



ABN 62 111 823 762

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10:30am WST

DATE: Wednesday, 27 May 2015

PLACE: Bentleys, Level 1, 12 Kings Park Road, West Perth

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

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+ 61 8) 9226 4500.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE AND TIME OF MEETING

The Annual General Meeting of the Shareholders of Antilles Oil and Gas NL which this Notice of Annual General Meeting relates to will be held at Bentleys, Level 1, 12 Kings Park Road, West Perth on Wednesday, 27 May 2015 at 10:30am WST.

YOUR VOTE IS IMPORTANT

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

VOTING IN PERSON

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

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 5.00 pm WST on 25 May 2015.

VOTING BY PROXY

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

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

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to

exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

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

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

Further details on these changes is set out below.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Antilles Oil and Gas NL (ABN 62 111 823 762) (**Company**) will be held at Bentleys, Level 1, 12 Kings Park Road, West Perth on Wednesday, 27 May 2015 at 10:30am WST. The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 5.00pm WST on 25 May 2015.

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered at the Meeting.

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the financial report of the Company for the year ended 31 December 2014 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 31 December 2014.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR DAVID ORMEROD

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

“That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr David Ormerod, a Director who was appointed on 14 July 2014, retires, and being eligible, is re-elected as a Director.”

4. RESOLUTION 3 – ELECTION OF DIRECTOR – DR JACK HAMILTON

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

“That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Dr Jack Hamilton, a Director who was appointed on 14 July 2014, retires, and being eligible, is re-elected as a Director.”

5. RESOLUTION 4 – ELECTION OF DIRECTOR – MR DAMIAN BLACK

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

“That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Damian Black, a Director who was appointed on 18 June 2014, retires, and being eligible, is re-elected as a Director.”

6. RESOLUTION 5 – ELECTION OF DIRECTOR – MR GARY GRUBITZ

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

“That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Gary Grubitz, a Director who was appointed on 15 August 2014, retires, and being eligible, is re-elected as a Director.”

7. RESOLUTION 6 – RATIFICATION OF SHARE PLACEMENT

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 88,000 Shares on the terms and conditions set out in the Explanatory Statement”.

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 7 – APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS AND PARTLY PAID SHARES TO DR JACK HAMILTON

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

“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,000,000 Class B Performance Rights and 3,000,000 Partly Paid Shares to Dr Jack Hamilton (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by Dr Jack Hamilton (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 8 – APPROVAL FOR THE ISSUE OF OPTIONS TO MR GARY GRUBITZ

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

“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 3,000,000 Options exercisable at \$0.20 with an expiry date of 5 years from date of issue to Mr Gary Grubitz (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by Mr Grubitz (and his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. RESOLUTION 9 – APPROVAL OF 10% PLACEMENT FACILITY

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

“That, for the purpose of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”

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

**DATED: 24 APRIL 2015
BY ORDER OF THE BOARD**

A handwritten signature in blue ink, appearing to read 'Ranko Matić', enclosed in a thin black rectangular border.

**MR RANKO MATIC
COMPANY SECRETARY
ANTILLES OIL AND GAS NL**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at Bentleys, Level 1, 12 Kings Park Road, West Perth on Wednesday, 27 May 2015 at 10:30am WST.

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

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2014 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.antillesoilandgas.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report as included in the company's annual financial report for the previous financial year was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy you must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member).

You do not need to direct your proxy how to vote on this Resolution. However, if you do not direct the Chair how to vote, you must mark the acknowledgement on the Proxy Form to expressly authorise the Chair to exercise his/her discretion in exercising your proxy even though this Resolution is connected directly or indirectly with the remuneration of Key Management Personnel.

If you appoint any other person as your proxy

You do not need to direct your proxy how to vote on this Resolution, and you do not need to mark any further acknowledgement on the Proxy Form.

3. RESOLUTION 2 – ELECTION OF DAVID ORMEROD

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Clause 13.4 of the Constitution requires that any directors appointed by the Board during the year, holds office only until the next following general meeting and are then eligible for re-election. Mr David Ormerod was appointed the Managing Director by the Board on 14 July 2014. Mr Ormerod retires in accordance with the Constitution and being eligible, offers himself for re-election as a Director.

Mr Ormerod is a petroleum geologist with twenty-nine years of experience in petroleum exploration business. He has been involved in founding and expanding small cap oil and gas companies including Pura Vida Energy and Karoon Gas

subsequent to working in operating companies BHP and Woodside. He has worked a variety of settings including the Gulf of Mexico, West Africa and South America with a focus on high impact exploration.

Mr Ormerod will retire in accordance with clause 13.4 of the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

The other Directors of the Company unanimously recommend the re-election of Mr Ormerod.

4. RESOLUTION 3 – ELECTION OF JACK HAMILTON

A summary of Clause 13.4 of the Constitution is included at Resolution 2 of this Explanatory Statement.

Dr Jack Hamilton was appointed the Non-Executive Chairman by the Board on 14 July 2014. Dr Hamilton retires in accordance with the Constitution and being eligible, offers himself for re-election as a Director.

Dr Hamilton's career spans over 30 years in the energy sector. He has held senior positions across the energy sector over the past 15 years including heading up Australia's largest resource project as Director North West Shelf Ventures for Woodside Energy Ltd, CEO for a Liquid Natural Gas project in PNG following on from a 21 year career with Shell in both local and international roles.

Dr Hamilton currently heads up Energy Elements Consulting Pty Ltd, and is Head of the MTG Consulting Australian Advisory board in the Oil and Gas upstream sector.

Dr Hamilton will retire in accordance with clause 13.4 of the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

The other Directors of the Company unanimously recommend the re-election of Dr Hamilton.

5. RESOLUTION 4 – ELECTION OF DAMIAN BLACK

A summary of Clause 13.4 of the Constitution is included at Resolution 2 of this Explanatory Statement.

Mr Damian Black was appointed as a Non-Executive Director by the Board on 18 June 2014. Mr Black retires in accordance with the Constitution and being eligible, offers himself for re-election as a Director.

Mr Black is an Associate Director (Corporate) at CPS Capital Group and has been employed in corporate finance and stockbroking since 2006. He is experienced in equity capital markets and structuring corporate transactions, focused predominantly on oil and gas and resources. He has also worked in an ongoing corporate advisory role with several ASX listed companies in the last 6 years, having guided many of them through IPO/listing processes.

Mr Black will retire in accordance with clause 13.4 of the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

The other Directors of the Company unanimously recommend the re-election of Mr Black.

6. RESOLUTION 5 – ELECTION OF GARY GRUBITZ

A summary of Clause 13.4 of the Constitution is included at Resolution 2 of this Explanatory Statement.

Mr Gary Grubitz was appointed as a Non-Executive Director by the Board on 15 August 2014. Mr Grubitz retires in accordance with the Constitution and being eligible, offers himself for re-election as a Director.

Mr Grubitz is a petroleum geophysicist with thirty-five years of experience in petroleum exploration, predominately with BHP Billiton. While team leader and exploration manager for the Gulf of Mexico with BHP, he opened up major new plays resulting in multi-hundred million-barrel deep-water discoveries. BHP Billiton added the highest value per exploration dollar spent over the ten year period from 1995 to 2005, due to this Gulf of Mexico success. His last position at BHP was as VP of Global Exploration where he expanded the deep-water portfolio in South America and delivered multi-Tcf discoveries in Australia.

Mr Grubitz will retire in accordance with clause 13.4 of the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

The other Directors of the Company unanimously recommend the re-election of Mr Grubitz.

7. RESOLUTION 6 – RATIFICATION OF SHARE PLACEMENT

7.1 General

In November 2014 the Company agreed to engage RB Milestone Group, LLC (RB Milestone) to manage a two day roadshow for the Company. The value of these services totalled US\$14,000 and the Company issued 88,000 fully paid ordinary shares as payment of the service fee.

7.2 ASX Listing Rule 7.1

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

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Issues made with approval under Listing Rule 7.1 can be ratified under Listing Rule 7.4.

This share issue was made under the Company's 15% placement capacity pursuant to Listing Rule 7.1.

7.3 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Capital Raising:

- (a) a total of 88,000 Shares were allotted and issued to RB Milestone;
- (b) the issue of the shares was completed on or about 11 November 2014;
- (c) the issue price was \$0.1753 per Share;
- (d) the Shares issued were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the subscriber was not a related party of the Company; and
- (f) the purpose of the share issue was the payment of professional fees for the services relating to promotion of the Company.

8. RESOLUTION 7 AND 8 - APPROVAL FOR THE ISSUE OF PERFORMANCE RIGHTS AND OPTIONS TO THE RELATED PARTIES

8.1 General

On 14 July 2014, the Company announced the appointment of Jack Hamilton as Non-Executive Chairman.

On 15 August 2014, the Company announced the appointment of Gary Grubitz as Non-Executive Director.

Dr Hamilton and Mr Grubitz by virtue of their roles as directors of the Company are related parties of the Company under the Corporations Act (**Related Parties**).

The Company has agreed, subject to obtaining Shareholder approval, to issue the following securities to the Related Parties as per their services agreements

- (a) 1,000,000 Class B Performance Rights; and
- (b) 3,000,000 Options exercisable at \$0.20 and expiring 5 years from date of issue; and
- (c) 3,000,000 Partly Paid Shares.

(the **Related Party Securities**) on the terms and conditions set out below.

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

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

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

The issue of the Related Party Securities constitutes giving a financial benefit and Dr Hamilton and Mr Grubitz are related parties of the Company because they are Directors.

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

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 may not apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of the Related Party Securities to the Related Parties.

8.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Related Party Securities:

- (a) the related parties are Dr Hamilton and Mr Grubitz. Dr Hamilton and Mr Grubitz are related parties by virtue of being Directors of the Company;
- (b) the maximum number of Related Party Securities (being the nature of the financial benefit being provided) to be issued to the Related Parties is:
 - (i) 1,000,000 Class B Performance Rights to Dr Hamilton; and
 - (ii) 3,000,000 Options exercisable at \$0.20 and expiring five year from date of issue to Mr Grubitz; and
 - (iii) 3,000,000 Partly Paid Shares to Dr Hamilton.
- (c) The Performance Rights will be issued on the terms and conditions set out in Schedule B and convert into one Share upon the occurrence of the following events within three years from the date of issue of the Performance Rights:
 - (i) Class B Performance Rights will vest and convert to an equivalent number of fully paid ordinary shares in the Company on the completion of a further capital raising by the Company in excess of A\$10,000,000 or the Company achieving a market capitalisation of greater than A\$30,000,000 for five consecutive days;
- (d) the Related Party Securities will be issued to the Related Parties no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Securities will be issued on one date;
- (e) other than the Partly Paid Shares, which are payable to \$0.01 when issued, the Related Party Securities will be issued for nil cash consideration. The issue of the Partly Paid Shares will raise \$30,000 and these funds will be applied towards general working capital;

- (f) the terms and conditions of the Partly Paid Shares are set out in Schedule C;
- (g) the Partly Paid Shares will be paid up to \$0.01 each, with a further \$0.19 to pay when calls are made;
- (h) the options will be exercisable at \$0.20 and will expire 5 years from date of issue;
- (i) the value of the Performance Rights and the pricing methodology is set out in Schedule D;
- (j) the value of the Options and the pricing methodology is set out in Schedule E;
- (k) the relevant interests of the Related Parties in securities of the Company are set out below:

Related Party	Shares	Options
Jack Hamilton	350,000	Nil
Gary Grubitz	Nil	Nil

- (l) the proposed remuneration and emoluments from the Company to the Related Parties for the current financial year are set out below:

Related Party	Current Financial Year
Jack Hamilton	\$60,000
Gary Grubitz	\$60,000 ¹

¹ Superannuation and non-salary benefits not included.

- (m) If the Options granted to Mr Grubitz are exercised, a total of 3,000,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 28,540,811 to 31,540,811 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by 9.52%. The market price for Shares during the term of the Options would normally determine whether or not the Options are exercised. If, at any time any of the Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Options, there may be a perceived cost to the Company;
- (n) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.24	25 June 2014 to 16 July 2014
Lowest	\$0.063	4 March 2015
Last	\$0.085	8 April 2015

- (o) the primary purpose of the issue of the Related Party Securities to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles;
- (p) Dr Jack Hamilton declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of that Resolution on the basis that he is to be issued Class B Performance Rights in the Company should Resolution 7 be passed. However, in respect of Resolution 8, Dr Hamilton recommends that Shareholders vote in favour of that Resolution for the following reasons:
 - (i) the issue of Related Party Securities to Mr Grubitz will align the interests of Mr Grubitz with those of Shareholders;
 - (ii) the issue of the Related Party Securities is a reasonable and appropriate method to provide cost effective payments for consultancy services as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of payments for services were given to the Related Parties; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Securities upon the terms proposed;
- (q) Mr Gary Grubitz declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of that Resolution on the basis that he is to be issued Options in the Company should Resolution 8 be passed. However, in respect of Resolution 7, Mr Grubitz recommends that Shareholders vote in favour of that Resolution for the following reasons:
 - (i) the issue of Related Party Securities to Dr Hamilton will align the interests of Dr Hamilton with those of Shareholders;
 - (ii) the issue of the Related Party Securities is a reasonable and appropriate method to provide cost effective payments for consultancy services as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of payments for services were given to Dr Hamilton; and
- (r) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Securities upon the terms proposed;
- (s) with the exception of Dr Hamilton, in relation to Resolution 7, and Mr Grubitz in relation to Resolution 8, in which they have a material personal interest, no other Director has a personal interest in the outcome of Resolutions 7 and 8;
- (t) David Ormerod and Damian Black (being the independent directors of the Company) recommend that Shareholders vote in favour of Resolutions 7 and 8 for the reasons set out in paragraphs (k) and (p);

- (u) in forming their recommendations, each Director considered the experience of each Related Party, the current market price of Shares and the current market practices when determining the number of Related Party Securities to be issued; and
- (v) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 7 and 8.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Securities to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Securities to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

9. RESOLUTION 9 - APPROVAL OF 10% PLACEMENT FACILITY

9.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Facility**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 9, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 9.2 below).

The effect of Resolution 9 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Facility during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement Facility granted under Listing Rule 7.1.

Resolution 9 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 9 for it to be passed.

9.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$2,425,969 based on the amount of Shares on issue and closing price of Shares on 8 April 2015.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: AVD).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

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

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
 - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

9.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 9:

(a) **Minimum Price**

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 9.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Facility commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Facility Period).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Facility will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 9 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Facility, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Facility.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	0.0425 50% decrease in Issue Price	0.085 Issue Price	0.1275 50% increase in Issue Price
28,540,811 (Current Variable A)	Shares issued – 10% voting dilution	2,854,081	2,854,081	2,854,081
	Funds raised	\$121,298	\$242,597	\$363,895
42,811,217 (50% increase in Variable A)	Shares issued – 10% voting dilution	4,281,121	4,281,121	4,281,121
	Funds raised	\$181,948	\$363,895	\$545,843
57,081,622 (100% increase in Variable A)	Shares issued – 10% voting dilution	5,708,162	5,708,162	5,708,162
	Funds raised	\$242,597	\$485,194	\$727,791

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata

rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently 28,540,811 Shares on issue;
2. The issue price set out above is the closing price of the Shares on the ASX on 8 April 2015.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Facility.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Facility

The Company may issue Equity Securities under the 10% Placement Facility for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets (funds would then be used for project, feasibility studies and ongoing project administration), general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments including previously announced acquisitions, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation under the 10% Placement Facility**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Facility will be dependent on the prevailing market conditions at the time of any proposed placement(s).

The recipients of Equity Securities to be issued under the 10% Placement Facility have not been determined. However, the recipients of Equity Securities could consist of existing Shareholders or new investors (or both) none of whom are related parties of the Company.

The Company will determine the recipients at the time of issue under the 10% Placement Facility, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods of raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company; and
- (v) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new assets or investments, it is likely that the recipients under the 10% Placement Facility will be the vendors of the new assets or investments.

(f) **Previous Approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 30 May 2014 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 30 May 2014, the Company otherwise issued a total of 28,260,811 Shares on a post-consolidated basis which represents approximately 98.74% of the total diluted number of Equity Securities on issue in the Company on 30 May 2014, which was 279,652 on a post consolidated basis.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule A.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Facility, it will give to ASX:

- (i) a list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

9.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 9.

10. ENQUIRIES

Shareholders may contact the Company Secretary on (+ 61 8) 9226 4500 if they have any queries in respect of the matters set out in these documents.

SCHEDULE A – ISSUES OF EQUITY SECURITIES SINCE 30 MAY 2014

Below is a list of all Equity Securities issued by the Company in the past 12 months:

Date	Quantity and Class of Equity Securities Issued	Recipients	Issue price and discount to Market Price (if applicable)¹	Form of consideration
10 July 2014	163,291,495 Fully paid ordinary shares (2,041,144 shares after 1:80 consolidation on 14/8/14)	Shares issued upon conversion of listed Convertible Notes and shares issued in lieu of debt amounts outstanding as approved at GM held on 11/6/14.	\$0.048 per share	Consideration: Conversion or Repayment of debt Amount Raised: N/A Amount Spent: N/A Amount Remaining: N/A Current Value: \$173,497 ⁵ (after consolidation of 1:80 on 14 August 2014)
10 July 2014	293,333,334 Fully Paid Ordinary Shares (3,666,667 shares after 1:80 consolidation 14/8/14)	Conversion of tranche 1 Convertible notes including 10% interest as approved at GM held on 11/6/14.	\$0.0015 per share Issued at price as per agreement. Discount of \$0.3185 from market price.	Consideration: Conversion of Debt Amount Raised: N/A Amount Spent: N/A Amount Remaining: N/A: Current Value: \$311,667 ⁵ (after consolidation of 1:80 on 14 August 2014)
10 July 2014	550,000,000 Fully Paid Ordinary Shares (6,875,000 shares after 1:80 consolidation on 14/8/14)	Conversion of tranche 2 Convertible notes. As approved at GM held 11/6/14.	\$0.002 per share Issued at price as per agreement. Discount of \$0.318 from market price.	Consideration: Conversion of Debt Amount Raised: N/A Amount Spent: N/A Amount Remaining: N/A Current Value: \$584,375 ⁵ (after consolidation of 1:80 on 14 August 2014)
10 July 2014	163,291,495 Unlisted Options originally exercisable at \$0.006 with an expiry date of 31 March 2015 (subsequent share consolidation increased exercise price to \$0.48). Options now expired	Option issued upon conversion of listed Convertible Notes and shares issued in lieu of debt amounts outstanding as approved at GM held on 11/6/14.	Nil consideration	Consideration: Nil Amount Raised: N/A Amount Spent: N/A Amount Remaining: N/A Current Value: \$Nil – now expired.
11 September 2014	9,000,000 Partly Paid Shares	David Ormerod Damian Black	\$0.01	Consideration: Cash Amount Raised: \$90,000 Amount Spent: \$90,000 on general working capital. Amount Remaining: Nil Current Value: \$38,250 ⁵
11 September 2014	9,000,000 Class A Performance Shares	David Ormerod Damian Black	Nil	Consideration: Nil Amount Raised: N/A Amount Spent: N/A Amount Remaining: N/A Current Value: \$765,000
11 September 2014	2,000,000 Class B Performance Shares	David Ormerod Damian Black	Nil	Consideration: Nil Amount Raised: N/A Amount Spent: N/A Amount Remaining: N/A Current Value: \$170,000

15 September 2014	15,465,000 Fully Paid Ordinary Shares	Issued under prospectus dated 11 August 2014	\$0.20	Consideration: cash Amount Raised: \$3,093,000 Amount Spent: \$1,348,000 on working capital and acquiring projects Amt Remaining: \$1,745,000 Current Value: \$1,314,525 ⁵
25 September 2014	125,000 Fully Paid Ordinary Shares	Issued under prospectus dated 11 August 2014	\$0.20	Consideration: cash Amount Raised: \$25,000 Amount Spent: \$Nil Amount Remaining: \$25,000 Proposed use of remaining funds: working capital. Current Value: \$10,625 ⁵
11 November 2014	88,000 Fully Paid Ordinary Shares	Issued to cover service Fee of \$16,355		Consideration: Nil Amount Raised: N/A Amount Spent: N/A Amount Remaining: N/A Current Value: \$7,480 ⁵
11 November 2014	3,000,000 Partly Paid Ordinary Shares	Various Advisors	\$0.01	Consideration: Cash Amount Raised: \$30,000 Amount Spent: \$30,000 on general working capital. Amount Remaining: Nil Current Value: \$12,750 ⁵
11 November 2014	1,300,000 Class A Performance Rights	Spartan Nominees Pty Ltd Energy Capital Partners Pty Ltd	Nil	Consideration: Nil Amount Raised: N/A Amount Spent: N/A Amount Remaining: N/A Current Value: \$110,500
11 November 2014	300,000 Class B Performance Rights	Spartan Nominees Pty Ltd Energy Capital Partners Pty Ltd	Nil	Consideration: Nil Amount Raised: N/A Amount Spent: N/A Amount Remaining: N/A Current Value: \$25,500

Notes:

- Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the trading day prior to the date of issue of the relevant Equity Securities.
- Fully paid ordinary shares in the capital of the Company, ASX Code: AVD (terms are set out in the Constitution).
- The Class A and B Performance Rights are subject to the following vesting conditions:

Number of Performance Rights	Vesting Condition
Class A 10,300,000	Acquisition of a project in the South American/Caribbean region with significant exploration and/or exploitation potential.
Class B 2,300,000	Completion of further capital raising by the Company in excess of \$10,000,000 or the Company achieving a market capitalisation of greater than \$30,000,000 for five consecutive days.

- Unlisted options were exercisable at \$0.48 each, on or before 31 March 2015. These options have now expired, unexercised.
- In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.085) on the ASX on 8 April 2015. The Performance Rights were valued using a manual calculation utilising management assessment of the probability of the vesting conditions being achieved with a current share price of \$0.085.

SCHEDULE B – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

1. Terms of Performance Rights

- (a) **(Performance Rights):** Each Performance Right gives the holder a right to one share in the capital of Company.
- (b) **(General Meetings):** The Performance Rights shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of Company that are circulated to Company Shareholders. Holders have the right to attend general meetings of Company Shareholders.
- (c) **(No Voting Rights):** The Performance Rights do not entitle the Holder to vote on any resolutions proposed at a general meeting of Company Shareholders, subject to any voting rights under the Corporations Act 2001 (Cth) or the ASX Listing Rules where such rights cannot be excluded by these terms.
- (d) **(No Dividend Rights):** The Performance Rights do not entitle the Holder to any dividends.
- (e) **(Transfer of Performance Rights):** The Performance Rights are not transferable.
- (f) **(Reorganisation of Capital):** In the event that the issued capital of Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the economic and other rights of the Holder are not diminished or terminated.
- (g) **(Application to ASX):** The Performance Rights will not be quoted on ASX. Upon conversion of the Performance Rights into Company Shares in accordance with these terms, the Company must within seven (7) days after the conversion, apply for and use its best endeavours to obtain the official quotation on ASX of the Shares arising from the conversion.
- (h) **(Participation in Entitlements and Bonus Issues):** Subject always to the rights under item (f) (Reorganisation of Capital), holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Company Shares such as bonus issues and entitlement issues.
- (i) **(Amendments required by ASX):** The terms of the Performance Rights may be amended as necessary by the Company in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms provided that, subject to compliance with the ASX Listing Rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (j) **(No Other Rights):** The Performance Rights give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

2. Conversion of the Performance Rights

- (a) **(Milestones):** The Performance Rights will convert into Shares provided the milestones set out below are achieved within three (3) years from their date of issue:
- (i) the Class A Performance Rights which will vest and convert to an equivalent number of fully paid ordinary shares in the Company on the acquisition of a project by the Company in the South American/Caribbean region with significant exploration and/or exploitation potential **(Milestone 1)**; and
 - (ii) the Class B Performance Rights which will vest and convert to an equivalent number of fully paid ordinary shares in the Company, after the date of issue of the Class B Performance Rights, on the completion of a further capital raising by the Company in excess of A\$10,000,000 or the Company achieving a market capitalisation of greater than A\$30,000,000 for five consecutive trading days **(Milestone 2)**;
- (each referred to as a **Milestone**).
- (b) **(Conversion of Performance Rights):** In the event a Milestone is satisfied, all of the Performance Rights held by the Holder will convert into an equal number of Company Shares, unless otherwise agreed by the Company and Holder.
- (c) **(No Conversion if Milestone not Achieved)** Any Performance Right not converted into a Company Share within 3 years from the issue of the Performance Right will lapse.
- (d) **(After Conversion)** The Company Shares issued on conversion of the Performance Rights will, as and from 5.00pm (WST) on the date of issue, rank equally with and confer rights identical with all other Company Shares then on issue and application will be made by Company to ASX for official quotation of the Company Shares issued upon conversion.
- (e) **(Conversion Procedure)** The Company will issue the Holder with a new holding statement for the Company Shares as soon as practicable following the conversion of the Performance Rights into Company Shares.

SCHEDULE C – TERMS AND CONDITIONS OF PARTLY PAID SHARES

Set out below is a summary of the rights and liabilities attaching to Partly Paid Shares:

- (a) Each Partly Paid Share is issued at a price of \$0.20 of which 1 cent is paid on issue with the balance of the issue price payable at the election of the holder at any time, and subject to points (b) and (c) below.
- (b) The holder shall have the right to pay calls in advance on the Partly Paid Shares issued. Any notice of payment of calls in advance by the holder (**Payment Notice**) shall be in writing and delivered to the registered office of the Company. The Payment Notice shall specify the number of Partly Paid Shares in respect of which such payment is being made, the amount per share which is being paid up, and shall be accompanied by the appropriate payment for the number of partly paid shares specified in the Payment Notice. The Directors of the Company must, within 3 days after receipt of the Payment Notice, accept payment, credit the amount paid up and issue the appropriate holding statement for fully paid shares in respect of any shares which have been fully paid up.
- (c) Subject to the Corporations Act and the Company's Constitution, the Company shall only be entitled to make a call on the Partly Paid Shares on that date which is one (1) day before five (5) years from the date of issue of the Partly Paid Shares. If a call is not paid when made, the Partly Paid Shares shall be subject to forfeiture in accordance with the procedure set out in section 254Q of the Corporations Act.
- (d) A statement of holding will be issued for the Partly Paid Shares and will be forwarded to the holder together with the terms and conditions of the Partly Paid Shares.
- (e) Dividends may be declared in respect of any of the Partly Paid Shares notwithstanding that the issue price of such Partly Paid Shares has not been paid in full. The Partly Paid Shares will participate in any dividends on the same basis as if the Partly Paid Shares were fully paid.
- (f) The holder will be entitled to exercise any vote attaching to a Partly Paid Share at general meetings of members in accordance with the Constitution of the Company. Under the Constitution, on a poll, partly paid shares have a vote pro rata to the proportion of the total issue price paid up. Amounts paid in advance of a call will be ignored when calculating the proportion.
- (g) Partly Paid Shares allotted to the holder will participate in all issues of securities (including issues of shares, options and convertible notes) made to shareholders of the Company pro-rata to the proportion of the total issue price paid up. In respect of an issue of bonus securities, amounts paid in advance of a call will be ignored when calculating the proportion.
- (h) The Company will ensure that, at least 4 business days before the record date to determine entitlement to any such new entitlements issue, the Company will announce to ASX details of the proposed new entitlements issue. This will afford the holder an opportunity to pay up all or some of the partly paid shares prior to the record date of any such new entitlements issue.
- (i) In the event of a reconstruction (including consolidation, sub division, reduction or return) of the issued capital of the Company, the number of partly paid shares shall be reconstructed in accordance with the Listing Rules.

- (j) Subject to the Partly Paid Shares becoming fully paid, the Company will apply for listing of the fully paid shares on the ASX.
- (k) In the event of death of the holder, the right of the holder to pay up the Partly Paid Shares which are not at the time of the death of the holder fully paid up, will vest in the holder's executor and/or administrator as the case may be and such executor and/or administrator shall have the same rights to pay up the Partly Paid Shares as such deceased holder would have had but for the holder's death.
- (l) Upon becoming fully paid, each Partly Paid Share will rank equally in all respects with the other issued fully paid ordinary shares in the Company.
- (m) Subject to the ASX Listing Rules, the Partly Paid Shares, whilst partly paid, will be capable of transfer or assignment either in whole or in part without the approval of the Directors.

SCHEDULE D – VALUATION OF PERFORMANCE RIGHTS

The Performance Rights to be issued to Dr Jack Hamilton pursuant to Resolution 7 have been valued by internal management.

Using the principles of option valuation models and based on the assumptions set out below, the Performance Rights were ascribed the following value:

Assumptions:	Performance Rights (Class B)
Valuation date	8 April 2015
Market price of Shares (per share)	8.50 cents
Exercise price (per share)	Nil
Expiry date (length of time from issue)	3 years
Risk free interest rate	1.83%
Volatility	91.80
Indicative value per Related Party Performance Right	8.50 cents
Total Value of Related Party Performance Rights	\$85,000
Jack Hamilton	\$85,000

The valuation above took into account the following matters:

- Given that the Performance Rights are to be issued for no consideration, the value of the Performance Rights is reflected in the underlying Share price at the valuation date. Variable inputs used in traditional option valuation models such as implied share price volatility, the risk free interest rate and life of the right have no impact on the value of the Performance Rights so long as the underlying asset does not pay a dividend.
- The market price of a share is as per closing price on 8 April 2015.
- Performance Rights with vesting conditions can only be exercised following the satisfaction of these exercise conditions.
- The valuation of Performance Rights assumes that the exercise of a right does not affect the value of the underlying asset.
- The vesting conditions in this instance, being primarily non-market based, determine the number of Performance Rights to be issued; they do not have an affect on the value of each Performance Right. The Class B Performance Rights do have a market based condition as well as a non-market based condition. An assessment purely based on the market based condition will discount the ultimate rights value and given the probability of achieving this condition is not able to be assessed at this point in time the Board has primarily used the non-market based condition for valuation purposes.
- The exercise price is the price at which the underlying ordinary Shares will be issued. No consideration is to be paid upon exercising the Performance Rights.
- The Board is currently not in a position to estimate the probability of achieving the milestones as set out for each performance right class and as a result has not discounted the above valuation accordingly. The above valuations have been provided on the basis of all performance milestones being met and on an undiscounted basis.

SCHEDULE E – VALUATION OF OPTIONS

The Options to be issued to Mr Gary Grubitz to Resolutions 8 have been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Related Party Options were ascribed the following value:

Assumptions:	
Valuation date	8/4/2015
Market price of Shares	0.085 cents
Exercise price	0.20 cents
Expiry date (length of time from issue)	5 years
Risk free interest rate	1.98%
Volatility (discount)	91.80
Indicative value per Related Party Option	0.0486
Total Value of Related Party Options	\$145,800
Gary Grubitz	\$145,800

Note: The valuation noted above is not necessarily the market price that the Related Party Options could be traded at and is not automatically the market price for taxation purposes.

GLOSSARY

\$ means Australian dollars.

10% Placement Facility has the meaning given in section 9.1 of this Notice.

Annual General Meeting means the meeting convened by the Notice of Meeting.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

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

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

Commencement Date means the date on which the executive commenced their executive role with the Company.

Company means Antilles Oil and Gas NL (ABN 62 111 823 762).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

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

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

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

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

Options means an option which enables the holder to subscribe for one Share.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Related Party Securities means securities issued pursuant to Resolutions 7-8 and on terms and conditions attached to these securities.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 31 December 2014.

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

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

Shareholder means a holder of a Share.

Variable A means "A" as set out in the calculation in section 9.2 of this Notice.

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

Holder Number

ANNUAL GENERAL MEETING

I/We being a Shareholder entitled to attend and vote at the Meeting, hereby appoint

OR

The Chair as my/our proxy

(Name of Proxy)

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at Wednesday, 27 May 2015 at 10:30am WST at Bentleys, Level 1, 12 Kings Park Road, West Perth, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 7 and 8 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 7 and 8 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

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

Voting on business of the Meeting

- Resolution 1 – Adoption of Remuneration Report
- Resolution 2 – Election of Director – David Ormerod
- Resolution 3 – Election of Director – Jack Hamilton
- Resolution 4 – Election of Director – Damian Black
- Resolution 5 – Election of Director – Gary Grubitz
- Resolution 6 – Ratification of Share Issue
- Resolution 7 – Issue of Performance Rights and Partly Paid Shares to Jack Hamilton
- Resolution 8 – Issue of Options to Gary Grubitz
- Resolution 9 – Approval of 10% Placement Facility

FOR	AGAINST	ABSTAIN
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

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

Signature of Shareholder(s): Date: _____

Individual or Shareholder 1

Shareholder 2

Shareholder 3

Sole Director/Company Secretary

Director

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Antilles Oil and Gas NL, PO Box 44, West Perth 6872; or
 - (b) facsimile to the Company on facsimile number +61 8 9226 4300; or
 - (c) email to the Company at mross@perth.bentleys.com.au

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

Proxy Forms received later than this time will be invalid.