

28<sup>th</sup> April 2021**Notice of 2020 and 2021 Annual General Meetings***Petsec Energy Ltd (ASX: PSA / OTC ADR: PSJEY)*

Petsec Energy Ltd (the “Company”) wishes to advise that the 2020 and 2021 Annual General Meetings of the Company will be held consecutively on Friday, 28<sup>th</sup> May 2021 commencing 11.00 a.m. at Boardroom Pty Limited, Level 12, 225 George Street, Sydney, NSW.

The Notice of Meeting and Proxy Forms for the meetings will be mailed to shareholders on Wednesday, 28<sup>th</sup> April 2021. Pursuant to ASX Listing Rule 3.17, a copy of the Notice of Meeting, including the Proxy Forms, follows this announcement and will also be available on the Petsec Energy website at [www.petsec.com.au](http://www.petsec.com.au).

This announcement is authorised for market release by the Board of Directors of the Company.

For further information, please contact:

Paul Gahdmar  
Chief Financial Officer & Company Secretary  
Petsec Energy Ltd  
Tel: (612) 9247 4605  
Fax: (612) 9251 2410

*Petsec Energy Ltd is an independent oil and gas exploration and production company listed on the Australian Stock Exchange. It has operations onshore in the Republic of Yemen.*



# PETSEC ENERGY LTD

ACN 000 602 700

## Notice of 2020 and 2021 Annual General Meetings

Notice is hereby given that the 2020 and 2021 Annual General Meetings of members of Petsec Energy Ltd (**Company**) will be held at Boardroom Pty Limited, Level 12, 225 George Street Sydney NSW on Friday, 28 May 2021 at 11.00 am (Sydney Time).

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### Business

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#### **2020 AGM**

##### **Financial and Other Reports**

To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report for the year ended 31 December 2019.

Shareholders will be given a reasonable opportunity to ask questions or make comments on the Reports.

##### **RESOLUTION 1 – TO ADOPT THE 2019 REMUNERATION REPORT**

To consider and, if thought fit, pass the following resolution as a non-binding resolution:

***“That the Remuneration Report for the year ended 31 December 2019 be adopted.”***

Information regarding this resolution is set out in the Explanatory Notes.

##### **RESOLUTION 2 – RE-ELECTION OF MR DAWES AS A DIRECTOR**

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

***“That Mr Barry Dawes, who was appointed as a Director since the 2019 Annual General Meeting in accordance with rule 42 of the Constitution, be re-elected as a Director.”***

Information regarding Mr Dawes is set out in the Explanatory Notes.

##### **RESOLUTION 3 – RE-ELECTION OF MR DOUGLAS QC AS A DIRECTOR**

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

***“That Mr Francis Douglas, who was appointed as a Director since the 2019 Annual General Meeting in accordance with rule 42 of the Constitution, be re-elected as a Director.”***

Information regarding Mr Douglas is set out in the Explanatory Notes.

##### **RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF 30 MILLION SHARES**

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

***“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 30 million Shares to Sing Rim Pte Ltd on the terms and conditions set out in the Explanatory Notes.”***

Information regarding this resolution is set out in the Explanatory Notes.

##### **RESOLUTION 5 – APPROVAL OF ISSUE OF 40 MILLION SHARES**

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

***“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue and allotment of 40 million Shares to Sing Rim Pte Ltd on the terms and conditions set out in the Explanatory Notes.”***

Information regarding this resolution is set out in the Explanatory Notes.

## Voting Exclusion Statements

The Company will disregard any votes cast in favour of the following resolutions:

Resolution 1 by or on behalf of:

- one of the Key Management Personnel or by a closely related party, such as close family members or any controlled companies, of those personnel;

Resolutions 4 and 5 by or on behalf of:

- Sing Rim Pte Ltd; or
- any of its respective associates;

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## Important Information Concerning Proxy Votes on Resolution 1

The Corporations Act restricts the ability of Key Management Personnel and their closely related parties to vote on the advisory resolution to adopt the Remuneration Report and resolutions connected directly or indirectly with the remuneration of the Key Management Personnel. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

For these reasons, Shareholders who intend to vote by proxy should carefully consider the identity of their proxy and consider appointing someone other than one of the Key Management Personnel; as such persons may not be able to vote undirected proxies. Shareholders are also encouraged to direct their proxy as to how to vote on all Resolutions. If you do not do so, you risk your vote not being cast.

With the exception of proxies held by the Chairman, undirected proxies held by relevant Key Management Personnel or their closely related parties will not be voted on Resolution 1. Undirected proxies held by the Chairman will be voted in favour of Resolution 1 in accordance with the statement below and on the proxy form that the Chairman intends to vote undirected proxies in favour of all Resolutions.

## Voting Intentions of Chairman

The Chairman intends to vote all undirected proxies in favour of all Resolutions.

## Voting at the meeting

1. Under *Corporations Regulation 7.11.37*, the Board has determined that a person's entitlement to vote at the meeting will be the entitlement of that person appearing on the register of members at 7.00 p.m. (Sydney Time) on 26 May 2021.
2. On a show of hands you have one vote. On a poll you have one vote per Share you hold in the Company.
3. If Shares are jointly held, only one of the joint holders is entitled to vote.
4. In order to vote, a corporation which is a Shareholder may appoint a person to act as its representative. The appointment must comply with section 250D of the Corporations Act. The representative should bring to the meeting duly executed evidence of the appointment.
5. The form of proxy accompanies this Notice of Meeting. A member entitled to attend and vote at the meeting has a right to appoint a proxy (individual or body corporate). Any person appointed as a proxy need not be a member of the Company. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion and number of votes that each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes

that each proxy may exercise, each proxy may exercise half of the member's votes. If a member appoints two proxies, neither may vote on a show of hands.

6. To be effective, the form appointing the proxy, together with any authority under which it was executed, or a certified copy of that authority, must be received at the registered office of the Company not less than 48 hours before the time of holding the meeting.

**BY MAIL:** By using the reply paid envelope provided  
Share Registry – Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001 Australia

**BY FAX:** + 61 2 9290 9655

**IN PERSON:** Share Registry – Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000 Australia

**VOTE ONLINE:** [www.votingonline.com.au/petsecagm2020](http://www.votingonline.com.au/petsecagm2020)

## **2021 AGM**

### **Financial and Other Reports**

To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report for the year ended 31 December 2020.

Shareholders will be given a reasonable opportunity to ask questions or make comments on the Reports.

### **RESOLUTION 1 – TO ADOPT THE 2020 REMUNERATION REPORT**

To consider and, if thought fit, pass the following resolution as a non-binding resolution:

***“That the Remuneration Report for the year ended 31 December 2020 be adopted.”***

Information regarding this resolution is set out in the Explanatory Notes.

### **RESOLUTION 2 – RE-ELECTION OF MR EMMETT AS A DIRECTOR**

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

***“That Mr Brent Emmett, who was appointed as a Director since the 2019 Annual General Meeting in accordance with rule 42 of the Constitution, be re-elected as a Director.”***

Information regarding Mr Emmett is set out in the Explanatory Notes.

### **RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF 10 MILLION SHARES**

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

***“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10 million on the terms and conditions set out in the Explanatory Notes.”***

Information regarding this resolution is set out in the Explanatory Notes.

### **RESOLUTION 4 – APPROVAL OF ISSUE OF 40 MILLION SHARES**

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

***“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue and allotment of 40 million Shares to Sing Rim Pte Ltd on the terms and conditions set out in the Explanatory Notes.”***

Information regarding this resolution is set out in the Explanatory Notes.

### **RESOLUTION 5 – APPROVAL OF ISSUE OF OPTIONS TO DIRECTOR**

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

***“That, for the purposes of Listing Rule 10.11, section 208 of the Corporations Act, and for all other purposes, approval be given for the Company to issue 3,000,000 Options to Mr Barry Dawes, on the terms and conditions set out in the Explanatory Notes.”***

Information regarding this resolution is set out in the Explanatory Notes.

**RESOLUTION 6 – APPROVAL OF ISSUE OF OPTIONS TO DIRECTORS**

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

***“That, for the purposes of Listing Rule 10.11, section 208 of the Corporations Act, and for all other purposes, approval be given for the Company to issue 3,000,000 Options to Mr Francis Douglas QC, on the terms and conditions set out in the Explanatory Notes.”***

Information regarding this resolution is set out in the Explanatory Notes.

**RESOLUTION 7 – APPROVAL OF ISSUE OF OPTIONS TO DIRECTORS**

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

***“That, for the purposes of Listing Rule 10.11, section 208 of the Corporations Act, and for all other purposes, approval be given for the Company to issue 6,000,000 Options to Mr Brent Emmett, on the terms and conditions set out in the Explanatory Notes.”***

Information regarding this resolution is set out in the Explanatory Notes.

**RESOLUTION 8 – APPROVAL OF ISSUE OF CONVERTIBLE NOTES**

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

***“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue and allotment of Convertible Notes under the Deed Poll (including any of the debt securities issued as at the date of this Resolution).”***

Information regarding this resolution is set out in the Explanatory Notes.

**RESOLUTION 9 – APPROVAL OF EMPLOYEE OPTION PLAN**

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

***“That, for the purposes of Listing Rule 7.2, exception 9, and for all other purposes, the Employee Option Plan contained in the document submitted to this meeting and signed by the Chairman of Directors for the purposes of identification be approved.”***

Information regarding this resolution is set out in the Explanatory Notes.

**RESOLUTION 10 – APPROVAL OF EMPLOYEE SHARE PLAN**

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

***“That, for the purposes of Listing Rule 7.2, exception 9, and for all other purposes, the Employee Share Plan contained in the document submitted to this meeting and signed by the Chairman of Directors for the purposes of identification be approved.”***

Information regarding this resolution is set out in the Explanatory Notes.

**RESOLUTION 11 – APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY**

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

***“That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the 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 Notes.”***

Information regarding this resolution is set out in the Explanatory Notes.

**Voting Exclusion Statements**

The Company will disregard any votes cast in favour of the following resolutions:

Resolution 1 by or on behalf of:

- one of the Key Management Personnel or by a closely related party, such as close family members or any controlled companies, of those personnel;

Resolution 3 by or on behalf of:

- The relevant clients of Martin Place Securities; or
- any of their respective associates;

Resolutions 4 and 8 by or on behalf of:

- Sing Rim Pte Ltd; or
- any of its respective associates;

Resolutions 5, 6 and 7 by:

- a Director and their associates, other than the Chairman

Resolutions 9 and 10 by:

- a Director and their associates

Resolution 11 by or on behalf of any:

- person who might obtain a benefit (other than a benefit solely in the capacity of a holder of Shares) if this Resolution is passed; or
- any of their respective associates.

However, this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Important Information Concerning Proxy Votes on Resolution 1**

The Corporations Act restricts the ability of Key Management Personnel and their closely related parties to vote on the advisory resolution to adopt the Remuneration Report and resolutions connected directly or indirectly with the remuneration of the Key Management Personnel. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

For these reasons, Shareholders who intend to vote by proxy should carefully consider the identity of their proxy and consider appointing someone other than one of the Key Management Personnel; as such persons may not be able to vote undirected proxies. Shareholders are also encouraged to direct their proxy as to how to vote on all Resolutions. If you do not do so, you risk your vote not being cast.

With the exception of proxies held by the Chairman, undirected proxies held by relevant Key Management Personnel or their closely related parties will not be voted on Resolution 1. Undirected proxies held by the Chairman will be voted in favour of Resolution 1 in accordance with the statement below and on the proxy form that the Chairman intends to vote undirected proxies in favour of all Resolutions.

### **Voting Intentions of Chairman**

The Chairman intends to vote all undirected proxies in favour of all Resolutions.

### **Voting at the meeting**

1. Under *Corporations Regulation 7.11.37*, the Board has determined that a person's entitlement to vote at the meeting will be the entitlement of that person appearing on the register of members at 7.00 p.m. (Sydney Time) on 26 May 2021.
2. On a show of hands you have one vote. On a poll you have one vote per Share you hold in the Company.
3. If Shares are jointly held, only one of the joint holders is entitled to vote.
4. In order to vote, a corporation which is a Shareholder may appoint a person to act as its representative. The appointment must comply with section 250D of the Corporations Act. The representative should bring to the meeting duly executed evidence of the appointment.

5. The form of proxy accompanies this Notice of Meeting. A member entitled to attend and vote at the meeting has a right to appoint a proxy (individual or body corporate). Any person appointed as a proxy need not be a member of the Company. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion and number of votes that each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes that each proxy may exercise, each proxy may exercise half of the member's votes. If a member appoints two proxies, neither may vote on a show of hands.
6. To be effective, the form appointing the proxy, together with any authority under which it was executed, or a certified copy of that authority, must be received at the registered office of the Company not less than 48 hours before the time of holding the meeting.

**BY MAIL:** By using the reply paid envelope provided  
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**BY FAX:** + 61 2 9290 9655

**IN PERSON:** Share Registry – Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000 Australia

**VOTE ONLINE:** [www.votingonline.com.au/petsecagm2021](http://www.votingonline.com.au/petsecagm2021)

By order of the Board  
Dated this 28<sup>th</sup> day of April 2021



**Paul Gahdmar**  
**Company Secretary**

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## EXPLANATORY NOTES

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### **2020 AGM**

These Explanatory Notes form part of this Notice of Meeting and should be read in conjunction with it.

Resolutions 1 to 5 inclusive are ordinary Resolutions, which require a simple majority of votes to be cast in favour by Shareholders entitled to vote on the Resolution.

### **RESOLUTION 1 – TO ADOPT THE 2019 REMUNERATION REPORT**

A resolution for adoption of the Remuneration Report is required to be considered and voted on in accordance with the Corporations Act. The Remuneration Report sets out the Company's policy for the remuneration of Directors and senior executives.

The Corporations Act provides that this vote is advisory only and does not bind the Directors or the Company. Shareholders will be given a reasonable opportunity to ask questions or make comments on the Remuneration Report.

The Corporations Act provides that if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the directors (other than a managing director) who were in office at the date of the approval of the applicable Directors' Report must stand for re-election.

See Important Information Concerning Proxy Votes on Resolution 1. The Chairman, who is one of the Key Management Personnel, will vote all undirected proxies in favour of Resolution 1.

### **RESOLUTION 2 – RE-ELECTION OF MR DAWES AS A DIRECTOR**

Rule 42 of the Company's Constitution requires that any Director appointed since the last Annual General Meeting shall hold office only until the conclusion of the next Annual General Meeting of the Company and is eligible for re-election at the meeting. In accordance with this rule, Mr Dawes will stand for re-election.

Mr Dawes was appointed to the board on 30 September 2020 and is a graduate of Sydney University in Geology with studies in Economics and Geography at ANU and has over 40 years' experience in the resources investment sector. Mr Dawes has worked in senior executive roles in investment management with BT Australia, equities research for Deutsche Bank and equities research and corporate finance for Macquarie Bank. He is the founder and principal of Martin Place Securities, a specialised small cap resources stock broking firm set up in 2000.

Mr Dawes is an independent Director.

**RECOMMENDATION: The Directors, other than Mr Dawes, recommend that Shareholders vote in favour of the re-election of Mr Dawes.**

### **RESOLUTION 3 – RE-ELECTION OF MR DOUGLAS QC AS A DIRECTOR**

Rule 42 of the Company's Constitution requires that any Director appointed since the last Annual General Meeting shall hold office only until the conclusion of the next Annual General Meeting of the Company and is eligible for re-election at the meeting. In accordance with this rule, Mr Douglas will stand for re-election.

Mr Douglas was appointed to the board on 30 September 2020 and is a graduate of the University of Queensland and the University of Cambridge in Law. He has been a member of the NSW Bar since 1975 and a QC since 1988. He has practiced in all areas of commercial law including international commercial arbitration. He has extensive experience in mineral and oil and gas related matters.

Mr Douglas is an independent Director.

**RECOMMENDATION: The Directors, other than Mr Douglas, recommend that Shareholders vote in favour of the re-election of Mr Douglas.**

### **RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF 30 MILLION SHARES**

#### **4.1 General**

Resolution 4 seeks ratification, for the purposes of Listing Rule 7.4, of the issue and allotment by the Company to Sing Rim Pte Ltd ("Noteholders") of 30 million Shares. The Shares were issued on 3 May 2019 as a fee for the variation of the terms of access for Tranche 2 under the Company's Convertible Note Facility (Facility"). In addition, the Noteholders agreed to a forbearance in the exercise of their rights under the Facility, such that they will either exercise their rights of conversion or limit any claim they may have to Secured Collateral only.

The Shares were issued within the Company's existing Listing Rule 7.1 Capacity. For further details see the



Appendix 3B released to ASX on 3 May 2019.

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 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that an issue by a company of equity securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purposes of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it.

#### **4.2 Technical information required by Listing Rule 14.1A**

If Resolution 4 is passed, the issue of the 30 million Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the issue of the 30 million Shares will be included in the calculation of the Company's 15% limit in Listing Rule 7.1, decreasing the number of equity securities the Company can issue without Shareholder approval.

#### **4.3 Technical information required by Listing Rule 7.5**

Under Listing Rule 7.5, the following information is provided in relation to the issue:

- (a) *The number of securities allotted:* 30 million Shares.
- (b) *Issue price:* The Shares were issued at a deemed price of \$0.071 per Share.
- (c) *Name of allottee:* Sing Rim Pte Ltd.
- (d) *Terms of the securities:* 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) *Intended use of funds raised:* No funds were raised. The securities were issued in consideration of the variation of the terms of access for Tranche 2 under the Facility and a forbearance in the exercise of Noteholder rights under the Facility, such that they will either exercise their rights of conversion or limit any claim they may have to Secured Collateral only.
- (f) *Voting exclusion:* A voting exclusion statement forms part of this notice.

**RECOMMENDATION: The Directors believe that it is in the best interests of the Company to maintain its Listing Rule 7.1 Capacity. The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.**

### **RESOLUTION 5 – APPROVAL OF ISSUE OF 40 MILLION SHARES TO SING RIM PTE LTD**

#### **5.1 General**

Resolution 5 seeks shareholder approval, for the purposes of Listing Rule 7.1, of the issue and allotment by the Company to Sing Rim Pte Ltd of 40 million Shares, pursuant to an agreement with Sing Rim on the 28 June 2019. The Shares are to be issued as a fee for the variation of the Facility to:

1. Vary the terms of the Facility to allow the remaining US\$2 million available under Tranche 2 to be applied to the Company's restart of oil production operations at the An Ngyah Oilfield, Block S-1 Yemen.
2. Extend the forbearance till the Redemption Date of 23 January 2021 in the exercise of their rights under the Secured Convertible Note Deed Poll and associated Collateral, such that they will either exercise their rights of conversion or limit any claim they may have to the Secured Collateral only.
3. Provide the Company with an additional facility of US\$3 million that can be drawn upon up until the Redemption Date of 23 January 2021 to apply to the restart operations of the An Ngyah Oilfield.

The Shares will be issued within the Company's existing Listing Rule 7.1 Capacity. The Shares will be issued no later than one month after the date of this Meeting.

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 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

#### **5.2 Technical information required by Listing Rule 14.1A**

If Resolution 5 is passed, the Company will be able to proceed with the issue of the 40 million Shares to Sing Rim. In addition, the issue of the Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the 40 million Shares to Sing Rim and the principal and interest due under the Facility, presently in the amount of approximately US\$20.7 million, will become due and payable immediately. Further, additional funding from Tranche 2 to the amount of up to US\$1 million is unlikely to be made available to the Company.

### 5.3 Technical information required by Listing Rule 7.5

Under Listing Rule 7.5, the following information is provided in relation to the issue:

- (a) *The number of securities allotted:* 40 million Shares.
- (b) *Issue price:* The Shares will be issued at a deemed price of \$0.058 per Share.
- (c) *Name of allottee:* Sing Rim Pte Ltd.
- (d) *Terms of the securities:* The Shares to be issued are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (e) *Intended use of funds raised:* No funds will be raised. The securities are to be issued in consideration of the variation of the terms of Facility stated above in section 2.1.
- (f) *Voting exclusion:* A voting exclusion statement forms part of this notice.

**RECOMMENDATION:** The Directors believe that it is in the best interests of the Company to maintain its Listing Rule 7.1 Capacity. The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

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## EXPLANATORY NOTES

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### **2021 AGM**

These Explanatory Notes form part of this Notice of Meeting and should be read in conjunction with it.

Resolutions 1 to 10 inclusive are ordinary Resolutions, which require a simple majority of votes to be cast in favour by Shareholders entitled to vote on the Resolution. Resolution 11 is a special Resolution requiring 75% of the votes cast to be in favour.

#### **RESOLUTION 1 – TO ADOPT THE 2020 REMUNERATION REPORT**

A resolution for adoption of the Remuneration Report is required to be considered and voted on in accordance with the Corporations Act. The Remuneration Report sets out the Company's policy for the remuneration of Directors and senior executives.

The Corporations Act provides that this vote is advisory only and does not bind the Directors or the Company. Shareholders will be given a reasonable opportunity to ask questions or make comments on the Remuneration Report.

The Corporations Act provides that if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the directors (other than a managing director) who were in office at the date of the approval of the applicable Directors' Report must stand for re-election.

See Important Information Concerning Proxy Votes on Resolution 1. The Chairman, who is one of the Key Management Personnel, will vote all undirected proxies in favour of Resolution 1.

#### **RESOLUTION 2 – RE-ELECTION OF MR EMMETT AS A DIRECTOR**

Rule 42 of the Company's Constitution requires that any Director appointed since the last Annual General Meeting shall hold office only until the conclusion of the next Annual General Meeting of the Company and is eligible for re-election at the meeting. In accordance with this rule, Mr Emmett will stand for re-election.

Mr Emmett was appointed to the board on 13 November 2020 has over 40 years' experience in petroleum exploration, exploration and production management and investment banking. He holds a Bachelor of Science First Class Honours degree in physics and geophysics from Adelaide University.

Mr Emmett is an independent Director.

**RECOMMENDATION: The Directors, other than Mr Emmett, recommend that Shareholders vote in favour of the re-election of Mr Emmett.**

#### **RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF 10 MILLION SHARES**

##### **3.1 General**

On 19 May 2020, the Company issued 10 million Shares at an issue price of \$0.02 per Share to raise \$200,000 (Placement Shares). Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

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 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The issue of the Placement Shares does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, it effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

Listing Rule 7.4 provides that an issue by a company of equity securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purposes of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

### 3.2 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the issue of the Placement Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the issue of the Placement Shares will be included in the calculation of the Company's 15% limit in Listing Rule 7.1, decreasing the number of equity securities the Company can issue without Shareholder approval.

### 3.3 Technical information required by Listing Rule 7.5

Under Listing Rule 7.5, the following information is provided in relation to the issue:

- (a) The Placement Shares were issued to professional and sophisticated investors who are clients of Martin Place Securities (MPS). The recipients were identified through a bookbuild process, which involved MPS seeking expressions of interest to participate in the capital raising from non-related parties of the Company. None of the recipients are related parties of the Company.
- (b) 10 million Placement Shares were issued.
- (c) The Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (d) The Placement Shares were issued on 19 May 2020.
- (e) The issue price was \$0.02 per Placement Share.
- (f) The purpose of the issue of the Placement Shares was to provide additional working capital.

**RECOMMENDATION: The Directors believe that it is in the best interests of the Company to maintain its Listing Rule 7.1 Capacity. The Directors unanimously recommend that Shareholders vote in favour of Resolution 3.**

## RESOLUTION 4 – APPROVAL OF ISSUE OF 40 MILLION SHARES TO SING RIM PTE LTD

### 4.1 General

Resolution 4 seeks shareholder approval, for the purposes of Listing Rule 7.1, of the issue and allotment by the Company to Sing Rim Pte Ltd of 40 million Shares pursuant to an agreement with Sing Rim on the 18 January 2021. The Shares are to be issued as a fee for the variation of the terms of the Facility as follows:

1. *Redemption Date*: Extended for a three-year period from 23 January 2021 to 23 January 2024.
2. *Interest Rate*: Reduced from the current 15% per annum to 10% per annum monthly compounding for the period commencing 23 January 2021.
3. *Convertible Note Conversion Price and Limit*: Conversion price is 2 cents per share and conversion of debt is limited to 170 million shares as approved by shareholders at the AGM held on 2 May 2019.
4. *Dedication of Income/Cash to Debt Repayment*: 80% of all income/cash generated from operations or transactions of the assets to be used to repay debt unless otherwise directed by the Noteholders.
5. *Approval of Expenditure*: Material expenditures to be under the control of the Noteholders directed through the Chairman.
6. *Penalty Terms*: If by 23 January 2023 less than 50% of the Convertible Note debt (i.e. principal and interest) has been paid to the Noteholders, the debt will increase by US\$1 million. If by 23 January 2024 less than 80% of the debt (i.e. principal and interest) has been paid, the debt will increase by a further US\$1.5 million.

The Shares will be issued within the Company's existing Listing Rule 7.1 Capacity. The Shares will be issued no later than one month after the date of this Meeting.

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 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

### 4.2 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the Company will be able to proceed with the issue of the 40 million Shares to Sing Rim. In addition, the issue of the Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the 40 million Shares to Sing Rim and the principal and interest due under the Facility, presently in the amount of approximately US\$20.7

million, will become due and payable immediately. Further, additional funding from Tranche 2 to the amount of up to US\$1 million is unlikely to be made available to the Company.

### 4.3 Technical information required by Listing Rule 7.5

Under Listing Rule 7.5, the following information is provided in relation to the issue:

- (a) *The number of securities allotted:* 40 million Shares.
- (b) *Issue price:* The Shares will be issued at a deemed price of \$0.021 per Share.
- (c) *Name of allottee:* Sing Rim Pte Ltd.
- (d) *Terms of the securities:* The Shares to be issued are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (e) *Intended use of funds raised:* No funds will be raised. The securities are to be issued in consideration of the variation of the terms of the Facility stated above in section 4.1.
- (f) *Voting exclusion:* A voting exclusion statement forms part of this notice.

**RECOMMENDATION: The Directors believe that it is in the best interests of the Company to maintain its Listing Rule 7.1 Capacity. The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.**

## RESOLUTIONS 5 TO 7 – APPROVAL OF ISSUE OF OPTIONS TO DIRECTORS (RELATED PARTIES)

Resolutions 5 to 7 seek shareholder approval for the issue of a total of 12 million Related Party Options to the Directors of the Company.

### 5.1 Background

As announced to the ASX on 7 December 2020, the Company proposes to issue a total of 12 million Related Party Options to Messrs. Barry Dawes (3 million Options), Francis Douglas (3 million Options) and Brent Emmett (6 million Options) for their roles as Directors of the Company. The Options will be issued, subject to obtaining Shareholder approval, in lieu of the payment of director fees to each of the Directors, who have graciously accepted that there will be no cash remuneration paid until such time as the Company has substantial free cashflow and regains profitability. The Options will be issued outside the Petsec Employee Option Plan (**EOP**) as set out below.

Listing Rule 10.11 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, which includes a director of the issuer.

Section 208 of Chapter 2E of the Corporations Act provides that for a public company to give a financial benefit to a related party of the public company, the company must:

- (a) obtain the approval of the 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. None of the exceptions are relevant in this case.

A "financial benefit" is defined in the Corporations Act in broad terms and includes a public company issuing securities. For the purposes of this meeting, a "related party" includes a director of the Company. Accordingly, the proposed issue of Options to the Directors involves the provision of a financial benefit to a related party of the Company.

It is the view of the Directors that the exceptions to section 208 which are listed in the Corporations Act do not apply. Accordingly, the Directors have determined to seek Shareholder approval for the purposes of Chapter 2E of the Corporations Act for the issue of Options to the Directors. Accordingly, Shareholder approval is being sought under Listing Rule 10.11 and Chapter 2E of the Corporations Act for the issue of Options to the Directors.

### 5.2 Technical information required by Listing Rule 14.1A

If Resolutions 5 to 7 are passed, the Company will be able to proceed with the issue of the Related Party Options to the Directors within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Related Party Options (because approval is being obtained under Listing Rule 10.11), the issue of the Related Party Options will not use up any of the Company's 15% annual placement capacity.

If Resolutions 5 to 7 are not passed, the Company will not be able to proceed with the issue of the Related Party Options to Messrs. Dawes, Douglas and Emmett in lieu of cash payments for their directors' fees and will need to satisfy the payment of these fees out of the Company's cash reserves.

### 5.3 Technical Information Required by Listing Rule 10.13

A notice of meeting to obtain approval under Listing Rule 10.11 must comply with Listing Rule 10.13. The information required by Listing Rule 10.13 is set out below:

- (a) A maximum of 9,000,000 Options will be issued under **Option – Pool A** comprising 3,000,000 Options to each to the three Directors – Messrs. Barry Dawes, Francis Douglas and Brent Emmett.

An additional 3,000,000 Options will be issued under **Option – Pool B** to Mr. Brent Emmett.

The Options will be issued within 1 month after the date of the AGM (or such later date as permitted by any ASX waiver or modification of the Listing Rules);

- (b) Messrs. Dawes, Douglas and Emmett are a related party by virtue of being a Director.
- (c) The issue of Options is in lieu of the payment of director fees.
- (d) The Options will be issued for a consideration price of \$0.001 per Option and will have an exercise price of \$0.02 per Option.
- (e) \$12,000 will be raised by the issue of the Options. The funds raised will be used for working capital purposes. Funds raised in the event of exercise of the Options will also be used for working capital purposes. However, there is no guarantee that any of the Options will be exercised at any future time.

### 5.4 Technical Information Required by Sections 217 to 227 of the Corporations Act

Additional information required by sections 217 to 227 of the Corporations Act in relation to the proposed issue of Options to the Directors is set out below:

- (a) Messrs. Dawes, Douglas and Emmett are a related party by virtue of being a Director.
- (b) The maximum number of Options (being the nature of the financial benefit being provided) to be granted to the Directors is set out below:

Maximum Number	Consideration Price	Exercise Price	Vesting	Expiry
<b>Pool A</b> 9,000,000 (comprising 3,000,000 for each director)	\$0.001	\$0.02	- 1,000,000 Options vest immediately upon the issue date; - A further 1,000,000 Options vest 12 months after the issue date; and - A further 1,000,000 Options vest 24 months after the issue date.	3 years from the date of issue of the Options
<b>Pool B</b> 3,000,000	\$0.001	\$0.02	- 1,000,000 Options vest 12 months after the issue date; - A further 1,000,000 Options vest 24 months after the issue date; and - A further 1,000,000 Options vest 36 months after the issue date.	4 years from the date of issue of the Options

- (c) The Options will be granted to the relevant Directors no later than one month after the date of the Meeting.
- (d) The Options will be granted for a total cash consideration of \$12,000. The funds raised will be used for working capital purposes.
- (e) The terms and conditions of the Options are set in Annexure A.
- (f) The value of the Options and the pricing methodology is set out in Annexure B.

- (g) Mr. Dawes holds 6,473,579 fully paid ordinary shares in the Company. Messrs. Douglas and Emmett presently have no relevant interests in the securities of the Company.
- (h) No remuneration has been paid to any of the relevant Directors by the Company since their appointment in 2020.
- (i) If the Options granted to the Directors are exercised, a total of 12 million Shares would be issued. This will increase the number of Shares on issue from 488,587,924 to 500,587,924 (assuming Resolutions 4 and 5 are passed and 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 2.4%.

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.

- (j) The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below. At the date of this Notice of Meeting the Shares were suspended from trading on ASX:

	Price	Date
Highest	\$0.032	10 March 2020
Lowest	\$0.016	25 March 2020
Last	\$0.021	10 March 2021

- (k) The Board considers that the issue of Options on the terms proposed will help to align the interests of the Directors with those of Shareholders, as the Board seeks to add value for Shareholders.
- (l) 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 5, 6 and 7.

**RECOMMENDATION: The Directors (other than Messrs. Dawes, Douglas and Emmett, who have an interest in the matter) recommend that Shareholders vote in favour of Resolutions 5, 6 and 7.**

## **RESOLUTION 8 – APPROVAL OF ISSUE OF CONVERTIBLE NOTES**

### **8.1 Purpose of resolution**

Resolution 8 seeks the approval of Shareholders to allow, for the purposes of Listing Rule 7.1, the issue of Convertible Notes in accordance with the terms of the Deed Poll.

### **8.2 Background**

- (a) On 23 August 2016, the Company entered into the Deed Poll with Sing Rim Pte. Ltd. as Registrar of the Convertible Note facility. It provided for up to US\$15 million, consisting of three US\$5 million tranches (Tranches 1, 2 and 3), of Convertible Notes, with a maturity date of 31 December 2017 and a Coupon Rate of 10% p.a., to progress the Company's development projects in the U.S. and the Middle East and North Africa.
- (b) Approval for the Convertible Notes to be converted into Shares without the need for further Shareholder approval was obtained at the general meeting of the Company held on 1 December 2016, annual general meeting of the Company held on 17 May 2018, general meeting of the Company held on 7 November 2018, and general meeting of the Company held on 2 May 2019.
- (c) All three tranches have been drawn to date, with Tranches 1 and 3 having been fully drawn in March 2017 and January 2019, respectively, and US\$4 million of Tranche 2 having been drawn in January 2019 through March 2020.
- (d) On 15 March 2017, the maturity date of Tranche 1 was extended from 31 December 2017 to 5 July 2018 in consideration of:
  - (i) the Coupon Rate increasing from 10% p.a. to 12.5% p.a.; and
  - (ii) 5 million Shares (issued on 15 March 2017).
- (e) On 27 August 2017, the maturity date of Tranche 1 was further extended to 23 January 2019, in consideration of:
  - (i) 5 million Shares (issued on 4 September 2017); and

- (ii) extending the term of 10 million Options issued to the Registrar for acting as sub-underwriter to a rights issue.
- (f) On 18 February 2018, the maturity date of Tranche 1 was further extended to 23 July 2019, in consideration of:
  - (i) the Coupon Rate increasing from 12.5% p.a. to 15% p.a. effective 23 January 2019;
  - (ii) reducing the note conversion price from 15 cents per Share to 12.5 cents per Share;
  - (iii) 5 million Shares (Tranche 1 extension and Tranche 2 reinstatement);
  - (iv) amending the terms of the Options from 10 million Options exercisable at 15 cents by 23 January 2019 to 10 million Options exercisable at 12.5 cents by 23 July 2020; and
  - (v) the addition of a further event of default under Tranche 1, being that the ratio of U.S. assets (PV10 valuation) to debt is less than 1.7.
- (g) Tranches 2 and 3 expired on 5 January 2018, however Tranche 2 was reinstated on 18 February 2018 on revised terms as follows:
  - (i) Coupon Rate of 12.5% p.a.;
  - (ii) conversion price of 12.5 cents per Share;
  - (iii) 5 million Shares (Tranche 1 extension and Tranche 2 reinstatement) (issued on 5 March 2018);
  - (iv) redemption date of 23 July 2019;
  - (v) drawdown by 23 January 2019; and
  - (vi) revised conditions precedent.
- (h) On 20 August 2018, the Registrar agreed to reinstate Tranche 3 and further extend the term of Tranche 1, 2 and 3 to 23 January 2020, in consideration of the following, with the other terms and conditions of each Tranche remaining unchanged:
  - (i) the Coupon Rate increasing from 12.5% p.a. to 15% p.a. effective 23 January 2019;
  - (ii) conversion price of 12.5 cents per Share, reducing to a 10% premium over the net (i.e. after costs) issue price of Shares by the Company in the period to redemption, should that price be less than 12.5 cents per Share; and
  - (iii) 5 million Shares (issued on 4 September 2018).
- (i) On 6 September 2018, the Registrar agreed to extend the last drawdown under Tranche 3 from 1 November 2018 to 23 January 2019, with the other terms and conditions of Tranche 3 remaining unchanged.
- (j) On 19 December 2018, the maturity date of Tranche 1, 2 and 3 was further extended to 23 January 2021, in consideration of:
  - (i) conversion price of 12.5 cents per Share, reducing to the net (i.e. after costs) issue price of Shares by the Company in the period to redemption, should that price be less than 12.5 cents per Share;
  - (ii) Tranche 2 drawdown extended from 23 January 2019 to 23 January 2020 and Tranche 3 drawdown extended from 23 January 2019 to 23 April 2019;
  - (iii) 35 million Shares; and
  - (iv) amending the terms of the Options from 10 million Options (exercisable at 12.5 cents) by 23 July 2020 to 10 million Options (exercisable at the lower of 12.5 cents or the net, i.e. after costs, issue price of Shares by the Company in the period prior to exercise) by 23 January 2022;
- (k) On 28 June 2019, the Registrar agreed to:
  - (i) a forbearance extension of Clause 17.1(t) to 23 January 2021;
  - (ii) the unrestricted draw of the remaining US\$2 million of T2;
  - (iii) the extension of US\$3 million Emergency Facility to 23 January 2021; and
  - (iv) acceptance of delay in receiving the variation fee in full subject to Shareholder approvals;
- (l) On 18 January 2021, the Registrar agreed to extend the maturity date of the Convertible Notes to 23 January 2024 and to reduce the coupon rate from 15% p.a. to 10% p.a., effective 23 January 2021, in consideration of the following, with the other terms and conditions remaining unchanged:



- (i) conversion price of AU 2.0 cents per Share, being the issue price of the Placement Shares issued under Resolution 4, and conversion of debt is restricted to 170 million Shares being the maximum amount approved by shareholders at the General Meeting held on 2 May 2019;
- (ii) 80% of all revenue generated from operations or transactions of the assets to be used to repay debt unless otherwise directed by Noteholders;
- (iii) all material expenditures of Petsec are subject to the approval of Noteholders, directed through the Chairman;
- (iv) 40 million Shares (to be issued after the 2021 AGM);
- (v) If by 23 January 2023 less than 50% of the Convertible Notes debt, including interest, has been repaid, the debt will increase by US\$1 million, and if by 23 January 2024 less than 80% of the Convertible Notes debt, including interest, has been repaid, the debt will increase by a further US\$1.5 million.
- (m) The terms of the Convertible Notes are summarised in section 8.8 below.
- (n) The Registrar is not a related party of the Company.
- (o) The Registrar's beneficial and non-beneficial holdings in the capital of the Company total 121,510,393 Shares and 10,000,000 Options. Per Appendix 2A lodged with ASX on 18 May 2020, the Company presently has approximately 408.6 million Shares, 18.2 million Options and the Convertible Notes on issue, therefore the Registrar's total securities represent approximately (121.5/408.6) or 29.7% of the Company's issued Shares, however the Convertible Notes are held non-beneficially, by the Registrar as registrar or nominee, for a number of parties. See sections 7.6 and 7.7 below for further details.
- (p) Approval of Resolution 8 will allow the Convertible Notes to be converted into Shares no later than 3 months after the date of the AGM without the need for further Shareholder approval at the time a notice to convert is received by the Company.

### 8.3 Listing Rule 7.1

- (a) Listing Rule 7.1 enables entities with shareholder approval to issue securities comprising more than 15% of the entity's ordinary securities then on issue (15% placement rule). Approval of Resolution 8 will allow the Company to issue Shares upon conversion of Convertible Notes under the Deed Poll no later than 3 months after the date of the AGM without using the Company's Listing Rule 7.1 Capacity.

#### *Formula for calculating the Listing Rule 7.1 Capacity*

Listing Rule 7.1 provides that entities with shareholder approval must not issue or agree to issue more equity securities than the number calculated according to the following formula:

$$(A \times B) - C$$

- A** is the number of fully paid ordinary securities on issue at the commencement of the relevant period:
- plus the number of fully paid ordinary securities issued in the relevant period under an exception in rule 7.2 other than exception 9, 16 or 17;;
  - plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
    - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
    - the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4.
  - plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities with rule 7.2 exception 16 where:
    - the agreement was entered into before the commencement of the relevant period; or
    - the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4.
  - plus the number of any other fully paid ordinary securities issued in the relevant period with approval under rule 7.1 or rule 7.4;
  - plus the number of partly paid ordinary securities that became fully paid in the relevant period;
  - less the number of fully paid ordinary securities cancelled in the relevant period.
- B** is 15%.

**C** is the number of equity securities issued or agreed to be issued in the relevant period that are not issued:

- with the approval of the holders of its ordinary securities under rule 7.1 or rule 7.4;
- under rule 7.1A.2; or
- under an exception in rule 7.2; and

“relevant period” means:

- if the entity has been admitted to the official list for 12 months or more, the 12 month period immediately preceding the date of the issue or agreement; or
- if the entity has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement.

#### 8.4 Listing Rule 7.3.4

Under Listing Rule 7.3.4 (formerly Listing Rule 7.3.2), any issue of securities approved with shareholder approval under Listing Rule 7.1 (15% placement rule) must be issued within 3 months of the Company receiving shareholder approval. The Deed Poll provides that the Convertible Notes can be issued and converted into Shares up until the Maturity Date of 23 January 2024.

#### 8.5 The effect on the Company of the issue of the Convertible Notes and the potential conversion into Shares

- (a) The principal effect of the issue of the Convertible Notes on the Company will be to:
- (i) maintain Tranches 1, 2 and 3, and potentially increase the Company’s cash reserves by up to US\$1 million through Tranche 2.
  - (ii) increase the number of Convertible Notes on issue from 14 million to 15 million and increase the amount drawn from US\$14 million to US\$15 million;
  - (iii) give rise to the Company having a liability for up to US\$15 million plus interest at rates between 10.0% to 15% p.a., compounding monthly, capitalising into the principal amount of the Convertible Notes; and
  - (iv) the maximum number of shares in the Company that can be gained by the Notes converting into shares according to section 8.8 below is 170 million shares thus the number of Shares of the Company on issue may increase by a maximum of 170 million Shares.
- (b) The potential effect of the issue of the Convertible Notes on the Company’s issued share capital will be:
- (i) as at the date of this application, the issued share capital of the Company is 408,587,924 Shares, 18,200,000 Options, US\$14 million worth of Convertible Notes and US\$6,736,546 capitalised interest to date on the Convertible Notes; and
  - (ii) up to 170 million Shares may be issued on conversion of the Convertible Notes, should the full amount (US\$15 million) be drawn, resulting in the dilution of current Shareholders (presently 170 million Shares/(408.6 + 170) million Shares = 29.4%).

#### 8.6 Holders of Tranche 1, 2 and 3 Convertible Notes

The Tranche 1 Convertible Notes are held by the Registrar non-beneficially, as nominee for four independent Noteholders, who invested the following amounts in Tranche 1, resulting in the issue of Convertible Notes on the following dates:

- (a) Republic Investment Management Pte Ltd (US\$1,500,000) (14 October 2016);
- (b) DA Holdings Pte Ltd (US\$1,500,000) (28 October 2016);
- (c) OA Holdings Pte Ltd (US\$1,508,000) (12 December 2016); and
- (d) DC Company Pte Ltd (US\$492,000) (30 March 2017).

The Tranche 2 Convertible Notes are also held by the Registrar non-beneficially, as nominee for independent Noteholders who invested the following amount in Tranche 2, resulting in the issue of Convertible Notes on the following dates:

- (a) DC Company Pte Ltd (US\$1,000,000) (25 January 2019);
- (b) DC Company Pte Ltd (US\$500,000) (14 March 2019);
- (c) EDV Capital Ltd (US\$1,000,000) (28 June 2019);
- (d) OA Holdings Pte Ltd (US\$500,000) (22 August 2019);

- (e) EDV Capital Ltd (US\$500,000) (17 October 2019); and
- (f) EDV Capital Ltd (US\$500,000) (19 March 2020).

The Tranche 3 Convertible Notes are also held by the Registrar non-beneficially, as nominee for independent Noteholders who invested the following amount in Tranche 3, resulting in the issue of Convertible Notes on the following dates:

- (a) DC Company Pte Ltd (US\$1,000,000) (19 July 2018).
- (b) OA Holdings Pte Ltd (US\$1,000,000) (5 October 2018)
- (c) OA Holdings Pte Ltd (US\$500,000) (14 November 2018)
- (d) DA Holdings Pte Ltd (US\$2,000,000) (24 December 2018)
- (e) DC Company Pte Ltd (US\$500,000) (25 January 2019)

### **8.7 The effect of the issue on control of the Company**

There are no control issues anticipated as a result of changes in voting power resulting from the issue of the Convertible Notes and their conversion into Shares; assuming the Noteholders take up the remaining unissued Convertible Notes in the same proportions as their existing Convertible Notes, it is anticipated that each Noteholder will hold less than 7.4% of the issued Shares of the Company. This also assumes that the maximum number of 170 million Shares are issued on conversion of the Notes.

### **8.8 Broad summary of rights and liabilities attaching to the Convertible Notes**

- (a) The term of the Convertible Notes expires on 23 January 2024 (**Term**).
- (b) Interest accrues daily at 10% p.a. (effective 23 January 2021), compounding monthly on the drawn amount, with interest capitalising into the principal amount of the Convertible Notes.
- (c) Interest ceases to accrue in respect of a Convertible Note on its maturity date, the date on which the Registrar converts the Convertible Note into Shares or the date on which the Convertible Note is redeemed.
- (d) The Convertible Notes constitute unsubordinated and secured obligations of the Company.
- (e) Tranche 2 may be drawn for any of the Company's operations, subject to the approval of the Noteholders.
- (f) The terms of conversion of the Convertible Notes are:
  - (i) Subject to Shareholder approval, the Registrar will be entitled to convert up to 50% of the principal amount and 100% of the capitalised interest of the Convertible Notes into Shares, by delivering a conversion notice at any time prior to the maturity date. The maximum number of Shares issued on conversion is restricted to 170 million Shares;
  - (ii) The Company will apply to ASX for quotation of the Shares issued on conversion of the Convertible Notes. The Convertible Notes themselves will not be quoted on the ASX;
  - (iii) Shares issued on conversion will rank equally in all respects with fully paid ordinary shares in the Company; and
  - (iv) Each Convertible Note will convert into Shares at AU 2.0 cents.
- (g) A Convertible Note is redeemed if the Noteholder gives a redemption notice after an event of default.
- (h) The Company may redeem all or part of a Convertible Note, in the minimum amount of US\$1 million, during the Term, by notice, upon payment to the Registrar of a prepayment fee in the amount of US\$250,000.
- (i) On the Maturity Date, the Company will redeem the Convertible Notes by payment of the amount drawn plus capitalised interest.
- (j) Events of default include:
  - (i) breach of material obligations under the Agreement;
  - (ii) there being a material adverse effect that cannot be remedied within 10 business days; and
  - (iii) insolvency; and
- (k) Convertible Notes can be transferred, but will not be quoted on the ASX.

### 8.9 Specific Information required by Listing Rule 7.3

The following information is provided to Shareholders in accordance with Listing Rule 7.3, which contains requirements as to the contents of a notice sent to Shareholders for the purposes of Listing Rule 7.1.

Maximum no. of securities to be issued	The maximum number of Convertible Notes that can be issued is 15 million which would provide US\$15 million to the Company. The maximum number of Shares which may be issued on conversion of, and payment of interest on, the Convertible Notes is limited to 170 million Shares.
Date by which securities will be issued	Tranche 1 and Tranche 3 of the Convertible Notes have each been issued in the full amount of US\$5 million and US\$4 million of Tranche 2 has been issued. The remaining US\$1 million under Tranche 2 may be drawn, subject to the approval of the Noteholders. Conversion of Convertible Notes into Shares may take place progressively, no later than 3 months after the date of the AGM without the need for further Shareholder approval.
Issue price per security	Each Convertible Note has a face value of US\$1 and the maximum amount permitted to be issued is US\$15 million. Each Convertible Note will convert into Shares at AU 2.0 cents. The proportion of each Tranche convertible into Shares is as follows: (a) Accrued interest – 100%; and (b) Principal – 50%. The maximum number of Shares issued on conversion is restricted to 170 million Shares.
Name of allottees	The Registrar holds the: (a) Tranche 1 Convertible Notes (US\$5 million) non-beneficially, as nominee for: Republic Investment Management Pte Ltd, DA Holdings Pte Ltd, OA Holdings Pte Ltd and DC Company Pte Ltd. (b) Tranche 3 Convertible Notes (US\$5 million) non-beneficially, as nominee for DC Company Pte Ltd, OA Holdings Pte Ltd and DA Holdings Pte Ltd. (c) Tranche 2 Convertible Notes (US\$1 million) as nominee for DC Company Pte Ltd, EDV Capital Ltd and OA Holdings Pte Ltd.
Terms of securities	A summary of the terms and conditions of the Convertible Notes is set out in section 8.7 above. Any Shares issued upon conversion of the Convertible Notes, including any Convertible Notes designated as debt securities, will be fully paid ordinary shares ranking equally in all respects with other existing fully paid ordinary shares in the Company.
Use of funds raised	The funds from Tranches 1, 2 and 3 were applied towards the Company's operations, primarily the development of the Hummer gas/oil discovery in the Gulf of Mexico, USA, through to production and the Company's participation in the Hummer Main Pass 273 B-2 appraisal well. The remaining US\$1 million available under Tranche 2, access to which is under the control of the noteholders, will be used for working capital purposes.
Voting Exclusion Statement	A voting exclusion statement forms part of this Notice of Meeting.

### 8.10 Key reasons why you should vote in favour of Resolution 8

The Company considers that the issue of the Convertible Notes has a number of benefits for Shareholders as summarised below:

- (a) the Convertible Notes provide the Company with important funding in uncertain global economic conditions;
- (b) if Resolution 8 is not approved:
  - (i) the maturity date of Tranches 1, 2 and 3 of the Convertible Notes will not be extended beyond 23 January 2021, and the Tranches 1, 2 and 3 principal and interest, presently in the amount of approximately US\$20.7 million<sup>1</sup>, will become due and payable immediately; and
  - (ii) additional funding from Tranche 2 to the amount of up to US\$1 million is unlikely to be made available to the Company;

<sup>1</sup> As at 28 February 2021.

### 8.11 Potential disadvantages of voting in favour of Resolution 8

The Company considers that the issue of the Convertible Notes has a number of disadvantages for Shareholders as summarised below:

- (a) dilution of the existing interests of Shareholders of 29.4% if the Convertible Notes are converted as permitted into 170 million Shares;
- (b) the Shares issued on conversion of the Convertible Notes will be issued at AU 2.0 cents per Share, which was the issue price of Shares of the Placement Shares issued by the Company on 19 May 2020; and
- (c) interest is payable on the amount drawn at 10% p.a. (previously up to 15% p.a.), compounding monthly, capitalising into the principal amount of the Convertible Notes.

**RECOMMENDATION: The Directors unanimously recommend that Shareholders vote in favour of Resolution 8 for the reasons set out above, including that the Company will have access to up to US\$1 million additional funding from Tranche 2 through the issue of additional Convertible Notes. None of the Directors have an interest in the outcome of this Resolution.**

### RESOLUTION 9 – APPROVAL OF EMPLOYEE OPTION PLAN

Rules are already in place in relation to the Employee Option Plan (**EOP**) (**EOP Rules**). The EOP allows the Company to grant Options to selected eligible employees, subject to satisfying performance and service conditions set down at the time of offer. Directors consider the Options to be a necessary component of some employee remuneration packages.

Approval of the EOP was last renewed by Shareholders in 2018. The EOP Rules have not changed since the approval in 2018.

The Company seeks to refresh the three year approval for the EOP under Listing Rule 7.2, exception 13.

Listing Rule 7.1 limits the number of equity securities the Company may issue within any twelve month period without Shareholder approval to the 7.1 Capacity. An exception to this rule is set out in Listing Rule 7.2, exception 13, which provides that issues under an employee incentive scheme are exempt for a period of three years if Shareholders approve the issue of securities under the scheme as an exception to Listing Rule 7.1. The maximum number of securities in aggregate that may be issued under the Employee Option and Share Plans is 21,033,215.

The effect of the approval sought will be that for the next 3 years, the issue of securities under the EOP will not reduce the number of equity securities that may be issued by the Company without Shareholder approval under its 7.1 Capacity; any such issue will instead add to the number on which the 7.1 Capacity is calculated, thus increasing the Company's 7.1 Capacity.

The issue of Options under the EOP to Directors and their associates will still require Shareholder approval under Listing Rule 10.14. The issue of Options under the EOP also remains subject to the issue limits under the EOP.

The Company presently has 8,200,000 employee Options on issue with an exercise price of \$0.20 and a weighted average remaining life of 1.87 years, representing approximately 2% of the Company's Equity Securities.

Since the last approval, the Company has issued 1,500,000 employee Options exercisable at \$0.20 by 18 July 2022 for nil consideration.

A possible disadvantage, if Resolution 9 is passed, is the dilutory effect on the Company's share price, due to the increased number of Shares on issue, if employees were to exercise their Options. This would be offset by the exercise price received by the Company.

A summary of the EOP Rules is attached to this Notice of Meeting (see Annexure C). A copy of the amended EOP Rules is available to members on request to the Company Secretary.

#### 9.1 Technical information required by Listing Rule 14.1A

If Resolution 9 is passed, the Company will have the ability to issue Options to eligible employees under the EOP over a period of 3 years without impacting on the Company's 15% placement capacity under ASX Listing Rule 7.1 without Shareholder approval in any 12 month period.

If Resolution 9 is not passed, the Company will be able to proceed with the issue of Options to such eligible employees under the EOP, but any issues of Options will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Options.

**RECOMMENDATION: As all Directors may participate in the EOP and have an interest in the outcome of the resolution, they decline to make a recommendation.**

## RESOLUTION 10 – APPROVAL OF EMPLOYEE SHARE PLAN

Rules are already in place in relation to the Employee Share Plan (**ESP**) (**ESP Rules**). The ESP allows the Company to issue Shares to selected eligible employees, subject to satisfying performance and service conditions set down at the time of offer. Directors consider the Shares to be a necessary component of some employee remuneration packages.

Approval of the ESP was last renewed by Shareholders in 2018. The ESP Rules have not changed since the approval in 2018. No Shares have been issued under the Plan since May 2018 and there are presently no shares on issue under the Plan.

The Company seeks to refresh the three year approval for the ESP under Listing Rule 7.2, exception 13.

Listing Rule 7.1 limits the number of equity securities the Company may issue within any twelve month period without Shareholder approval to 15% of each class of securities. An exception to this rule is set out in Listing Rule 7.2, exception 13, which provides that issues under an employee incentive scheme are exempt for a period of three years if Shareholders approve the issue of securities under the scheme as an exception to Listing Rule 7.1. The maximum number of securities in aggregate that may be issued under the Employee Option and Share Plans is 21,033,215.

The effect of the approval sought will be that for the next 3 years, the issue of Shares under the ESP will not reduce the number of equity securities that may be issued by the Company without Shareholder approval under its 7.1 Capacity; any such issue will instead add to the number on which the 7.1 Capacity is calculated, thus increasing the Company's 7.1 Capacity.

The issue of Shares under the ESP to directors of the Company and their associates will still require Shareholder approval under Listing Rule 10.14. The issue of Shares under the ESP also remains subject to the issue limits under the ESP.

A possible disadvantage, if Resolution 10 is passed, is the dilutory effect on the Company's Share price, due to the increased number of Shares on issue.

A summary of the ESP Rules is attached to this Notice of Meeting (see Annexure D). A copy of the amended ESP Rules is available to members on request to the Company Secretary.

### 10.1 Technical information required by Listing Rule 14.1A

If Resolution 10 is passed, the Company will have the ability to issue Shares to eligible employees under the ESP over a period of 3 years without impacting on the Company's 15% placement capacity under ASX Listing Rule 7.1 without Shareholder approval in any 12 month period.

If Resolution 10 is not passed, the Company will be able to proceed with the issue of Shares to such eligible employees under the ESP, but any issues of Shares will reduce, to that extent, the Company's capacity to issue equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue of the Shares.

**RECOMMENDATION: As all Directors may participate in the ESP and have an interest in the outcome of the resolution, they decline to make a recommendation.**

## RESOLUTION 11 – APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

### Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities comprising up to 10% of its issued share capital through placements over a 12 month period after an annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's Listing Rule 7.1 Capacity.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity as at the date of this Notice and expects to be so at the date of the AGM. The Company seeks Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer below).

The Company may use the 10% Placement Facility to fund exploration, development, working capital, or the acquisition of new exploration leases or other resource assets.

**Description of Listing Rule 7.1A****(a) Shareholder approval**

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

**(b) Equity Securities**

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

The Company, as at the date of this Notice, has on issue two classes of Equity Securities, being Shares and unlisted Options.

**(c) Formula for calculating 10% Placement Facility**

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

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

A is the number of fully paid ordinary securities on issue 12 months before the date of issue or agreement to issue:

- (i) plus the number of fully paid ordinary securities issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid ordinary securities that became fully paid in the 12 months;
- (iii) plus the number of fully paid ordinary securities issued in the 12 months with approval of holders of shares under Listing Rule 7.1 or 7.4;
- (iv) less the number of fully paid ordinary securities cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

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 the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

**(d) Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

At the date of this Notice, the Company has on issue 408,587,924 Shares and has a capacity to issue approximately:

- (i) 19,788,189 Equity Securities under Listing Rule 7.1 (increasing to 73,288,189 Equity Securities if Resolution 2 (2020 AGM) and Resolutions 4 and 5 (2021 AGM) are passed); and
- (ii) 48,858,792 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to (c) above).

**(e) Minimum Issue Price**

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Equity Securities in the same class calculated over the 15 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 by the entity and the recipient of the securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

**(f) 10% Placement Period**

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

### Listing Rule 7.1A

The effect of Resolution 11 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 11 is a special resolution and therefore requires 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) to be in favour.

### Specific Information required by Listing Rule 7.3A

Under Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price not less than the minimum issue price calculated in accordance with paragraph (e), above.
- (b) If Resolution 11 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table to the extent Shareholders do not receive any Shares under the issue. There is a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
  - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of Shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) two examples where variable A has increased, by 50% and 100%. Variable A is based on the number of Shares the Company has on issue. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders meeting; and
- (ii) two examples of where the issue price of Shares has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		DILUTION		
		\$0.0105 50% decrease in Issue Price	\$0.021 Issue Price	\$0.042 100% increase in Issue Price
Current Variable A (shares) 408,587,924	10% Voting Dilution	40,858,792 shares		
	Funds raised	\$429,017	\$858,035	\$1,716,069
50% increase in Current Variable A (shares) 612,881,886	10% Voting Dilution	61,288,189 shares		
	Funds raised	\$643,526	\$1,287,052	\$2,574,104
100% increase in Current Variable A (shares) 817,175,848	10% Voting Dilution	81,717,585 shares		
	Funds raised	\$858,035	\$1,716,069	\$3,432,139



**The Table has been prepared on the following assumptions:**

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
  - (ii) No Options are exercised into Shares before the date of the issue of the Equity Securities;
  - (iii) 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%;
  - (iv) The table does not show an example of dilution that may be experienced by a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting;
  - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1;
  - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares; and
  - (vii) The issue price is \$0.021, being the closing price of the Shares on ASX on 3 April 2020, when the Company voluntarily suspended the Shares from trading.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 11 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (d) 7.1A.1:  
An approval under this rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:
- (i) The date that is 12 months after the date of the annual general meeting at which the approval is obtained.
  - (ii) The time and date of the entity's next annual general meeting.
  - (iii) The time and date of the approval by holders of the eligible entity's ordinary securities of a transaction under rule 11.1.2 or 11.2
- (e) The Company may seek to issue the Equity Securities for the following purposes:
- (i) Cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued exploration and development expenditure on the Company's current assets and/or general working capital, consistent with the Company's publicly stated strategy.
- (f) The Company will comply with the disclosure obligations under Listing Rules 7.1A.4, 3.10.3 and Rule 2.7 upon issue of any Equity Securities.
- (g) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue under the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
- (i) the methods of raising funds that are available to the Company, including but not limited to, a rights issue or other issue in which existing security holders can participate;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).
- The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders. Related parties are not eligible to participate in issues made under Listing Rule 7.1A.
- Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be the vendors of the new resources assets or investments.
- (h) A voting exclusion statement is included in this Notice. At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

**Specific Information required by Listing Rule 7.3A.6 (a)**

The total number of equity securities issued in the 12 months preceding the date of the meeting, and the percentage they represent of the total number of equity securities on issue at the commencement of that 12 month period is outlined below;

Equity securities issued in prior 12 month period	10,000,000 Shares
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	Shares: 2.51%

**Specific Information required by Listing Rule 7.3A.6 (b)**

Details of all issues of equity securities during the 12 months preceding the date of the meeting are outlined below:

Date of issue:	19 May 2020
Number issued:	10 million shares
Class/Type of equity security:	Fully paid ordinary shares
Summary of terms:	The shares are ordinary fully paid shares
Name of persons who received securities or basis on which those persons was determined:	Professional and sophisticated investors
Issue price or consideration:	\$0.02 per share or \$200,000
Non-cash consideration paid	n/a
Discount to the market price:	n/a
Current value of that non-cash consideration	n/a

**RECOMMENDATION:** The Board believes that the 10% Placement Facility will be beneficial for the Company as it will provide flexibility to issue additional Equity Securities representing up to 10% of the Company's share capital up to 28 May 2022. Accordingly, the Directors recommend that Shareholders vote in favour of Resolution 11.

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## GLOSSARY

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**\$ or cents** means Australian Dollars or Cents, unless otherwise indicated.

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

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

**Board** means the current board of directors of the Company.

**Chairman** means the Chairman of the Board.

**Company** means Petsec Energy Ltd ACN 000 602 700.

**Constitution** means the Company's constitution.

**Convertible Notes** means the unquoted secured convertible notes, the subject of Resolution 7, which the Company has issued or intends to issue under the Deed Poll.

**Corporations Act** means the *Corporations Act 2001* (Commonwealth).

**Deed Poll** means the Secured Convertible Note Deed Poll dated 23 August 2016 (subsequently amended by variation agreements dated 13 September 2016, 28 December 2016, 30 March 2017, 17 August 2017, 18 February 2018, 26 March 2018, 9 May 2018, 20 August 2018, 6 September 2018, 19 December 2018, 5 March 2019, 8 April 2019, 28 June 2019 and 18 January 2021) which sets out the terms and conditions of the Convertible Notes.

**Directors** mean the current directors of the Company.

**EOP** means Employee Option Plan.

**Equity Securities** has the meaning given to that term in the Listing Rules.

**Explanatory Notes** means the explanatory notes accompanying the Notice of Meeting.

**Key Management Personnel** has the same meaning given in the accounting standards. Broadly speaking this includes the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Key Management Personnel for the financial year ended 31 December 2019 or 31 December 2020 (as applicable).

**Listing Rule 7.1 Capacity** means the Company's 15% new issue capacity to issue Equity Securities under Listing Rule 7.1.

**Listing Rules** means the ASX Listing Rules.

**Maturity Date** means the maturity date of the Convertible Notes, being 23 January 2021.

**Note Facility Limit** means US\$15 million plus accrued and capitalised interest.

**Noteholder** means an entity or person whose name is entered on the Register by the Registrar as the holder of Convertible Notes.

**Notice of Meeting** means this notice of meeting including the Explanatory Notes.

**Option** means an option to acquire a Share.

**Registrar** means Sing Rim Pte Ltd, a company registered under the laws of Singapore under registration number 201618210R.

**Remuneration Report** means the report on remuneration of Key Management Personnel contained within the Directors' Report for the years ended 31 December 2019 and 31 December 2020 (as applicable).

**Resolution** means a resolution set out in the Notice of Meeting.

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

**Shareholder** means the holder of a Share.

**Sydney Time** means the time in Sydney, New South Wales, Australia.

**Tranche** means the three equal proportions of the Note Facility Limit that may be issued at different times and subject to different conditions under the Deed Poll, referred to as Tranche 1, Tranche 2 and Tranche 3.

**US\$** means US dollars, the currency of the United States of America.

## Annexure A

### Issue of Options to Directors

The terms and conditions of the Options pursuant to Resolutions 5,6 and 7 (2021 AGM) are:

1. 9,000,000 Options in total will be issued under **Option – Pool A** comprising 3,000,000 Options each to three of the Company's Directors – Messrs. Barry Dawes, Brent Emmett, and Francis Douglas.

An additional 3,000,000 Options will be issued under **Option – Pool B** to Mr. Brent Emmett.

2. Issue of the Options is conditional upon Shareholder approval being obtained at the Company's next General Meeting which, subject to further confirmation, is likely to be held in March 2021.
3. Each Option will be issued for a consideration price of \$0.001.
4. Each Option has an exercise price of \$0.02.
5. Each Option entitles the option holder to subscribe for and be allotted one Share at the exercise price for the Option.
6. Options in **Option – Pool A** vest as follows (for each Director):
  - 1,000,000 Options vest immediately upon the issue date;
  - A further 1,000,000 Options vest 12 months after the issue date; and
  - A further 1,000,000 Options vest 24 months after the issue date.

Options in **Option – Pool B** vest as follows:

- 1,000,000 Options vest 12 months after the issue date;
  - A further 1,000,000 Options vest 24 months after the issue date; and
  - A further 1,000,000 Options vests 36 months after the issue date.
7. Options in **Option – Pool A** will expire at 5.00 pm Sydney time on the date which is 3 years from the date of the issue of the Options (Expiry Date).  
Options in **Option – Pool B** will expire at 5.00 pm Sydney time on the date which is 4 years from the date of the issue of the Options (Expiry Date).
  8. The Options are exercisable at any time prior to the Expiry Date by completing a notice in writing (Option Notice) stating the intention of the option holder to exercise all or a specified number of Options held and delivering it to the registered office of the Company accompanied by an Option certificate and a cheque made payable to the Company for the subscription monies for the Shares.  
The Option Notice must be received by the Company before the Expiry Date. An Option not exercised before the Expiry Date will lapse. An exercise of only some Options shall not affect the rights of the option holder to the balance of the Options held.
  9. The Options are not assignable or transferable without the prior written consent of the Directors and will not be quoted on the ASX.
  10. The Options will be unlisted upon grant. No application for quotation of the Options will be made.
  11. All Shares issued upon exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of the Options.
  12. There are no participating rights or entitlements inherent in the Options and the option holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options unless the Options are first exercised in accordance with these terms and conditions. The option holder will be notified of the proposed issue at least ten business days before the record date. This will give the option holder the opportunity to exercise its Options prior to the date for determining entitlements to participate in any such issue.
  13. In the event of any reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, the rights of the option holder will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

14. If there is a pro rata issue (except a bonus issue) to Shareholders, the exercise price of an Option will be reduced according to the following formula:

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

O = the old exercise price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the five trading days ending on the day before the ex-rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

15. If there is a bonus issue to Shareholders, the number of Shares over which an Option is exercisable will be increased by the number of Shares that the option holder would have received if the Option had been exercised before the record date for the bonus issue.
16. Shares allotted and issued under the exercise of the Options will be allotted and issued on the above terms and conditions not more than 14 days after the receipt of a properly executed Option Notice and the exercise price in respect of the Option.
17. The exercise of Options by an option holder is subject at all times to the Corporations Act.

**ANNEXURE B****Valuation of Options**

The Options to be issued to the Directors pursuant to Resolutions 5, 6 and 7 (2021 AGM) have been valued using the Black Scholes option valuation methodology.

Using the Black Scholes option model and based on the assumptions set out below, the Options were ascribed the following values:

<b>Assumptions</b>	
Valuation date	10 March 2021
Market price of Shares (closing price)	\$0.021 being the last closing price as at 10 March 2021
<b>Options – Pool A</b>	
Number of Options	9,000,000
Consideration Price	\$0.001
Exercise Price	\$0.02
Vesting Date	10 March 2021
Expiry Date	10 March 2024
<b>Options – Pool B</b>	
Number of Options	3,000,000
Consideration Price	\$0.001
Exercise Price	\$0.02
Vesting Date	10 March 2022
Expiry Date	10 March 2025
Risk free interest rate	0.10%
Volatility	
Pool A	0 – 4.8%
Pool B	2.8 – 4.8%
Indicative value per Option – Pool A	\$0.0008
Indicative value per Option – Pool B	\$0.008
Total value of Options	\$31,284

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

## ANNEXURE C

### Summary of Employee Option Plan Rules

In summary, the EOP Rules provide that:

- (a) A committee appointed by the Board may from time to time offer Options over Shares to employees of the Company or any subsidiary of the Company;
- (b) The total number of Shares that could be issued by the Company in respect of which Options have been granted, when aggregated with the number of Shares issued, or which could be issued by the Company under Options granted, under all employee Share and Option schemes established by the Company during the previous five (5) years shall not exceed 21,033,215 ordinary shares in the capital of the Company;
- (c) The Option exercise price shall be set out in the offer and will be, at the discretion of the committee, one of the following:
  - I. the market price on the date of the offer;
  - II. the market price on the closing date of the offer; or
  - III. such other price or formula which is specified in the offer and which determines a price that is higher than the market price of the shares either on the date of the offer or on the closing date of the offer,
 but in no event shall the Option exercise price be less than 20 cents;
- (d) Options can be exercised in the exercise period designated by the committee (which must not commence within the first 6 months after the Options are granted) or in the event of certain takeover or change of control circumstances;
- (e) The committee can impose conditions that must be satisfied before the Options can be exercised including, for example, a specified increase in the market price of the Company's Shares on the ASX;
- (f) Options automatically lapse if not exercised within 5 years after they are granted (or any shorter period designated by the committee);
- (g) If there is a pro rata issue (except a bonus issue) to Shareholders, the exercise price of an Option may be reduced according to the following formula:
 
$$\text{New exercise price} = O - \frac{E [P - (S + D)]}{N + 1}$$

O = the old exercise price of the Option.  
 E = the number of underlying Shares into which one Option is exercisable.  
 P = average market price per Share weighted by reference to volume of the underlying Shares during the five trading days ending on the day before the ex-rights date or ex entitlements date.  
 S = the subscription price of a Share under the pro rata issue.  
 D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).  
 N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.
- (h) If there is a bonus issue to Shareholders, the number of Shares over which an Option is exercisable may be increased by the number of Shares that the Option holder would have received if the Option had been exercised before the record date for the bonus issue.
- (i) Option holders cannot participate in new issues without exercising their Options;
- (j) In the event of a reorganisation of the Company's share capital, the rights of the Option holder will be changed to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation; and
- (k) The EOP will continue in operation at the discretion of the committee.

## ANNEXURE D

### Summary of Employee Share Plan Rules

In summary, the ESP Rules provide that:

- (a) Employees who are invited to participate in the ESP will be given the opportunity to apply for Shares which will be held on their behalf by the Trustee of the ESP, Petroleum Securities Share Plan Pty Limited (**Trustee**). The purchase of Shares by an employee will be financed by an interest free loan from the Company to the employee.
- (b) All full time employees of the Company or a subsidiary who have attained the age of eighteen years, any Director, a subsidiary or any other company approved by the committee appointed by the Board to administer the ESP are eligible to participate. An invitation to participate is personal to the eligible employee or, except in the USA, with the committee's approval to the employee's spouse or to a body corporate or trustee nominated by the employee.
- (c) The ESP applies to Shares.
- (d) The ESP is subject to the Listing Rules which, amongst other things, require that any issue of Shares under the ESP to Directors or their associates can only be made with Shareholder approval.
- (e) The number of Shares to be offered to each eligible employee will be determined at the absolute discretion of the committee. This determination will be made having regard to all relevant factors including the record of employment of the employee, the potential contribution of the employee to the growth of the Company and any other matters which tend to indicate the merit of the employee.
- (f) The committee will determine when Shares are to be offered to eligible employees.
- (g) The total number of Shares issued under the ESP when aggregated with the number of Shares issued by the Company under all employee Share and Option schemes established by the Company during the previous five years must not exceed 21,033,215.
- (h) The issue price of the Shares must be not less than the market price of the Shares (a weighted average ASX sale price) at or about the time of the offer.
- (i) Subject to the terms of the ESP, Shares issued under it rank equally in all respects with the other Shares of then on issue. The Trustee will be the registered holder of the Shares while they are restricted.
- (j) The Trustee will exercise the right to vote attached to restricted Shares as directed by the participant on whose behalf Shares are held. If the participant fails to make a direction, the voting rights attached to the Shares will be exercised in the manner directed by the committee.
- (k) Some rights attaching to the Shares depend on whether those Shares have become unrestricted. Shares will generally be unrestricted after a period of not less than 6 months after the date on which the Trustee subscribed for the Shares on behalf of the participant provided that all other conditions imposed by the committee on those Shares becoming unrestricted have been satisfied.

Until the Shares have become unrestricted:

- I. Except in certain circumstances, the Shares may not be sold, mortgaged or otherwise encumbered;
  - II. The participant will have a present entitlement to receive dividend income in respect of the Shares, but the after-tax amount of these dividend payments is to be applied in the reduction of the loan.
- (l) Once Shares are unrestricted, the participant may require the Trustee to sell all or some of the Shares and any balance left after repaying the loan and the costs incurred by the Trustee in selling the Shares will be paid to the participant. Alternatively, the employee may repay the loan and ask the Trustee to transfer the Shares to him/her.
  - (m) If an offer of Shares is made by the committee to an eligible employee and the employee accepts, then a loan from the Company will be provided to the employee in an amount equal to the subscription price of the Shares. The loan will be interest free.  
  
These moneys are to be applied by the Trustee at the request of the participant, so that it may subscribe for the Shares.
  - (n) Dividends (after providing for the maximum income tax payable by the participant) which are paid in respect of any Shares subscribed for with the loan will be applied in repayment of that loan.
  - (o) The loan is limited in recourse so that the Company's rights under the loan are limited to the proceeds of the sale of the Shares.



#### All Correspondence to:

- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001 Australia
- 📠 **By Fax:** +61 2 9290 9655
- 💻 **Online:** [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)
- ☎ **By Phone:** (within Australia) 1300 737 760  
(outside Australia) +61 2 9290 9600

## YOUR VOTE IS IMPORTANT – AGM 2020

For your vote to be effective it must be recorded **before 11:00am (Sydney Time) on Wednesday 26 May 2021.**

### 🖥 TO VOTE ONLINE

### 📱 BY SMARTPHONE

**STEP 1: VISIT** <https://www.votingonline.com.au/petsecagm2020>

**STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)**

**STEP 3: Enter your Voting Access Code (VAC):**



Scan QR Code using smartphone  
QR Reader App

### TO VOTE BY COMPLETING THE PROXY FORM

#### STEP 1 APPOINTMENT OF PROXY

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

##### Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities 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.
- return both forms together in the same envelope.

#### STEP 2 VOTING DIRECTIONS TO YOUR PROXY

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

##### Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

#### STEP 3 SIGN THE FORM

The form **must** be signed as follows:

**Individual:** This form is to be signed by the securityholder.

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

**Power of Attorney:** to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person. **Please indicate the office held by signing in the appropriate place.**

#### STEP 4 LODGEMENT

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **11:00am (Sydney Time) on Wednesday 26 May 2021**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

- 🖥 **Online** <https://www.votingonline.com.au/petsecagm2020>
- 📠 **By Fax** + 61 2 9290 9655
- ✉ **By Mail** Boardroom Pty Limited  
GPO Box 3993,  
Sydney NSW 2001 Australia
- 👤 **In Person** Boardroom Pty Limited  
Level 12, 225 George Street,  
Sydney NSW 2000 Australia

#### Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

☐

**Your Address**

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

**Please note, you cannot change ownership of your securities using this form.**

**PROXY FORM**

**STEP 1 APPOINT A PROXY**

I/We being a member/s of **Petsec Energy Ltd** (Company) and entitled to attend and vote hereby appoint:

☐

the **Chair of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000 on Friday, 28 May 2021 at 11:00am (Sydney Time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolution 4, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of this Resolution even though Resolution 4 is connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolution 4). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

**STEP 2 VOTING DIRECTIONS**

\* 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 vote will not be counted in calculating the required majority if a poll is called.

		For	Against	Abstain*
Resolution 1	To Adopt the 2019 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-Election of Mr Dawes as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-Election of Mr Douglas Q.C. as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of prior issue of 30 Million Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Issue of 40 Million Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**STEP 3 SIGNATURE OF SECURITYHOLDERS**

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2021

## All Correspondence to:

✉	<b>By Mail</b>	Boardroom Pty Limited GPO Box 3993 Sydney NSW 2001 Australia
📠	<b>By Fax:</b>	+61 2 9290 9655
💻	<b>Online:</b>	www.boardroomlimited.com.au
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## YOUR VOTE IS IMPORTANT – AGM 2021

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💻	<b>Online</b>	<a href="https://www.votingonline.com.au/petsecagm2021">https://www.votingonline.com.au/petsecagm2021</a>
📠	<b>By Fax</b>	+ 61 2 9290 9655
✉	<b>By Mail</b>	Boardroom Pty Limited GPO Box 3993, Sydney NSW 2001 Australia
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the **Chair of the Meeting** (mark box)

**OR** if you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy below

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the Annual General Meeting of the Company to be held at **Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000 on Friday, 28 May 2021 at 11:00am (Sydney Time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chair of the Meeting authorised to exercise undirected proxies on remuneration related matters: If I/we have appointed the Chair of the Meeting as my/our proxy or the Chair of the Meeting becomes my/our proxy by default and I/we have not directed my/our proxy how to vote in respect of Resolutions 1, 5 - 10, I/we expressly authorise the Chair of the Meeting to exercise my/our proxy in respect of these Resolutions even though Resolutions 1, 5 - 10 are connected with the remuneration of a member of the key management personnel for the Company.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business (including Resolutions 1, 5 - 10). If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

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		FOR	AGAINST	ABSTAIN*			FOR	AGAINST	ABSTAIN*
<b>Res 1</b>	To adopt the 2020 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 7</b>	Approval of Issue of Options to Director – Mr Brent Emmett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 2</b>	Re-election of Mr Emmett as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 8</b>	Approval of Issue of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 3</b>	Ratification of Prior Issue of 10 Million Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 9</b>	Approval of Employee Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 4</b>	Approval of Issue of 40 Million Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 10</b>	Approval of Employee Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 5</b>	Approval of Issue of Options to Director – Mr Barry Dawes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<b>Res 11</b>	Approval of Additional 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Res 6</b>	Approval of Issue of Options to Director – Mr Francis Douglas QC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

**STEP 3 SIGNATURE OF SECURITYHOLDERS**

This form must be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director / Company Secretary

Contact Name.....

Contact Daytime Telephone.....

Date / / 2021