(d) of the Constitution. Under Rule 7.1(d) of the Constitution, the Directors may appoint any natural person to be a director, either to fill a casual vacancy or as an addition to the existing directors. Any director so appointed, other than the managing director, only holds office until the next general meeting and must then retire from office. Rule 7.1(i) of the Constitution provides that a retiring director is eligible for election.

In accordance with the Constitution, John Carmody will retire and seek election at the Annual General Meeting.

A brief summary of John Carmody's qualifications and experience is set out below.

John Carmody is a professional geologist of over 30 years' experience in oil & gas exploration and production, including coal seam methane. He is the former President of the Australian Petroleum Society.

Resolution 2 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

Each of Ross Hill, David Hickie and Siew Hong Koh recommends that Shareholders vote in favour of Resolution 2. John Carmody makes no recommendation regarding Resolution 2 because he has an interest in it.

5. Resolution 3 – Re-election of David Hickie

Resolution 3 relates to the re-election of David Hickie as a Director of the Company. Under Rule 7.1(f) of the Constitution, one-third of the Company's Directors must resign at each annual general meeting.

Rule 7.1(i) of the Constitution provides that a Director who retires under Rule 7.1(f) of the Constitution is eligible for re-election.

In accordance with the Constitution, David Hickie will retire by rotation and seek re-election.

Resolution 3 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

Each of Ross Hill, Siew Hong Koh and John Carmody recommends that Shareholders vote in favour of Resolution 3. David Hickie makes no recommendation regarding Resolution 3 because he has an interest in it.

6. Resolution 4– Change of Company Name

6.1 Background

Resolution 4 seeks Shareholder approval to change the name of the Company to Enhanced Oil & Gas Recovery Limited.

Resolution 4 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The adoption of the new name under Resolution 4 is to be approved by Shareholders under section 157(1) of the Corporations Act.

The Company proposes to change its name to Enhanced Oil & Gas Recovery Limited to more accurately reflect its proposed activities.

The change of name of the Company will take effect on the day that ASIC approves the change of name. There will be a change in the Company's ASX listing code from 'AEM' to 'EOR'.

Each of the Directors recommends that Shareholders vote in favour of Resolution 4.

7. Resolution 5 - Issue of Shares to the Converting Noteholders

7.1 Background

As announced to the market on 28 March 2014 and 30 September 2014, the Company has successfully completed a fund raising of \$533,900 by way of the issue of 44,408,333 Converting Notes to the Converting Noteholders.

The Converting Noteholders include sophisticated and professional investors (within the meanings ascribed to those terms in the Corporations Act).

The terms of the Converting Notes are set out in paragraph 7.2 below.

7.2 ASX Listing Rule 7.3 requirements

Pursuant to ASX Listing Rule 7.3, the following information is provided regarding ASX Listing Rule 7.1 approval:

ASX Listing Rule 7.1 provides that a company must not issue equity securities without approval of Shareholders if the number of equity securities to be issued in any 12 month period exceeds 15% of the issued capital of the Company preceding the issue. In issuing the Converting Notes, the Company did not breach ASX Listing Rule 7.1 as the Converting Notes are not considered equity securities until such time as Shareholder approval is obtained. As the Converting Notes have been issued and may not be converted into Shares without Shareholder approval, Resolution 5 seeks approval under the terms of the Converting Notes and ASX Listing Rule 7.1 in respect of the Converting Notes to be converted into Shares.

- (a) **ASX Listing Rule 7.3.1:** *Maximum number of securities to be issued or the formula for calculating the number of securities to be issued pursuant to Resolution 5*

44,408,333 Shares.

- (b) **ASX Listing Rules 7.3.2 and 7.3.7:** *Date by which securities will be issued*

If Shareholder approval is obtained, the issue and allotment of the Shares to the Converting Noteholders will occur on a date which is two Business Days after the date of this Annual General Meeting, but in any case no later than three months after the date of this Annual General Meeting.

- (c) **ASX Listing Rule 7.3.3:** *Issue price of securities*

\$0.012 per Share in respect of 44,408,333 Converting Notes which is the deemed issue price for the shares which is the same as the issue price of the Converting Notes.

- (d) **ASX Listing Rule 7.3.4:** *Names of allottees*

The allottees are the Converting Noteholders contained in the Schedule of Converting Noteholders (below).

The allottees are retail and sophisticated investors. The investors are not related parties of the Company.

(e) **ASX Listing Rule 7.3.5: Terms of securities**

- (i) Each Converting Note has a face value of \$0.012.
- (ii) The Converting Notes are unsecured.
- (iii) The conversion price of all of the Converting Notes is \$0.012 per Share.
- (iv) Subject to the expiry of the Converting Notes at an earlier date, the Converting Notes shall expire on 31 December 2014 (**Expiry Date**).
- (v) Each Converting Note converts into one Share on the date that Shareholder approval is obtained at the Annual General Meeting.
- (vi) If Shareholder approval is not obtained at the Annual General Meeting:
 - (A) the principal amount in respect of each Converting Note must be repaid by the Company to the Converting Noteholders on the Expiry Date;
 - (B) interest will accrue on the Converting Notes at the rate of 5% per annum from the date of issue of the Converting Notes up to the Expiry Date; and
 - (C) all outstanding interest on the Converting Notes must be paid by the Company to the Converting Noteholders on the Expiry Date.
- (vii) Any Shares in the Company that are issued and allotted pursuant to the conversion of the Converting Notes rank pari passu in all respects with other Shares of the Company on issue at the date of the issue and allotment.
- (viii) The rights of the Converting Noteholders will change to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation, including ASX Listing Rule 7.22.1.
- (ix) The Converting Notes are not quoted. Upon conversion of the Converting Notes into Shares, the Shares will not be quoted pending the Company's re-compliance with Chapters 1 and 2 of the ASX Listing Rules and may be held in escrow as ASX restricted securities for a maximum of 24 months after the Company is reinstated to Official Quotation, if required by the listing rules. The Shares will otherwise rank equally with all the other Shares on issue. In all other respects, the rights and entitlements of the Converting Noteholders in respect of the Shares to be issued to them will be identical to the rights and entitlements of the holders of issued Shares.

(f) **ASX Listing Rule 7.3.6: Intended use of the funds**

No funds will be raised from the issue of shares for the conversion of the Converting Notes into Shares. The funds raised by the issue of the Converting Notes were applied for purpose of working capital and not used for any payments in relation to any proposed or ongoing project acquisitions by the Company.

(g) **ASX Listing Rule 7.3.8: A voting exclusion statement**

A voting exclusion statement is included at paragraph 3.2 of the Notice of Annual General Meeting (Section C).

Resolution 5 – Schedule of Converting Noteholders

No.	Name of Allottee	Number of Notes	Issue Price Per Note \$	Total Amount Paid (\$)
1	Andrew Hock-Soo Lee & Carole Men Nui Lee <Lee Family Super Fund A/C>	1,666,667	\$0.012	20,000
2	Benjamin John Thompson	1,666,667	\$0.012	20,000
3	BPS Corporation P/L	4,666,667	\$0.012	56,000
4	Callavan Pty Ltd	2,541,667	\$0.012	30,500
5	Cynthia Amaral Murphy	833,333	\$0.012	10,000
6	Igor Antoniak & Josien Dikkers	1,000,000	\$0.012	13,000
7	James Muir	1,250,000	\$0.012	15,000
8	John Maait	2,500,000	\$0.012	30,000
9	Khalid Al-Ali	1,833,333	\$0.012	22,000
10	Leet Investments Pty Limited	1,500,000	\$0.012	18,000
11	Martin J Reed <East Sydney Unit A/C>	1,200,000	\$0.012	14,400
12	Michael Wells	833,333	\$0.012	10,000
13	Mr. Allan James Clark < A & J Clark Super Fund A/C>	7,500,000	\$0.012	90,000
14	Mr. Nevyll Douglas Lennox & Mr.Kym Craig Lennox <The Nevyll Lennox S/F A/C>	833,333	\$0.012	10,000
15	Mr. Richard Coverdale Sharpe & Mr. Leo George Sharpe <RC Sharpe Super Fund A/C>	833,333	\$0.012	10,000
16	Rodby Holdings P/L <Sin Pyng Teng Superannuation Fund>	2,500,000	\$0.012	30,000
17	Shareholder Services Pty Ltd	750,000	\$0.012	9,000
18	Vibrant Link Sdn Bhd	5,000,000	\$0.012	60,000
	Vibrant Link Sdn Bhd	3,500,000	\$0.012	42,000
19	William George Bishop	1,000,000	\$0.012	12,000
20	Wimalex Pty Ltd <Trio S/F A/A>	1,000,000	\$0.012	12,000
Total:		44,408,333		533,900

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