



Fourth annual general meeting

Maverick Drilling & Exploration Limited ACN 128 429 158

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Notice is given that the annual general meeting of Maverick Drilling & Exploration Limited (**Company**) will be held at:

Location	McCullough Robertson Lawyers, Level 11 66 Eagle Street, Brisbane QLD 4000
Date	Friday, 29 November 2013
Time	10.00 am (Brisbane Time)

Ordinary business

Financial statements and reports

To receive and consider the Company's financial reports and the reports of the directors and the auditor for the financial year ended 30 June 2013.

Resolution 1 - Directors' remuneration report

To consider and, if in favour, to pass the following resolution under section 250R(2) *Corporations Act 2001* (Cth) (**Corporations Act**):

'That the remuneration report of the directors for the financial year ended 30 June 2013 be adopted.'

Note: This resolution will be decided as if it were an ordinary resolution, but under section 250R(3) *Corporations Act* the vote on this resolution is advisory only and does not bind the directors or the Company.

Note: Key management personnel whose remuneration details are contained in the remuneration report (and their closely related parties) are restricted from voting on this resolution under section 250R(4) *Corporations Act*.

Election of directors

Resolution 2 - Election of Mr J. Michael Yeager

To consider and, if in favour, to pass the following as an ordinary resolution:

'That Mr J. Michael Yeager, whose appointment expires at the end of the annual general meeting in accordance with rule 13.2 of the Company's constitution, and being eligible, be elected as a director of the Company.'

Resolution 3 - Re-election of Mr Roger Clarke

To consider and, if in favour, to pass the following as an ordinary resolution:

'That Mr Roger Clarke, who retires by rotation in accordance with rule 16.1 of the Company's constitution, and being eligible, be re-elected as a director of the Company.'

Resolution 4 - Re-election of Mr Don Henrich

To consider and, if in favour, to pass the following as an ordinary resolution:

'That Mr Don Henrich, who retires by rotation in accordance with rule 16.1 of the Company's constitution, and being eligible, be re-elected as a director of the Company.'

Special business

Resolution 5 - Approval of issue of shares and grant of performance rights to Mr Yeager or his nominee

To consider and, if in favour, to pass the following as an ordinary resolution:

'That, for the purposes of ASX Listing Rule 10.11 and Chapter 2E of the Corporations Act, the issue of 15,000,000 fully paid ordinary shares in the Company and grant of 10,000,000 performance rights to Mr J. Michael Yeager, Executive Chairman and Chief Executive Officer, or his nominee, on the terms set out in the explanatory memorandum be approved.'

Note: If approval is obtained under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

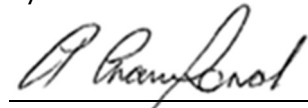
Note: The 15,000,000 ordinary shares and 10,000,000 performance rights referred to in resolution 5 will be issued within one month after the date of the general meeting.

Note: The shares and performance rights will be issued and granted free of charge and no funds will be raised from the issue and grant.

Voting Exclusion Statement: The Company will disregard any votes cast on this Resolution by Mr Yeager and any associate of Mr Yeager.

Dated 29 October 2013

By order of the board



Andrew Crawford
Company secretary

Notes

- (a) A shareholder who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (b) The proxy need not be a shareholder of the Company. A shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form.
- (d) A corporation may elect to appoint a representative, rather than appoint a proxy, under the *Corporations Act 2001* (Cth) in which case the Company will require written proof of the representative's appointment which must be lodged with or presented to the Company before the meeting.
- (e) The Company has determined under regulation 7.11.37 Corporations Regulations 2001 that for the purpose of voting at the meeting or adjourned meeting, securities are taken to be held by those persons recorded in the Company's register of shareholders as at 7.00 pm (Sydney time) on Wednesday 27 November 2013.
- (f) If you have any queries on how to cast your votes call Link Market Services on +61 2 8280 7454 during business hours.

Explanatory memorandum

Maverick Drilling & Exploration Limited ACN 128 429 158

Financial statements and reports

- 1 The *Corporations Act 2001* (Cth) (**Corporations Act**) requires that the report of the directors, the auditor's report and the financial report be laid before the annual general meeting. In addition, the Company's constitution provides for these reports to be received and considered at the meeting.
 - 2 Apart from the matters involving remuneration which are required to be voted upon, neither the Corporations Act nor the Company's constitution requires a vote of shareholders at the annual general meeting on the financial statements and reports.
 - 3 Shareholders will be given reasonable opportunity at the meeting to raise questions and make comments on these reports.
 - 4 In addition to asking questions at the meeting, shareholders may address written questions to the chairman about the management of the Company or to the Company's auditor PricewaterhouseCoopers if the question is relevant to:
 - (a) the content of the auditor's report; or
 - (b) the conduct of its audit of the annual financial report to be considered at the meeting.
- Note:** Under section 250PA(1) Corporations Act a shareholder must submit the question to the Company no later than the fifth business day before the day on which the AGM is held.
- 5 Written questions for the auditor must be delivered on or before Friday 22 November 2013. Please send any written questions for PricewaterhouseCoopers to the address noted on the proxy form **attached** to this notice of meeting.

Resolution 1: Directors' remuneration report

- 6 The Corporations Act requires that the section of the directors' report dealing with the remuneration of key management personnel including the directors and the company secretary (**Remuneration Report**) be put to the vote of shareholders for adoption by way of a non-binding vote.
- 7 The resolution of shareholders is advisory only and not binding on the Company. However, if more than 25% of the votes cast on this resolution are against the adoption of the remuneration report, the remuneration report for the following year must either address any comments received from shareholders or explain why no action has been taken in response to those comments. If, at the following annual general meeting, the remuneration report is again voted against by 25% or more of votes cast, a 'spill resolution' will be put to shareholders. If at least 50% of the votes cast are in favour of the 'spill resolution' a special meeting of the Company will be held within 90 days at which the directors in office at the time of the second annual general meeting must resign and stand for re-election.
- 8 The Remuneration Report is in the annual report, a copy of which is available on the Company's website at www.maverickdrilling.com.

- 9 The chairman will give shareholders a reasonable opportunity to ask questions about, or to make comments on, the Remuneration Report.
- 10 The directors recommend you vote **FOR** this resolution.

Note: If you appoint the Chairman as your proxy, and you do not provide voting instructions, you must mark the box in step 1 to authorise the Chairman to cast your undirected proxy in accordance with his stated intentions. The Chairman intends to vote all available proxies in favour of this resolution.

If you appoint another director or member of the key management personnel as your proxy, you **MUST** direct your proxy how to vote, otherwise your vote will not be counted. Follow the instructions on the proxy form to direct your proxy how to vote.

Election of directors

- 11 In accordance with rule 13.2 of the Company's constitution, the board has the power to appoint a person as a director, either to fill a casual vacancy or as an addition to the board. Any director appointed under rule 13.2 holds office only until the next annual general meeting of the Company and is then eligible for election at that meeting.
- 12 Further, rule 16.1 of the Company's constitution requires that one third of the directors retire from office at the annual general meeting. If the number of directors is not a multiple of three, then the number nearest to, but not less than, one third must retire from office. The directors longest in office since last being elected will retire. Any director appointed under rule 13.2 is not taken into account in determining the number of directors who are to retire under rule 16.1.

Resolution 2: Election of Mr J. Michael Yeager

- 13 The board appointed Mr J. Michael Yeager as a director of the Company on 15 October 2013 pursuant to rule 13.2 of the Company's constitution. In accordance with that rule, Mr Yeager's appointment expires at the end of the annual general meeting and Mr Yeager submits himself for election as a director.
- 14 The board also appointed Mr Yeager as the Chief Executive Officer of the Company and Executive Chairman of the board on the same date. Mr Yeager has had a long high-profile career in the oil and gas business, including 26 years with ExxonMobil, where he held various global executive roles, and more than seven years as the Chief Executive of BHP Billiton Petroleum.
- 15 The directors (other than Mr Yeager) recommend you vote **FOR** this resolution.

Resolution 3: Re-election of Mr Roger Clarke

- 16 Mr Roger Clarke was re-elected as a director of the Company on 15 November 2011. Mr Clarke retires from office under rule 16.1 of the Company's constitution and submits himself for re-election as a director. Details of Mr Clarke's qualifications and experience are set out in the Company's annual report.
- 17 The directors (other than Mr Clarke) recommend you vote **FOR** this resolution.

Resolution 4: Re-election of Mr Don Henrich

- 18 Mr Don Henrich was re-elected as a director of the Company on 15 November 2011. Mr Henrich retires from office under rule 16.1 of the Company's constitution and submits himself for re-election as a director. Details of Mr Henrich's qualifications and experience are set out in the Company's annual report.

- 19 Mr Henrich steps down from his executive capacity on 1 November 2013 and his re-election, if approved by shareholders, will be as a non-executive director of the Company.
- 20 The directors (other than Mr Henrich) recommend you vote **FOR** this resolution.

Proposed issue of shares and grant of performance rights to a director

Resolution 5: Approval of issue of shares and grant of performance rights to Mr Yeager or his nominee

- 21 The board has chosen, subject to shareholder approval, to issue shares and grant performance rights to the Chief Executive Officer and Executive Chairman, Mr J. Michael Yeager, as a key component of his remuneration.
- 22 The issue of shares and performance rights to Mr Yeager (or his nominee) is consistent with his significant oil and gas experience, including more than 7 years as the Chief Executive of BHP Billiton Petroleum, and the expanded challenges for the Company which Mr Yeager will oversee as Chief Executive Officer and Executive Chairman. The performance rights also incentivise Mr Yeager to maintain his employment with the Company.
- 23 As such, the board believes that the number of shares to be issued and performance rights to be granted to Mr Yeager is commensurate with his value to the Company and the potential for him to increase shareholder value.

Proposed shareholder approval

- 24 Shareholder approval is sought for the issue of a total of 15,000,000 fully paid ordinary shares and grant of 10,000,000 performance rights to Mr J. Michael Yeager or his nominee.
- 25 Mr Yeager, as a director of the Company, is a related party for the purpose of Chapter 2E of the Corporations Act. The issue of shares and grant of performance rights to Mr Yeager will constitute the giving of a financial benefit to a related party under section 229(3)(e) of the Corporations Act and consequently, approval under section 208 of the Corporations Act is sought.
- 26 Listing Rule 10.11 also requires the approval of Shareholders before equity securities (which include performance rights) can be issued to Mr Yeager.
- 27 If Resolution 5 is passed, approval for the issue of the options will not be required under ASX Listing Rule 7.1.
- 28 If Resolution 5 is not passed, the Company will make a cash payment to Mr Yeager as an alternate to the issue of shares and grant of performance rights. This cash payment will represent the economic equivalent value of the shares as at the commencement date of Mr Yeager's employment (15 October 2013) and the value of the performance rights as at the vesting date (15 October 2014).

Information required by Listing Rule 10.13 and section 219 of the Corporations Act

- 29 For the purposes of Listing Rule 10.13 and section 219 of the Corporations Act, the following further information regarding the shares and performance rights the subject of this Resolution 5 is provided:

Person receiving the securities	Mr Yeager or his nominee will be issued the shares and granted the performance rights.
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Mr Yeager's remuneration package	<p>Mr Yeager's total annual cash based remuneration is US\$1,800,000 comprising base salary of US\$1,300,000 and retirement contribution of US\$500,000 (this excludes the proposed share issue and grant of performance rights the subject of this Resolution 5).</p> <p>If the securities the subject of this Resolution 5 are not approved, an alternate cash payment equivalent in value will be made to Mr Yeager.</p> <p>Mr Yeager's remuneration will be reviewed after 12 months (from 15 October 2013) and at that time the Company expects to add a bonus structure based on corporate performance.</p>
Consideration paid for the securities (issue price)	<p>The shares and performance rights will be issued and granted free of charge and no funds will be raised from the issue and grant nor are any loans made in connection with the shares or performance rights.</p> <p>Additionally, there is no exercise price payable for the performance rights to vest.</p>
Maximum number of securities	<p>The maximum number of securities to be issued is 15,000,000 shares and 10,000,000 performance rights.</p> <p>If the performance rights vest, a further 10,000,000 shares will be issued.</p>
Value of the securities	<p>At the closing price of the Company's shares on 15 October 2013, the date of appointment (AUD\$0.425 per share):</p> <ul style="list-style-type: none"> (a) the 15,000,000 shares proposed to be issued are valued at AUD\$6,375,000; and (b) the 10,000,000 performance rights proposed to be granted are valued at AUD\$4,250,000.
Terms of issue	<p>The shares to be issued are fully paid ordinary shares and will rank equally with existing shares on issue.</p> <p>Each performance right entitles the holder to be issued one fully paid ordinary share on vesting.</p>
Vesting conditions	<p>The shares are not subject to any vesting conditions.</p> <p>The performance rights are subject to Mr Yeager remaining in the employment of the Company as Chief Executive Officer of the Company for 12 months from 15 October 2013.</p>
Vesting date	<p>The performance rights vest on 15 October 2014 (if the vesting conditions are met).</p>
Date of issue	<p>If approved, the shares will be issued and performance rights will be granted within one month of the date of the annual general meeting.</p>

Effect of the proposal and dilution effect	<p>(a) Mr Yeager currently does not hold (directly or indirectly) any securities in the Company.</p> <p>(a) If Resolution 5 is approved and all of the performance rights vest, Mr Yeager will hold, directly or indirectly, 25,000,000 fully paid ordinary shares.</p> <p>(b) If this occurs, Mr Yeager will hold approximately 5.23% of the total number of shares on issue.¹</p> <p>(c) The dilution effect on existing shareholders is that their shareholdings will be diluted by approximately 5.23%¹. This impact must be balanced against the Company securing the services of Mr Yeager and providing an incentive to retain his services.</p>
Reasons for making the recommendation FOR the proposal	As set out in paragraphs 21 to 23 of this explanatory memorandum, the board considers the remuneration of Mr Yeager and the issue of securities the subject of this Resolution 5 is consistent with his experience and role in the Company and will align his interests with shareholders.
Voting exclusion	In accordance with ASX Listing Rule 14.11.1 and section 224(1) of the Corporations Act, the Company will disregard any votes cast by Mr Yeager and his associates on Resolution 5.

Recommendation

- 30 Mr Yeager has an interest in the resolution and therefore does not make a recommendation. The other directors unanimously recommend that you vote **FOR** this resolution.

Note: If you appoint the Chairman as your proxy, and you do not provide voting instructions, you must mark the box in step 1 of the proxy form to authorise the Chairman to cast your undirected proxy in accordance with his stated intentions. The Chairman intends to vote all available proxies in favour of this resolution.

If you appoint another director or member of the key management personnel as your proxy, you **MUST** direct your proxy how to vote on this resolution, otherwise your vote will not be counted. Follow the instructions on the proxy form to direct your proxy how to vote.

¹ Based on 452,726,751 ordinary shares on issue as at the date of this document and no other securities vesting or being issued prior to the vesting of Mr Yeager's performance rights on 15 October 2014.



By mail:

Maverick Drilling & Exploration Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: +61 1300 554 474



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SHAREHOLDER PROXY FORM

I/We being a member(s) of Maverick Drilling & Exploration Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

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the Chairman
of the Meeting
(mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy. I/we appoint the Chairman of the Meeting as an alternate proxy to the person named.

If no person/body corporate is named, the Chairman of the Meeting, is appointed as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 10:00am on Friday, 29 November 2013, at McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane QLD and at any adjournment or postponement of the meeting. I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

STEP 2

VOTING DIRECTIONS

Resolution 1

Directors' remuneration report

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The directors recommend you vote FOR Resolution 1

Resolution 2

Election of Mr J. Michael Yeager

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The directors (other than Mr Yeager) recommend you vote FOR Resolution 2

Resolution 3

Re-election of Mr Roger Clarke

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The directors (other than Mr Clarke) recommend you vote FOR Resolution 3

Resolution 4

Re-election of Mr Don Henrich

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The directors (other than Mr Henrich) recommend you vote FOR Resolution 4

Resolution 5

Approval of issue of shares and grant of performance rights to Mr Yeager or his nominee

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☐
☐

The directors (other than Mr Yeager) recommend you vote FOR Resolution 5

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

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

MAD PRX301R



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the meeting.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together. The appointment of the Chairman of the Meeting as your alternate proxy also applies to the appointment of the second proxy.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am on Wednesday, 27 November 2013**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE > www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



by mail:

Maverick Drilling & Exploration Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.**