
QUEST PETROLEUM NL

ABN 22 009 171 046

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11.00am (WST)

DATE: 21 November 2013

PLACE: Subiaco Arts Centre
180 Hamersley Road
SUBIACO WA 6008

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 (08) 9380 9920.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The Annual General Meeting of the Shareholders of Quest Petroleum NL which this Notice of Meeting relates to will be held at 11.00 am (WST) on Thursday, 21 November 2013 at:

Subiaco Arts Centre
180 Hamersley Road
SUBIACO WA 6008

YOUR VOTE IS IMPORTANT

The business of the Annual General 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 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, Shareholders are advised that:

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

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 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 Quest Petroleum NL will be held at Subiaco Arts Centre, 180 Hamersley Road, Subiaco at 11.00am (WST) on 21 November 2013.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

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 19 November 2013.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. ORDINARY BUSINESS

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2013 together with the Directors' report, Directors' declarations and the auditor's report of Quest Petroleum.

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 ordinary 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 30 June 2013."

Short Explanation: The Corporations Act provides that a resolution that the remuneration report be adopted must be put to vote at a listed company's annual general meeting. The vote on Resolution 1 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 any 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 described above may vote on this Resolution if the vote is not cast on behalf of a person excluded from voting on this Resolution, and:

- (a) the person is appointed as proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF MR JOHN SIMPSON AS A DIRECTOR

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

“That, for purposes of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr John Simpson, being a Director who retires by rotation, and being eligible for re-election, be re-elected as a Director of the Company.”

4. RESOLUTION 3 – RE-ELECTION OF MR JEFFREY MITCHELL AS A DIRECTOR

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 Jeffrey Mitchell, being a Director of the Company who was appointed as an additional Director on 21 March 2013, retires and, being eligible, is re-elected as a Director of the Company.”

5. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY– SHARES

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

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

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the 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.

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE – SHARES

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

“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 22,192,856 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who 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.

BY ORDER OF THE BOARD

**JONATHAN WHYTE
COMPANY SECRETARY
QUEST PETROLEUM 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 Subiaco Art Centre, 180 Hamersley Road, Subiaco, Western Australia on 21 November 2013 at 11.00am (WST).

This 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 Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2013 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

In accordance with amendments to the Corporations Act the Company is no longer required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. These amendments may result in reducing the Company's printing costs.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at www.qpnl.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Remuneration Report is set out in the Director's Report in the Company's 2013 Annual Report.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company at the Annual General Meeting. However, Shareholders should note that the vote on Resolution 1 is advisory only and is not binding on the Company or its Directors.

A reasonable opportunity will be provided for shareholders to ask general questions about or make comments on the Remuneration Report at the Annual General Meeting.

2.2 Voting Consequences

The *Corporations Amendment (Improving Accountability on Director and Executive Remuneration) Act 2011* which came into effect on 1 July 2011, amended the Corporations Act to provide that Shareholders are to have the opportunity to remove the whole Board except the managing director if the Remuneration Report receives a 'no' vote of 25% or more (**Strike**) at two consecutive annual general meetings (**Spill Resolution**).

Where a resolution on the Remuneration Report receives a Strike at two consecutive annual general meetings, the Company will be required to put to Shareholders at the second annual general meeting a resolution on whether another meeting should be held (within 90 days) at which all Directors (other than the managing director) who were in office at the date of approval of the applicable Directors' Report must stand for re-election.

2.3 Previous voting results

The Company's Remuneration Report did not receive a Strike at the 2012 annual general meeting. Accordingly, a 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 – RE-ELECTION OF MR JOHN SIMPSON AS A DIRECTOR

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 year, whichever is the longer.

Clause 13.2 of the Constitution requires that at each annual general meeting one-third of the Directors must retire from office and if their number is not a multiple of three, then the number nearest one third (rounded upwards in case of doubt). The calculation of the number of Directors required to retire from office in accordance with clause 13.2 excludes Directors who are retiring pursuant to clause 13.4 of the Constitution.

In accordance with the Constitution, Mr John Simpson retires from office and offers himself for re-election as a Director.

A profile of Mr Simpson is contained in the Company's Annual Report for the financial year ended 30 June 2013.

4. RESOLUTION 3 – RE-ELECTION OF MR JEFFREY MITCHELL AS A DIRECTOR

Clause 13.4 of the Company's Constitution requires that a Director appointed to fill a casual vacancy or as an addition to the existing Directors shall hold office until the next annual general meeting and then be eligible for re-election.

Pursuant to clause 13.4 of the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the following general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Jeffrey Mitchell was appointed as an addition to the existing directors on 21 March 2013. In accordance with Clause 13.4 of the Company's Constitution and ASX Listing Rule 14.4, Mr Mitchell retires from office and offers himself for re-election as a Director.

A profile of Mr Mitchell is contained in the Company's Annual Report for the financial year ended 30 June 2013.

5. RESOLUTION 4 – APPROVAL OF 10% PLACEMENT CAPACITY– SHARES

5.1 General

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 Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 4, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out in section 5.2 below).

The effect of Resolution 4 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 Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 4 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 4 for it to be passed.

5.2 Listing Rule 7.1A

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 \$5,796,785 (as at 16 October 2013).

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has two classes of Equity Securities on issue, being the Shares (ASX Code: QPN) and Listed Options (ASX Code: QPNO).

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 to issue:
- (i) plus the number of Shares issued in the previous 12 months under an exception in 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; 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 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 Listing Rule 7.1 or 7.4.

5.3 Technical information required by Listing Rule 7.1A

Pursuant to and in accordance with Listing Rule 7.3A, the information below is provided in relation to this Resolution 4:

(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 5.3(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity 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 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 Capacity Period).

(c) **Risk of voting dilution**

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

If Resolution 4 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, 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 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 Capacity.

Number of Shares on Issue (variable A)	Dilution			
	Issue Price (per Share)	\$0.001 (50% decrease in current issue price)	\$0.002 (Current issue price)	\$0.003 (50% increase in current issue price)
2,898,392,325 (Current)	Shares issued	289,839,232 Shares	289,839,232 Shares	289,839,232 Shares
	Funds Raised	\$289,839	\$579,678	\$869,518
4,347,588,487 (50% increase)*	Shares issued	434,758,849 Shares	434,758,849 Shares	434,758,849 Shares
	Funds Raised	\$434,759	\$869,518	\$1,304,277
5,796,784,650 (100% increase)*	Shares issued	579,678,465 Shares	579,678,465 Shares	579,678,465 Shares
	Funds Raised	\$579,678	\$1,159,357	\$1,739,035

* 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 a total of 2,898,392,325 Shares on issue (not including the 675,785 partly paid shares in the capital of the Company). The issue price set out above is the closing price of the Shares on the ASX on 2 October 2013.
2. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
3. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with approval under Listing Rule 7.1.
4. 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.
5. This table does not set out any dilution pursuant to approvals under Listing Rule 7.1.
6. No Listed Options (including any Listed Options issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities;
7. 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%.
8. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Listed Options, it is assumed that those Listed Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

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 Capacity**

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

- (i) as cash consideration in which case the Company intends to use funds raised for the ongoing exploration program at the Company's Ranau oil and gas projects in South Sumatra, Indonesia and for working capital purposes; or
- (ii) as non-cash consideration for the acquisition of new projects, assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

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 Capacity**

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

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

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

- (i) the purpose of the issue;
- (ii) alternative methods for 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;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

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

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

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 29 November 2012 (**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 21 November 2012, the Company otherwise issued a total of 289,909,283 Shares, 165,765,257 Options and 197,500,000 performance rights which represents approximately 18.03% of the total diluted number of Equity Securities on issue in the Company on 21 November 2012, which was 3,622,565,112.

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 1.

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

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

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued 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.

5.4 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 Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 4.

6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE - SHARES

6.1 General

On 30 May 2013 the Company entered into a letter agreement with Add Energy Group (**Add Energy**) under which all outstanding amounts payable to Add Energy for services rendered up until that date were settled by the issue of 22,192,856 Shares to Add Energy.

Add Energy is not a related party of the Company.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Share Ratification**).

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 a 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 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.

6.2 Technical information required by ASX Listing Rule 7.5

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

- (a) a total of 22,192,856 Shares were issued;
- (b) the Shares were issued for nil consideration in satisfaction of services provided by Add Energy under a consulting agreement relating to the Company's Ransu production sharing contract;
- (c) the Shares are fully paid ordinary shares in the Company on the same terms as all existing Shares on issue. 7,397,619 Shares were escrowed for a period of 30 days from the date of the letter agreement, 7,397,619 Shares were escrowed for a period of 60 days from the date of the letter agreement and 7,397,618 Shares were escrowed for a period of 90 days from the date of the letter agreement;
- (d) the Shares were issued to Add Energy, as consideration for consulting services rendered to the Company. Add Energy is not a related party of the Company; and
- (e) no funds were raised from this issue as the Shares were issued to Add Energy in consideration for consulting services rendered to the Company.

GLOSSARY

\$ means Australian dollars.

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

ASX means ASX Limited or the Australian Securities Exchange, as the context requires.

Board means the current board of directors of the Company.

Business Day has the meaning set out in the Listing Rules.

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

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

Company means Quest Petroleum NL (ABN 22 009 171 046).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Statement means the explanatory statement accompanying this 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 or **Notice of Annual General Meeting** or **Notice of Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

Listed Option means an option which entitles the holder to subscribe for one Share.

Listing Rules means the listing rules of ASX.

Optionholder means the holder of a Listed Option.

Proxy Form means the proxy form attached to this Notice of Meeting.

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 2013.

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 or a Performance Share as the context requires.

Strike means a 'no' vote of 25% or more on the resolution approving the Remuneration Report.

WST means Western Standard Time, Perth, Western Australia.

SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 21 NOVEMBER 2012

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration/ use of funds
Issue – 22 January 2013 Appendix 3B – 22 January 2013	263,530,443	Shares ²	Clients of Canaccord Wealth Management and Etchell Capital Pty Ltd applying for shortfall pursuant to rights issue prospectus dated 14 November 2012	\$0.006 (no discount, issued for Market Price)	Cash Amount raised ⁶ = \$1,581,182.66 Used to fund the drilling program at the Company's Ranau Projects in South Samatra.
Issue – 22 January 2013 Appendix 3B – 22 January 2013	131,765,257	Quoted Options ³	Clients of Canaccord Wealth Management and Etchell Capital Pty Ltd applying for shortfall pursuant to rights issue prospectus dated 14 November 2012	Nil cash consideration (free attaching to Shares on a 1:2 basis)	Non-cash No consideration free attaching to Shares on a 1:2 basis Current value ⁶ = \$131,765
Issue – 13 February 2013 Appendix 3B – 15 February 2013	30,000,000	Quoted Options ³	Jonathan Whyte as remuneration share base payment under existing contracts	No issue price (non-cash consideration)	Non-cash Consideration: Performance based remuneration for services provided to the Company Current value ⁶ = \$30,000
Issue – 21 March 2013 Appendix 3B – 27 March 2013	40,000,000	Unlisted performance rights ⁴	Employees pursuant to Company's Performance Rights Plan approved at the Shareholders meeting held on 29 November 2012	No issue price (non-cash consideration)	Non-cash Consideration: Performance based remuneration for services provided to the Company. Current value ⁶ = \$40,000
Issue – 24 January 2013 Appendix 3B – 27 March 2013	12,954	Shares ²	Various Shareholders on exercise of Options	\$0.015 (200% premium on Market Price \$0.005)	Cash Amount raised ⁶ = \$194.31 Funds raised were allocated to working capital.

Issue – 9 April 2013 Appendix 3B – 10 April 2013	4,173,030	Shares ²	General Research GMBH	No issue price (non-cash consideration)	Non-cash Consideration: A corporate advisory fee in relation to investor relations and promotional services provided to the Company. Current value ⁶ = \$8,346.06
Issue – 1 May 2013 Appendix 3B – 3 May 2013	4,000,000	Quoted Options ³	Employees pursuant to existing contracts	No issue price (non-cash consideration)	Non-cash Consideration: Performance based remuneration for services provided to the Company Current value ⁶ = \$4,000
Issue – 7 June 2013 Appendix 3B – 11 June 2013	22,192,856	Shares ²	Add Energy under a consultancy agreement to provide services to Quest in relation to the Company's Ranau production sharing contract	No issue price (non-cash consideration)	Non-cash Consideration: A corporate advisory fee in relation to the Company's Ranau Production Sharing Contract Current value ⁶ = \$44,385.71
Issue – 10 June 2013 Appendix 3B – 11 June 2013	157,500,000	Unlisted performance rights ⁵	Employees and Directors pursuant to Company's Performance Rights Plan approved at the Shareholders meeting held on 29 November 2012 The grant of performance rights to directors were also approved at the Shareholders meeting held on 29 November 2012	No issue price (non-cash consideration)	Non-cash Consideration: Performance based remuneration for services provided to the Company. Current value ⁶ = \$164,000

Notes:

1. 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 last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: QPN (terms are set out in the Constitution).
3. Quoted Options, exercisable at \$0.015 each, on or before 30 June 2016, ASX Code: QPNO. Terms and conditions of these Options are set out in the Prospectus lodged by the Company dated 13 November 2012.

4. Unlisted performance rights, in the classes as follows:
 - (a) 5,000,000 Class A performance rights issued under the Company's Performance Rights Plan expiring 30 June 2016, with a vesting condition of market capitalisation of the Company being equal to or above \$25,000,000 for thirty consecutive days
(Class A Performance Rights Terms)
 - (b) 5,000,000 Class B performance rights issued under the Company's Performance Rights Plan expiring 30 June 2016, with a vesting condition of market capitalisation of the Company being equal to or above \$45,000,000 for thirty consecutive days
(Class B Performance Rights Terms)
 - (c) 5,000,000 Class C performance rights issued under the Company's Performance Rights Plan expiring 30 June 2016, with a vesting condition of market capitalisation of the Company being equal to or above \$65,000,000 for thirty consecutive days
(Class C Performance Rights Terms)
 - (d) 5,000,000 Class D performance rights issued under the Company's Performance Rights Plan expiring 30 June 2016, with a vesting condition of market capitalisation of the Company being equal to or above \$100,000,000 for thirty consecutive days
(Class D Performance Rights Terms)
 - (e) 10,000,000 Class E performance rights issued under the Company's Performance Rights Plan expiring 30 June 2016, with a vesting condition of market capitalisation of the Company being equal to or above \$200,000,000 for thirty consecutive days
(Class E Performance Rights Terms)
 - (f) 10,000,000 Class F performance rights issued under the Company's Performance Rights Plan expiring 30 June 2016, with a vesting condition of market capitalisation of the Company being equal to or above \$500,000,000 for thirty consecutive days
(Class F Performance Rights Terms)

The full terms and conditions of these performance rights are set out in the Company's Notice of Annual General Meeting dated 29 October 2012.

5. Unlisted performance rights, in the classes as follows:
 - (a) 22,500,000 Class A performance rights with Class A Performance Rights Terms
 - (b) 22,500,000 Class B performance rights with Class B Performance Rights Terms
 - (c) 22,500,000 Class C performance rights with Class C Performance Rights Terms
 - (d) 22,500,000 Class D performance rights with Class D Performance Rights Terms
 - (e) 22,500,000 Class E performance rights with Class E Performance Rights Terms
 - (f) 22,500,000 Class F performance rights with Class F Performance Rights Terms
6. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.002) or Options (\$0.001) as the context requires on the ASX on the 3 October 2013. In respect of unquoted Equity Securities the value of performance rights is measured using the Monte-Carlo pricing model with Class A performance rights valued at \$46,750, Class B performance rights valued at \$41,250, Class C performance rights valued at \$35,750, Class D performance rights valued at \$30,250, Class E performance rights valued at \$30,000 and Class F performance rights valued at \$20,000. For those Performance Rights that pass the performance test (barrier), the share price at the test date is used to calculate the Performance Right price for the remainder of the time to expiry. The Performance Rights price is discounted back to the present at the risk free rate. For the Performance Rights that do not pass the performance test a zero value is recorded. This process is repeated for over 50,000 iterations. The average Performance Right value for these iterations where the Company satisfies the performance test represents the implied Performance Right value. The Australian Government 3 year bond rate of 2.84% as at the date of valuation was used in the pricing model. The recent volatility of the share price of Quest was calculated by Hoadley's volatility calculator for 1,2 and 3 year periods, using data extracted from Bloomberg. For the purpose of the valuation, a future estimated volatility level of 130% was used.

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 762 972
(outside Australia) +61 3 9415 4375

Proxy Form

For your vote to be effective it must be received by 11.00am (WST) Tuesday, 19 November 2013

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View the annual report 24 hours a day, 7 days a week:

www.qpnl.com.au

View or update your securityholding:

www.investorcentre.com

Your secure access information is:



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

☐

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Quest Petroleum NL hereby appoint

☐

the Chairman
of the Meeting **OR**



PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Quest Petroleum NL to be held at Subiaco Arts Centre, 180 Hamersley Road, Subiaco, Western Australia on Thursday, 21 November 2013 at 11.00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box in step 2 below.

STEP 2 Items of Business



PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Mr John Simpson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Mr Jeffrey Mitchell as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of 10% Placement Capacity - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Prior Issue - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

SIGN

Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /
