

ENEABBA GAS LIMITED
ACN 107 385 884

NOTICE OF MEETING



NOTICE OF ANNUAL GENERAL MEETING

AND

EXPLANATORY STATEMENT TO SHAREHOLDERS

FOR AN ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON
TUESDAY, 10 NOVEMBER 2015 AT 50 ORD STREET, WEST PERTH,
WESTERN AUSTRALIA AT 9.00 AM WST

IMPORTANT INFORMATION

This is an important document that should be read in its entirety.

If you do not understand it you should consult your professional advisers without delay.

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

You are encouraged to attend the meeting, but if you cannot, you are requested to

complete and return the enclosed Proxy Form to

PO Box 902, West Perth, Western Australia, 6872,

or by facsimile on facsimile number +618 9482 0505, no later than 9:00am WST on Sunday, 8 November 2015.

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NOTICE IS HEREBY GIVEN that an annual general meeting of the members of Eneabba Gas Limited ("**Eneabba**" or "**the Company**") will be held on the date and at the location and time specified below:

DATE: Tuesday, 10 November 2015
LOCATION: 50 Ord Street, West Perth, Western Australia
TIME: 9.00am WST

("Meeting")

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

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 9.00am WST on Sunday, 8 November 2015.

BUSINESS

The business to be transacted at this Annual General Meeting is to receive and consider the financial statements and reports and the proposal of Resolutions 1 to 13 as set out below.

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2015 together with the declaration of the directors, the directors' report, the Remuneration Report and the independent auditor's report.

RESOLUTION 1 ~ ADOPTION OF REMUNERATION REPORT (NON-BINDING)

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

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the Remuneration Report as set out in the Director's Report in the Company's annual financial report for the financial year ended 30 June 2015".

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

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

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

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

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

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RESOLUTION 2 ~ APPROVAL FOR ADDITIONAL 10% CAPACITY

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

"That, for the purpose of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totaling up to 10% of the Shares on issue (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 Statement."

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

RESOLUTION 3 ~ RE-ELECTION OF THOMAS GOH AS DIRECTOR

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

"That, for the purpose of clause 12.5 of the Constitution and for all other purposes, Thomas Goh, a Director, retires by rotation, and being eligible, is re-elected as a Director."

RESOLUTION 4 ~ RE-ELECTION OF BARNABY EGERTON-WARBURTON AS DIRECTOR

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

"That, for the purpose of clause 12.12 of the Constitution and for all other purposes, Barnaby Egerton-Warburton, a Director who was appointed on 4 March 2015, retires, and being eligible, is re-elected as a Director."

RESOLUTION 5 ~ RE-ELECTION OF GARRY MARSDEN AS DIRECTOR

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

"That, for the purpose of clause 12.12 of the Constitution and for all other purposes, Garry Marsden, a Director who was appointed on 21 April 2015, retires, and being eligible, is re-elected as a Director."

RESOLUTION 6 ~ ISSUE OF MANAGING DIRECTOR OPTIONS – BARNABY EGERTON-WARBURTON

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

"That, for the purpose of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Directors to issue up to 10,000,000 Managing Director Options to the Managing Director or his nominee as set out in the Explanatory Statement."

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

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meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 7 ~ ISSUE OF DIRECTOR OPTIONS – GARRY MARSDEN

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

“That, for the purpose of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Directors to issue up to 3,000,000 Director Options to Mr Garry Marsden or his nominee, as set out in the Explanatory Statement.”

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

RESOLUTION 8 ~ ISSUE OF DIRECTOR OPTIONS – THOMAS GOH

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

“That, for the purpose of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Directors to issue up to 2,000,000 Director Options to Mr Thomas Goh or his nominee, as set out in the Explanatory Statement.”

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

RESOLUTION 9 ~ ISSUE OF DIRECTOR OPTIONS – MORGAN BARRON

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

“That, for the purpose of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Directors to issue up to 2,000,000 Director Options to Mr Morgan Barron or his nominee, as set out in the Explanatory Statement.”

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

RESOLUTION 10 ~ ISSUE OF INCENTIVE OPTIONS –BRETT TUCKER

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

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 1,000,000 Incentive Options to Mr Brett Tucker or his nominee on the terms and conditions set out in the Explanatory Statement.”

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

RESOLUTION 11 ~ RE-APPROVAL OF THE EMPLOYEE INCENTIVE SCHEME

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

"That, for the purpose of ASX Listing Rule 7.2 (Exception 9) as an exception to ASX Listing Rule 7.1 and for all other purposes, shareholders re-approve the "Eneabba Gas Employee Incentive Scheme" and for the issue of Options under that scheme on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

RESOLUTION 12 ~ RATIFICATION OF PRIOR ISSUE OF OPTIONS

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

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 15,000,000 Options on the terms and conditions set out in the Explanatory Statement."

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

RESOLUTION 13 ~ SECTION 195 APPROVAL

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

"That, subject to and conditional on the passing of Resolutions 6 to 9, pursuant to and in accordance with subsection 195(4) of the Corporations Act and for all other purposes, Shareholders approve the transactions contemplated in Resolutions 6 to 9."

BY ORDER OF THE BOARD



BRETT TUCKER
COMPANY SECRETARY

8 OCTOBER 2015
ENEABBA GAS LIMITED

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 9:00am WST at 50 Ord Street, West Perth, Western Australia on Tuesday, 10 November 2015. This Explanatory Statement is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolutions proposed.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2015 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

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

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at www.eneabbagas.com.au or by contacting the Company on (+61 8) 9482 0555.

2. RESOLUTION 1 ~ ADOPTION OF REMUNERATION REPORT

General

In accordance with Section 250R(2) of the Corporations Act, the Company must put a resolution that the Remuneration Report as set out in the Directors' Report of the Company annual financial report for the financial year ended 30 June 2015 be adopted to vote at the Annual General Meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

If at least 25% of the votes cast on the Resolution are voted **against** adoption of the Remuneration Report in two consecutive annual general meetings, the Company will be required to put to Shareholders a resolution proposing the calling of an extraordinary general meeting to consider the appointment of directors of the Company (other than the managing director) who were in office at the date of the approval of the applicable directors' report (**Spill Resolution**) at the second annual general meeting.

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the extraordinary general meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the Directors who were in office when the Directors' report (as included in the Company's annual financial report for the financial year ended immediately before the second annual general meeting) was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

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

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

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The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 2015.

Chair voting undirected proxies

The Chair intends to exercise all undirected proxies in favour of Resolution 1. If the Chair of the Meeting is appointed as your proxy and you have not specified the way the Chair is to vote on Resolution 1, by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to vote the proxy in accordance with the Chair's intention.

3. RESOLUTION 2 ~ APPROVAL OF 10% PLACEMENT CAPACITY – SHARES

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital over a period up to 12 months after the annual general meeting (**10% Placement Capacity**).

If Shareholders approve Resolution 2, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 3.2 below).

The effect of Resolution 2 will be to allow the Directors to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 2 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 2 for it to be passed.

ASX Listing Rule 7.1A

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

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

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

(Eligible Entity).

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300,000,000

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

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

$(A \times D) - E$

Where:

A is the number of Shares on issue 12 months before the date of issue or agreement:

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

Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 2:

(a) **Minimum Price**

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

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in Section 3.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

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

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

or such longer period if allowed by ASX.

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(c) Risk of voting dilution

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

If Resolution 2 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the economic and dilution effect that an issue of the 10% Placement Capacity will have on existing Shareholders, calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2):

- (i) on the basis of the current market price of Shares and the current number of Shares on issue as at the date of this Notice;
- (ii) two examples where the number of ordinary securities on issue (variable "A" in the formula) has increased by 50% and 100%. The number of ordinary securities on issue may increase as a result of issues of ordinary securities 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 Rules 7.1 that are approved at a future Shareholders' meeting; and
- (iv) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Number of shares on issue	Dilution			
	Issue Price (per share)	1.5 cents 50% decrease in Issue Price	3.0 cents Issue Price	6.0 cents 100% increase in Issue Price
260,979,312 (current)	Shares issued	26,097,931	26,097,931	26,097,931
	Funds raised	\$391,469	\$782,938	\$1,565,876
50% increase in current 391,468,968	Shares issued	39,146,897	39,146,897	39,146,897
	Funds raised	\$587,203	\$1,174,407	\$2,348,814
100% increase in current 521,958,624	Shares issued	52,195,862	52,195,862	52,195,862
	Funds raised	\$782,938	\$1,565,876	\$3,131,752

The table above uses the following assumptions:

- The current shares on issue are the Shares on issue as at 7 October 2015.
- The issue price set out above is the closing price of the Shares on the ASX on 7 October 2015.
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- The issue of Equity Securities under the 10% Placement Capacity consists only of Shares.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

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7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

Shareholders should note that there is a risk that:

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

(d) Purpose of Issue under 10% Placement Capacity

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

- (i) as cash consideration in which case the Company intends to use any funds raised towards the continued development of the Company's current Ocean Hill Gas Project, Exploration Permit 447 and the Centauri-1 Power Station project, as well as for the acquisition of new energy assets and investments and for general working capital; or
- (ii) as non-cash consideration for the acquisition of new energy assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

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

(e) Allocation under the 10% Placement Capacity

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Capacity. The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

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

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

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

(f) Previous Approval under ASX Listing Rule 7.1A

In accordance with ASX Listing Rule 7.3A.6, the Company advises that it received Shareholder approval for a 10% Placement Facility at the previous Annual General Meeting of the Company.

On 22 October 2014 the Company announced details of its fully underwritten non-renounceable entitlement issue to raise up to approximately \$1,203,135 through the issue of up to 100,261,274 Shares at \$0.012 each. The Company applied for quotation of these Shares on 22 October 2014. The Company issued 27,116,447 Shares to eligible Shareholders on 18 November 2014, and 73,144,827 Shortfall Shares were subsequently issued to clients of the underwriter, Cygnet Capital on 3 December 2014. The entitlement issue Shares comprise 62.5% of the total Shares on issue 12 months preceding the date of this Meeting. The Shortfall Shares issued on 3 December 2014 represented 46% of the total Shares on issue 12 months preceding the date of this Meeting.

On 8 December 2014, the Company issued 15,000,000 unlisted options, exercisable at 2 cents each on or before 30 June 2017, to nominees of Cygnet Capital as consideration for entitlement issue underwriting services. No other options were on issue 12 months preceding the date of this Meeting.

The Company did not issue any other securities during the 12 months preceding the date of this Meeting.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 2.

4. RESOLUTIONS 3 TO 5 ~ RE-ELECTION OF DIRECTORS THOMAS GOH, BARNABY EGERTON-WARBURTON AND GARRY MARSDEN

Clause 12.3 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third, shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 12.3 of the Constitution is eligible for re-election.

In addition, Clause 12.11 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total

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number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

The Company currently has 4 Directors (including its Managing Director) and accordingly 1 must retire. Mr Thomas Goh retires by rotation at this Meeting and, being eligible seeks re-election.

Messer's Garry Marsden and Barnaby Egerton-Warburton will all retire in accordance with clause 12.12 of the Constitution and being eligible seek re-election.

5. RESOLUTIONS 6 TO 9 ~ ISSUE OF MANAGING DIRECTOR OPTIONS AND DIRECTOR OPTIONS

5.1 General

The Company has agreed, subject to obtaining shareholder approval, to issue 10,000,000 Managing Director Options to Mr Barnaby Egerton Warburton and a total of 7,000,000 Director Options to Messrs Garry Marsden, Thomas Goh and Morgan Barron (**Related Parties**) on the terms and conditions set out below.

The Managing Director Options and Director Options (together, **the Related Party Options**) will be issued with the following terms:-

Managing Director Options:-

- 3,000,000 Options vesting upon issue, exercisable at 6 cents each on or before three years from the issue date;
- 2,000,000 Options vesting upon achieving a Vesting Milestone, exercisable at 6 cents each on or before three years from the issue date;
- 3,000,000 Options vesting on 16 September 2016, exercisable at 8 cents each on or before three years from the issue date; and
- 2,000,000 Options vesting upon achieving a Vesting Milestone, exercisable at 8 cents each on or before three years from the issue date

Director Options:-

- 3,500,000 Options vesting upon issue, exercisable at 6 cents each on or before three years from the issue date; and
- 3,500,000 Options vesting on 16 September 2016, exercisable at 8 cents each on or before three years from the issue date.

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

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

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

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

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The issue of the Related Party Options to the Related Parties requires the Company to obtain Shareholder approval because the issue of Related Party Options constitutes giving a financial benefit and as a Director, Messrs Barnaby Egerton-Warburton, Garry Marsden, Thomas Goh and Morgan Barron are related parties of the Company.

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

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

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Related Party Options:

- (a) the related parties are Messrs Barnaby Egerton-Warburton, Garry Marsden, Thomas Goh and Morgan Barron by virtue of being Directors;
- (b) the maximum number of the Related Party Options (being the nature of the financial benefit being provided) to be issued to the Related Parties (or their nominees) are 10,000,000 Managing Director Options and 7,000,000 Director Options. Each Related Party is entitled to Options as displayed in the table below:

Related Party	Managing Director Options
Mr. Egerton Warburton	10,000,000
Related Party	Director Options
Mr. Marsden	3,000,000
Mr. Goh	2,000,000
Mr. Barron	2,000,000

- (c) the Related Party Options will be issued no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Options will be issued on one date;
- (d) the issue price of the Related Party Options will be nil per Related Party Option, accordingly no funds will be raised from the issue of the Related Party Options;
- (e) the terms and conditions of the Related Party Options are set out in Schedule 3;
- (f) the value of the Related Party Options and the pricing methodology is set out in Schedule 4;
- (g) the relevant interests of the Related Parties in securities of the Company as at the date of the Notice are set out below;

Related Party	Shares	Options
Mr. Egerton-Warburton	2,083,333	-
Mr. Marsden	500,000	-
Mr. Goh	9,000,000	-
Mr. Barron	5,640,807	-

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

	Current Financial Year⁽¹⁾		Previous Financial Year	
Related Party	Salary and Fees \$	Options \$	Salary and Fees \$	Options \$
Mr. Egerton-Warburton ⁽²⁾	72,825	-	-	-
Mr. Marsden ⁽³⁾	12,000	-	-	-
Mr. Goh	40,000	-	40,000	-
Mr. Barron	40,000	-	40,000	-

1) Financial year ended 30 June 2015

2) Mr Egerton-Warburton was appointed as a Director on 4 March 2015

3) Mr Marsden was appointed as a Director on 18 April 2015

- (i) if the Related Party Options issued to the Related Parties are exercised, a total of 17,000,000 Shares would be issued. This will increase the number of Shares on issue from 260,979,312 to 277,979,312 (assuming that no other Options are exercised and no other Shares issued) with the effect that the shareholding of existing Shareholders would be diluted as follows:

Related Party	Total Issued Shares as at the date of this Notice of Meeting	Related Party Options to be issued	Issued Shares upon exercise of all Director Options	Dilutionary effect upon exercise of Director Options
Mr. Egerton-Warburton	260,979,312	10,000,000	277,939,312	3.83%
Mr. Marsden	260,979,312	3,000,000	277,939,312	1.15%
Mr. Goh	260,979,312	2,000,000	277,939,312	0.77%
Mr. Barron	260,979,312	2,000,000	277,939,312	0.77%

The market price for Shares during the term of the Related Party Options would normally determine whether or not the Related Party Options are exercised. If at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company.

As at the date of this Notice of Meeting the Share price of the Company's ordinary shares are trading on ASX lower than the exercise price of the Related Party Options.

Under the accounting standard AASB 2 share based payments, the Company will recognise an expense in the income statement based on the fair value of the Options over the period from the date of issue to the vesting date. The total of the fair value of the Options issued is \$154,127 at the date of the Notice.

The trading history of the Shares on ASX in the 12 months before the date of this Notice of Meeting is set out below:

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	Price	Date
Highest	\$0.045	19 May 2015
Lowest	\$0.011	21 October 2014
Last	\$0.030	7 October 2015

- (j) the primary purpose of the grant of Options to the Related Parties is to provide cost effective consideration to the Related Parties for their ongoing commitment and contribution to the Company in their role as Directors. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Related Party Options upon the terms proposed. If the Related Party Options are not issued, the Company could remunerate the Related Parties for additional amounts. However, the Board considers it reasonable for the remuneration of the Related Parties to have a cash component and an equity component to further align the Related Parties' interests with Shareholders and maintain a strong cash position for the Company;
- (k) the Board acknowledges the issue of Related Party Options to the Related Parties is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the issue of Related Party Options to the Related Parties reasonable in the circumstances, given the necessity to attract and retain the highest calibre of professionals to the Company, whilst maintaining the Company's cash reserves;
- (l) Mr Egerton Warburton, who does not have a material interest in the outcome of Resolutions 7, 8 and 9, recommends that Shareholders vote in favour of Resolutions 7, 8 and 9 for the reasons set out in paragraphs (j) and (k) above. Mr Egerton-Warburton 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 Resolution 7, 8 and 9.

Mr Egerton-Warburton declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution 6;

- (m) Mr Marsden, who does not have a material interest in the outcome of Resolutions 6, 8 and 9 recommends that Shareholders vote in favour of Resolutions 6, 8 and 9 for the reasons set out in paragraphs (j) and (k) above. Mr Marsden 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 either Resolution 6, 8 and 9.

Mr Marsden declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution 7;

- (n) Mr Goh, who does not have a material interest in the outcome of Resolutions 6, 7 and 9 recommends that Shareholders vote in favour of Resolutions 6, 7 and 9 for the reasons set out in paragraphs (j) and (k) above. Mr Goh 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 either Resolution 6, 7 and 9.

Mr Goh declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution 8;

- (o) Mr Barron, who does not have a material interest in the outcome of Resolutions 6, 7 and 8, recommends that Shareholders vote in favour of Resolutions 6, 7 and 8 for

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the reasons set out in paragraphs (j) and (k) above. Mr Barron 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 either Resolution 6, 7 and 8.

Mr Barron declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution 9;

- (p) in forming their recommendations, each Director considered the experience of the Related Parties, the current market price of Shares, the current market practices when determining the number of Related Party Options to be granted as well as the exercise price and expiry date of those Options; and
- (q) 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 6 to 9; and
- (r) approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Options to the Related Party will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule.

6. RESOLUTION 10 ~ ISSUE OF INCENTIVE OPTIONS – BRETT TUCKER

Resolution 10 seeks Shareholder approval for the issue of 1,000,000 Options to Mr Brett Tucker, the Company Secretary, to retain his services and to provide cost effective remuneration for his ongoing commitment and contribution to the Company.

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to issue of the Incentive Options:

- (a) the Incentive Options will be issued to Mr Brett Tucker (or his nominee), who is not a related party of the Company;
- (b) the number of Incentive Options to be issued is 1,000,000;
- (c) the Incentive Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Incentive Options will occur on the same date;
- (d) the Incentive Options have the following exercise prices and vesting conditions attached to them:
 - (i) 500,000 Incentive Options vesting upon grant, exercisable at 6 cents each on or before three years from the issue date; and
 - (ii) 500,000 Incentive Options vesting on 16 September 2016, exercisable at 8 cents each on or before three years from the issue date;
- (e) the issue price of the Incentive Options will be nil per Incentive Option, accordingly no funds will be raised from the issue of the Incentive Options; and
- (f) the terms and conditions of the Incentive Options are set out in Schedule 3.

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

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7. RESOLUTION 11 ~ RE-APPROVAL OF THE EMPLOYEE INCENTIVE SCHEME

Resolution 11 seeks Shareholder approval to re-approve the Employee Incentive Scheme in order to provide ongoing incentives to employees of the Company.

The Employee Incentive Scheme was last approved at the Company's annual general meeting held on 27 November 2014. The Company has amended the Employee Incentive Scheme to ensure that it remains current with the prevailing requirements.

The objective the Employee Incentive Scheme is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of employees in achieving specified performance milestones within a specified performance period. The Board will continue to ensure that the performance milestones attached to the securities issued pursuant to the Employee Incentive Scheme are aligned with the successful growth of the Company's business activities.

If Resolution 11 is passed, the Company will be able to continue to issue Options under the Scheme without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period. The maximum number of Employee Options that can be issued under the Plan is not to be in excess of 5% of the total number of Shares on issue.

A summary of the terms of the Plan is provided in Schedule 2 to this Explanatory Memorandum. A copy of the Employee Incentive Scheme will be made available free of charge to any Shareholder on request.

Shareholders should note that no Options have previously been issued under this Scheme and the objective of the Scheme is to attract, motivate and retain key employees.

It is considered by the Directors that the adoption of the Scheme and the future issue of Options under the Scheme will provide selected employees with the opportunity to participate in the future growth of the Company. Any future issues of Shares under the Scheme to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time.

8. RESOLUTION 12 ~ RATIFICATION OF PRIOR ISSUE OF OPTIONS

8.1 General

On 8 December 2014 the Company announced it that it had issued 15,000,000 Consultant Options to consultants of the Company as consideration for underwriting services performed for an entitlements issue to shareholders which was undertaken in October 2014

The Consultant Options were issued within the 15% limit permitted under Listing Rule 7.1 without Shareholder approval. Ratification of this issue by Shareholders is now sought under Listing Rule 7.4.

The Consultant Options were issued for consideration of \$1,500.

In compliance with Listing Rule 7.5, Shareholders are hereby advised as follows:

- (a) The issue price for the Consultant Options was \$0.0001 per option for a total consideration of \$1,500;
- (b) 15,000,000 Consultant Options were issued;

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- (c) The Consultant Options have an exercise price of 2 cents, expiring on 30 June 2017 and vested immediately;
- (g) The terms and conditions of the Consultant Options are set out in Schedule 3;
- (d) The purpose of the issue of the Consultant Options was to provide consideration for services rendered by Cygnet Capital Pty Ltd as underwriter to an entitlements issue to shareholders by the Company;
- (e) The funds raised from issue of the Consultant Options were used for general working capital; and
- (f) The Consultant Options were issued to White Swan Nominees Pty Ltd, who is not a related party of the Company.

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

9. RESOLUTION 13 ~ SECTION 195 APPROVAL

9.1 General

In accordance with section 195 of the Corporations Act, a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered.

The Directors have a material personal interest in the outcome of Resolutions 6 to 9.

In the absence of this Resolution 13, the Directors may not be able to form a quorum at directors meetings necessary to carry out the terms of Resolutions 6 to 9.

The Directors accordingly exercise their right under section 195(4) of the Corporations Act to put the issue to Shareholders to resolve.

Resolution 13 is an ordinary resolution.

9.2 Conditional Resolution

Resolution 13 is conditional on the approval of Resolutions 6 to 9. If any of Resolutions 6 to 9 are not approved, Resolution 13 will not be approved.

10. ENQUIRIES

Shareholders are required to contact the Company Secretary on (+61 8) 9482 0555 if they have any queries in respect of the matters set out on these documents.

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GLOSSARY

\$ means Australian dollars.

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

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

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

Chair means the person appointed to chair the Meeting.

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

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

Company means Eneabba Gas Limited (ACN 107 385 884).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

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

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

Issue Date means the date on which the Options are issued by the Board.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Meeting has the meaning in the introductory paragraph of the Notice

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

Officer means any Director of the Company or such other person within the meaning of that term as defined by the Corporations Act.

Option means an option to acquire a Share and includes a Managing Director Option, Director Option or Incentive Option (as the context requires).

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 2015.

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

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

Shareholder means a holder of a Share.

Vesting Milestone means the earlier of the events below:

- (a) the Company executing a commercial farm-in agreement related to the Company's Ocean Hill Project;
- (b) the Company entering into a binding agreement related to a merger of the Company; or
- (c) the Company completing a capital raising of no less than \$2,500,000.

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

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SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 28 NOVEMBER 2014

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable)	Form of consideration
3 December 2014	73,144,827	Ordinary Shares	Clients of Cygnet Capital	\$0.012 per Share, being a 20% discount to the closing price of \$0.015 on 3 December 2014.	\$877,737, being the value of the Shortfall Shares placed by the Underwriter of the Company's 2014 fully underwritten non-renounceable entitlement issue to raise a total of \$1,203,135. The cash raised pursuant to the entitlement issue was spent on the acquisition of project EP 447 as well as working capital.
8 December 2014	15,000,000	Unlisted Options	White Swan Nominees Pty Ltd	\$0.0001 per option, with total consideration of \$1,500 There is no Market Price given options are unlisted.	Unlisted options over shares, exercisable at 2 cents each to 30 June 2017. Issued as part consideration for underwriting services provided by Cygnet Capital Pty Ltd.

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SCHEDULE 2 – SUMMARY OF EMPLOYEE INCENTIVE SCHEME

The Company has established an employee incentive scheme (Scheme).

The full terms of the Scheme may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Scheme is set out below.

(a) Eligibility

The Board may invite full or part time employees and directors of the Company or an Associated Body Corporate of the Company to participate in the Scheme (Eligible Employee).

Eligible Employees do not possess any right to participate in the Scheme, as participation is solely determined by the Board.

(b) Offer of Scheme Options

The Scheme will be administered by the Board which may, in its absolute discretion, offer Scheme Options to any Eligible Employee from time to time as determined by the Board and, in exercising that discretion, may have regard to some or all of the following considerations:

- (i) the Eligible Employee's length of service with the Company;
- (ii) the contribution made by the Eligible Employee to the Company;
- (iii) the potential contribution of the Eligible Employee to the Company; or
- (iv) any other matter the Board considers relevant.

(c) Number of Scheme Options

The number of Scheme Options to be offered to an Eligible Employee will be determined by the Board in its discretion and in accordance with the rules of the Scheme and applicable law.

(d) Conversion

Each Scheme Option is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company.

(e) Consideration

Scheme Options issued under the Scheme will be issued for no consideration.

(f) Exercise price

The exercise price for Scheme Options offered under the Scheme will be determined by the Board.

(g) Exercise conditions

The Board may impose conditions, including performance-related conditions, on the right of a participant to exercise Scheme Option granted under the Scheme.

(h) Exercise of Scheme Options

A participant in the Scheme will be entitled to exercise their Scheme Options in respect of which the exercise conditions have been met provided the Scheme Options have not lapsed and the exercise of the Scheme Options will not result in the Company contravening ASIC Class Order 03/184. A holder may exercise Scheme Options by delivering an exercise notice to the Company Secretary along with the Scheme Options certificate, and paying the applicable exercise price of the Scheme Options multiplied by the number of Scheme Options proposed to be exercised.

Within ten Business Days of receipt of the required items, the Company will, subject to the ASX Listing Rules, issue to the participant the relevant number of Shares.

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(i) Cessation of employment

If the participant in the Scheme ceases to be an employee or director of, or render services to, the Company or an Associated Body Corporate for any reason (other than by death, permanent disability or permanent retirement from the workforce) prior to the lapse of the Scheme Options, and the exercise conditions attaching to the Scheme Options have been met, the participant will be entitled to exercise their Scheme Options in accordance with the Scheme for a period of up to 28 days after the date of the cessation event.

(j) Death, permanent disability or retirement

If the participant in the Scheme dies, becomes permanently disabled or permanently retires from the workforce as an employee or director of the Company prior to the lapse of the Scheme Options, the participant, or the participant's legal personal representative, will be entitled to exercise their Scheme Options in accordance with the Scheme rules for the period commencing on the date of the cessation event and ending on the first to occur of the date of lapsing of the Scheme Options and the date which is six months after the date of the cessation event.

(k) Lapse of Scheme Options

Scheme Options held by a participant in the Scheme will lapse immediately if:

- (i) the Scheme Options have not been exercised by the date which is two years after the date of issue, or such other date as the Board determines in its discretion at the time of issue of the Scheme Options;
- (ii) the exercise conditions attaching to the Scheme Conditions are unable to be met; or
- (iii) the holder ceases to be an employee or director of the Company or an Associated Body Corporate and the deadline set out in paragraph (i) or (j) has passed.

(l) Participation in Rights Issues and Bonus Issues

The Scheme Options granted under the Scheme do not give the holder any right to participate in rights issues or bonus issues unless Shares are issued pursuant to the exercise of the relevant Scheme Options prior to the record date for determining entitlements to such issue. The number of Shares issued on the exercise of Scheme Options will be adjusted for bonus issues made prior to the exercise of the Scheme Options.

(m) Reorganisation

The rights of an option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

(n) Limitation on offers

If the Company makes an offer under the Scheme where:

- (i) the total number of Shares to be received on exercise of Scheme Options the subject of that offer exceeds the limit set out in ASIC Class Order 03/184; or
- (ii) the Offer does not otherwise comply with the terms and conditions set out in ASIC Class Order 03/184, the Company must comply with Chapter 6D of the Corporations Act at the time of that offer.

(o) Takeover bid, Scheme or Change in Control

Unless the holder agrees otherwise, all of a holder's unvested Scheme Options vest automatically:

- (i) if a takeover bid is made, the takeover bid is declared unconditional and the bidder has acquired a relevant interest in more than 50% of the Company's shares; or

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- (ii) on the date of despatch of a notice of meeting to consider a scheme of arrangement between the Company and its creditors or members or any class thereof pursuant to section 411 of the Corporations Act seeking approval for a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (iii) on the date upon which a person or a group of associated persons becomes entitled, subsequent to the date of grant issue of the Scheme Option(s), to sufficient Shares to give it or them the ability, in general meeting, to replace all or allow a majority of the Board in circumstances where such ability was not already held by a person associated with such person or group of associated persons.

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SCHEDULE 3 – TERMS AND CONDITIONS OF OPTIONS

A summary of the terms and conditions of the Options (being the Managing Director Options, Director Options, Incentive Options and Consultant Options, as the context requires) are as follows:-

Related Parties	Options Number	Type	Exercise price	Vesting
Mr. Egerton-Warburton	3,000,000	Managing Director Options	\$0.06	Vesting upon issue
	2,000,000	Managing Director Options	\$0.06	Vesting Milestone
	3,000,000	Managing Director Options	\$0.08	Vesting on 16 September 2016
	2,000,000	Managing Director Options	\$0.08	Vesting Milestone
Mr. Marsden	1,500,000	Director Options	\$0.06	Vesting upon issue
	1,500,000	Director Options	\$0.08	Vesting on 16 September 2016
Mr. Goh	1,000,000	Director Options	\$0.06	Vesting upon issue
	1,000,000	Director Options	\$0.08	Vesting on 16 September 2016
Mr. Barron	1,000,000	Director Options	\$0.06	Vesting upon issue
	1,000,000	Director Options	\$0.08	Vesting on 16 September 2016
Unrelated Parties	Options Number	Type	Exercise price	Vesting
Mr. Tucker	500,000	Incentive Options	\$0.06	Vesting upon issue
	500,000	Incentive Options	\$0.08	Vesting on 16 September 2016
Consultant Options	Options Number	Type	Exercise price	Vesting
	15,000,000	Consultant Options	\$0.02	Vesting upon issue

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1. Entitlement

The Options entitle the holder to subscribe for one Share upon the exercise of each Option.

2. Expiry date

The expiry date of each Option is three years from the date of issue.

3. Exercise period

The Options are exercisable at any time on or prior to the Expiry Date after vesting.

4. Notice of exercise

The Options may be exercised by notice in writing to the Company (Notice of Exercise) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

5. Shares issued on exercise

Shares issued on exercise of the Options will rank equally with the then issued Shares of the Company.

6. Options not quoted

The Company will not apply to ASX for quotation of the Options.

7. Quotation of Shares on exercise

Application will be made by the Company to ASX for official quotation of the Shares issued upon the exercise of the Options.

8. Timing of issue of Shares

After an Option is validly exercised, the Company must as soon as possible following receipt of the Notice of Exercise and receipt of cleared funds equal to the sum payable on the exercise of the Option:

- (a) issue the Share;
- (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (c) do all such acts, matters and things to obtain the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Option.

9. Participation in new issues

There are no participation rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

10. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the option holder would have received if the option holder had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

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11. Adjustment for rights issue

If the Company makes an issue of Shares pro rata to existing Shareholders there will be no adjustment of the Exercise Price of an Option.

12. Adjustments for reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the option holder may be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.

13. Options not transferable

The Options are not transferable, except with the prior written approval of the Board of directors of the Company and subject to compliance with the Corporations Act.

14. Lodgment instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

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SCHEDULE 4 - VALUE OF THE MANAGING DIRECTOR OPTIONS AND BOARD OPTIONS AND THE PRICING METHODOLOGY

The Managing Director Options and Director Options to be issued to the Related Parties pursuant to Resolutions 6 to 9 have been valued by internal management.

Using the theoretical Black & Scholes option model and based on the assumptions set out below, the Managing Director Options and Director Options were ascribed a value range, as follows:

Assumptions:				
	Managing Director Options	Managing Director Options	Director Options	Director Options
Valuation date	23/09/2015	23/09/2015	23/09/2015	23/09/2015
Market price of shares	\$0.03	\$0.03	\$0.03	\$0.03
Exercise price	\$0.06	\$0.08	\$0.06	\$0.08
Expiry date	3 years	3 years	3 years	3 years
Risk free interest rate	1.88%	1.88%	1.88%	1.88%
Volatility	90.6%	90.6%	90.6%	90.6%
Indicative value per option	\$0.0128	\$0.0109	\$0.0128	\$0.0109
Value of options issued to:-				
Mr. Egerton Warburton	\$38,388	\$32,748		
Mr. Marsden			\$19,194	\$16,374
Mr. Goh			\$12,796	\$10,916
Mr. Barron			\$12,796	\$10,916

Note the valuation noted above is not necessarily the market price that the Managing Director Options and Director Options could be traded at and it is not automatically the market prices for taxation purposes.

PROXY FORM

ENEABBA GAS LIMITED

ACN 107 385 884

All correspondence to:

Eneabba Gas Limited

PO Box 902

West Perth WA 6872

Phone: 08 9482 0555

Facsimile: 08 9482 0505

 I/We

(insert name of holder – please print)

Of

(insert address of holder – please print)

Appointment of Proxy

I/We being member/s of Eneabba Gas Limited and entitled to attend and vote hereby appoint

entitled to attend and vote hereby appoint

Write here the name of the person you are appointing if this person is **someone other than** the Chair of the Meeting

or failing the person named, or if no person is named, the Chair of the Meeting or a nominee of the Chair, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Eneabba Gas Limited to be held at 50 Ord Street, West Perth, Western Australia on Tuesday, 10 November 2015 at 9:00 am (WST) and at any adjournment of that meeting.

Important: The Chair of the Meeting intends to vote all undirected proxies in favour of all Resolutions. If the Chair of the Meeting is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box, you will be authorising the Chairman to vote in accordance with the Chairman's voting intentions even if those Resolutions are connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Voting directions to your proxy - please mark
Ordinary business

X to indicate your directions

Ordinary business		For	Against	Abstain*
Resolution 1	Approval of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Thomas Goh as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Barnaby Egerton-Warburton as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Re-election of Garry Marsden as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval for issue of Managing Director Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval for issue of Director Options – Mr Marsden	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval for issue of Director Options – Mr Goh	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval for issue of Director Options – Mr Barron	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Approval for issue of Incentive Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Re-approve of Employee Incentive Scheme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Ratification of Prior Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Section 195 Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PLEASE SIGN HERE

This section *must* be signed in accordance with the instructions overleaf 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

ENEABBA GAS LIMITED

ACN 107 385 884

Instructions for Completing 'Appointment of Proxy' Form

1. Your Name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please Contact the Share register on (08)9315-2333. Security holders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

2. Appointment of a Proxy

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chair of the Meeting please write the name of that person. 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 security holder of the Company.

3. Votes on Items of Business

You may direct your proxy how to vote by placing a mark in 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 voting rights are to be voted on any item by inserting the percentage or number of securities 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, subject to the comments below, vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

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

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

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

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

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

Transfer of non-chair proxy to chair in certain circumstances

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

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Voting Prohibition

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment on Resolutions 6 to 11 if the person is either:

- a member of the Key Management Personnel of the Company; or
- a Closely Related Party of such a member, and

the appointment does not specify the way the proxy is to vote on Resolutions 6 to 11.

However, the prohibition does not apply if the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even if Resolutions 6 to 11 are connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

4. Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of 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.
- (b) return both forms together in the same envelope.

5. Signing Instructions

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

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the security holders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise this form must be signed by a director jointly with either another director or a company secretary. Please indicate the office held by signing in the appropriate place.

6. Attending the Meeting

Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, the proxy's authority to speak and vote for the member is suspended while the member is present at the Annual General Meeting.

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

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the Meeting scheduled for 9:00am (WST) on Tuesday, 10 November 2015. Any Proxy Form received after that time 9.00am (WST) Sunday, 8 November 2015 will not be valid for the scheduled Meeting.

Documents may be lodged:

By email info@eneabbagas.com.au By mail - Eneabba Gas Limited PO Box 902 West Perth WA 6872 or in person - Eneabba Gas Limited Ground Floor, 16 Ord Street West Perth WA 6005	OR	By facsimile - Within Australia (08) 9482 0555 Outside Australia +618 9482 0505
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