

21 April 2016

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## NOTICE OF 2016 ANNUAL GENERAL MEETING

Tap Oil Limited (**ASX: TAP**) advises that the 2016 Notice of Annual General Meeting and Proxy Form are attached. These documents will be dispatched to the Company's shareholders no later than 2 May 2016.

A copy of the Company's Annual Report will be dispatched to those shareholders who elected to receive one no later than 29 April 2016.

The 2016 Notice of Meeting and Proxy Form can be downloaded from the Company's website [www.tapoil.com.au](http://www.tapoil.com.au).

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**Enquiries:**

Michele Ryan      Company Secretary  
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**NOTICE OF  
2016 ANNUAL GENERAL MEETING**

**10.00am (AWST)  
Friday, 27 May 2016  
Grevillea Room  
Rendezvous Hotel  
24 Mount Street, Perth, Western Australia**



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## **SHAREHOLDER LETTER AND VOTING FORM 2016 ANNUAL GENERAL MEETING**

Dear Shareholder,

I am pleased to invite you to the 2016 Annual General Meeting of Tap Oil Limited to be held on Friday, 27 May 2016 at 10.00am (AWST) in the Grevillea Room at the Rendezvous Hotel, 24 Mount Street, Perth, Western Australia.

**If you will be attending the Annual General Meeting, you will need to register at the registration desk on the day. Prompt registration will be facilitated if you bring your Proxy Form with you which includes a bar code at the top.**

If you are unable to attend the Annual General Meeting but wish to vote on the resolutions being considered at the meeting, you may appoint a proxy to act on your behalf. You may register your voting instructions by completing and returning the Proxy Form enclosed with this letter. You may also appoint your proxy online at [www.invertorvote.com.au](http://www.invertorvote.com.au). To be valid, your Proxy Form or electronic proxy instructions must be received by no later than 10am (AWST) on Wednesday 25 May 2016.

Shareholders who have elected not to receive a printed copy of the 2015 Annual Report may obtain a copy from the Company's website at [www.tapoil.com.au](http://www.tapoil.com.au).

Your Directors and the management of Tap Oil look forward to seeing you at the Annual General Meeting. Should you require any further information, please contact me on +61 8 9485 1000 between 9.00am and 5.00pm (AWST), Monday to Friday.

Yours sincerely

A handwritten signature in black ink, appearing to read "Michele Ryan".

**MICHELE RYAN**  
**COMPANY SECRETARY**  
20 April 2016

# NOTICE OF 2016 ANNUAL GENERAL MEETING

Notice is given that the 2016 Annual General Meeting of the shareholders of Tap Oil Limited ABN 89 068 572 341 (**Company**) will be held in the Grevillea Room at the Rendezvous Hotel, 24 Mount Street, Perth, Western Australia on Friday, 27 May 2016 at 10.00am (AWST).

The Explanatory Statement that accompanies and forms part of this Notice of Annual General Meeting describes the business to be considered at the meeting.

## AGENDA

### ORDINARY BUSINESS

#### 1. Financial Report for the year ended 31 December 2015

To receive and consider the financial statements of the Company and its controlled entities, and the reports of the directors and of the auditors, for the financial year ended 31 December 2015.

#### 2. Resolution 1: Election of Mr. Thomas Soulsby

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

*“That, the appointment of Mr. Thomas Soulsby by the other Directors in accordance with Article 6.2(b) of the Company’s Constitution be confirmed.”*

Details of the qualifications and experience of Mr. Thomas Soulsby and the recommendation of the directors (other than Mr. Thomas Soulsby) in relation to the confirmation of Mr. Thomas Soulsby’s appointment are set out in the attached explanatory statement.

#### 3. Resolution 2: Adoption of Remuneration Report for the year ended 31 December 2015

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

*“That the Remuneration Report for the year ended 31 December 2015 (which is contained in the Company’s 2015 Annual Report) be adopted.”*

*Note:*

- This vote is advisory only and does not bind the Company or the directors of the Company (**Directors**).
- However, under the *Corporations Act 2001* (Cth) (**Corporations Act**), if 25% or more of the votes cast at the meeting are against Resolution 2 (constituting the ‘second strike’), a resolution on whether to hold a further meeting to spill the board of the Company will be put to shareholders (**Conditional Resolution**). The form of this Conditional Resolution, should it be required to be considered by shareholders, is set out in Item 4 below.

Please refer to the attached explanatory statement for further details on this resolution.

### Voting prohibition

In accordance with the Corporations Act and the ASX Listing Rules, a vote on Resolution 2 must not be cast by or on behalf of any of the key management personnel (as defined in section 9 of the Corporations Act) (**KMP**) whose remuneration is included in the Remuneration Report, or by any of their closely related parties. KMPs are the Company’s Directors and all other persons having authority and responsibility (directly or indirectly) for planning, directing and controlling the activities of the Company. The Remuneration Report identifies the Company’s KMP for the financial year ended 31 December 2015. “Closely Related Party” is defined in section 9 of the Corporations Act and includes certain family members, dependants and companies controlled by the relevant KMP.

However, a person described above may cast a vote on Resolution 2 if the vote is not cast on behalf of such a person and either:

- the vote is cast as proxy appointed by writing that specifies how the proxy is to vote on Resolution 2; or

- the vote is cast by the Chairman of the meeting pursuant to an express authorisation as to how to exercise the proxy.

If you are a KMP or a Closely Related Party of a KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

#### 4. Resolution 3: Conditional Spill Resolution

**Important Note:** *The Company is required to, and will only put, this Resolution 3 to the Meeting if 25% or more of the votes cast on Resolution 2 (Adoption of Remuneration Report for the year ended 31 December 2015) are voted against the adoption of the Remuneration Report. If this occurs, Shareholders will be required to vote on Resolution 3 below.*

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 at least 25% of the votes cast on Resolution 2 (Adoption of Remuneration Report for the year ended 31 December 2015) in the Notice convening this meeting being against the adoption of the Remuneration Report, as required by the Corporations Act 2001 (Cth):*

- a) an extraordinary general meeting of the Company (**Spill Meeting**) be held within 90 days after passing of this resolution;*
- b) all of the Directors of the Company in office at the time when the resolution to make the Directors’ Report for the financial year ended 31 December 2015 was passed, other than the Managing Director, cease to hold office immediately before the end of the Spill Meeting; and*
- c) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote at the Spill Meeting.”*

Please refer to the attached explanatory statement for further details on this resolution.

#### Voting prohibition

In accordance with the Corporations Act, a vote on Resolution 3 must not be cast by or on behalf of any KMP whose remuneration is included in the Remuneration Report, or by any of their Closely Related Parties.

However, a person described above may cast a vote on Resolution 3 if the vote is not cast on behalf of such a person and either:

- the vote is cast as proxy appointed by writing that specifies how the proxy is to vote on Resolution 3; or
- the vote is cast by the Chairman of the meeting pursuant to an express authorisation as to how to exercise the proxy.

If you are a KMP or a Closely Related Party of a KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

### SPECIAL BUSINESS

#### 5. Resolution 4: Proportional Takeover Provisions Renewal

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

*“That the Company renew the proportional takeover provisions contained in Article 4.5(e) and Schedule 5 of the Company’s Constitution for a period of 3 years from the date of this Resolution.”*

Please note that this special resolution requires a “yes” vote from at least 75% of the shareholders entitled to vote.

### Background

Resolution 4 proposes to renew provisions of the Company's Constitution which have the effect that transfers of shares acquired under a proportional takeover bid will not be registered unless a resolution approving the bid is passed by holders of bid class securities. If the provisions are renewed and a proportional takeover bid is made for securities of the Company, the Directors will call a meeting of holders of bid class securities to vote on a resolution to approve that bid. Please refer to the attached explanatory statement for further details on this resolution.

## **6. Resolution 5: Ratification and approval of previous placement of shares**

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

*"That, for the purposes of Listing Rule 7.4 and all other purposes, shareholders ratify and authorise the previous placement of 14,270,051 fully paid ordinary shares in the Company at a price of \$0.1925 per share on the terms and conditions set out in the attached explanatory statement."*

### Background

On 16 December 2015, the Company issued 14,270,051 ordinary fully paid shares at 19.25 cents per share to raise approximately A\$2.75 million (**Placement**). The Placement was completed within the Company's 15% capacity to issue equity securities without the need to obtain the prior approval of shareholders. While the shares issued under the Placement were issued within the 15% limit imposed by ASX Listing Rule 7.1, the Company seeks the approval of shareholders to ratify the issue of those shares for the purpose of ASX Listing Rule 7.4 so that they do not count towards the 15% limitation on the issue of equity securities. Ratifying the issue of Shares under the Placement will provide the Company with greater flexibility to issue equity securities should it need to do so in the future without the need to obtain the prior approval of shareholders. Please refer to the attached explanatory statement for further details on this resolution.

### Voting exclusion

The Company will disregard any votes cast on Resolution 5 by any person who participated in that share placement or their associates.

However, a person described above may cast a vote on Resolution 5 if the vote is not cast on behalf of such a person and either:

- the vote is cast as proxy appointed by writing that specifies how the proxy is to vote on Resolution 5; or
- the vote is cast by the Chairman of the meeting pursuant to an express authorisation as to how to exercise the proxy.

## **7. Resolution 6: Approval of Share Rights Plan**

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

*"That, for the purposes of Exception 9 to ASX Listing Rule 7.2 and for all other purposes, shareholders approve the grant of share rights from time to time, and the subsequent issue of fully paid ordinary shares in the Company on the vesting of those rights, under the Tap Oil Limited Share Rights Plan (the terms and conditions of which are summarised in the Explanatory Statement accompanying this Notice), as an exception to ASX Listing Rule 7.1."*

Please refer to the attached explanatory statement for further details on this resolution.

### Voting prohibition

A vote on Resolution 6 must not be cast by or on behalf of any KMP whose remuneration is included in the Remuneration Report or any of their Closely Related Parties.

However, a person described above may cast a vote on Resolution 6 if the vote is not cast on behalf of such a person and either:

- the vote is cast as proxy appointed by writing that specifies how the proxy is to vote on Resolution 6; or

- the vote is cast by the Chairman of the meeting pursuant to an express authorisation as to how to exercise the proxy.

If you are a KMP or a Closely Related Party of a KMP (or are acting on behalf of any such person) and purport to cast a vote that will be disregarded by the Company (as indicated above), you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

Voting exclusion

The Company will disregard any votes cast on Resolution 6 by a director of the Company (except one who is ineligible to participate in any employee incentive scheme of the Company) or by any of their associates.

However, a person described above may cast a vote on Resolution 6 if the vote is not cast on behalf of such a person and either:

- the vote is cast as proxy appointed by writing that specifies how the proxy is to vote on Resolution 6; or
- the vote is cast by the Chairman of the meeting pursuant to an express authorisation as to how to exercise the proxy.

**8. Resolution 7: Approval of additional 10% share issue capacity**

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

*“That for the purpose of ASX Listing Rule 7.1A and for all other purposes, shareholders approve the Company having the additional capacity to issue up to 10% of the issued capital of the Company (at the time of the issue), calculated in accordance with the formula set out in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”*

Please note that this special resolution requires a “yes” vote from at least 75% of the shareholders entitled to vote.

Please refer to the attached explanatory statement for further details on this resolution.

Voting exclusion

The Company will disregard any votes cast on Resolution 8 by:

- a person (and any associates of such a person) who may participate in the proposed issue; 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, a person described above may cast a vote on Resolution 8 if the vote is not cast on behalf of such a person and either:

- the vote is cast as proxy appointed by writing that specifies how the proxy is to vote on Resolution 8; or
- the vote is cast by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy.

**Important Note:** At the date of this Notice, the proposed allottees of the securities are not as yet known or identified. For a person’s vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue, shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

**Other Business**

To transact any other business as may be brought before the Annual General Meeting.

**By Order of the Board**

A handwritten signature in black ink, appearing to read "Michele Ryan", with a stylized flourish at the end.

**MICHELE RYAN**  
**COMPANY SECRETARY**  
20 April 2016



The Notice of Annual General Meeting, Explanatory Statement and proxy form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

### **Determination on entitlement to attend and vote**

Pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have determined that the persons eligible to vote at the Annual General Meeting are those registered shareholders of the Company at 10.00am (AWST) on Wednesday, 25 May 2016. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

### **Proxies, attorneys and representatives**

A shareholder of the Company who is entitled to attend and cast two or more votes at a meeting of shareholders is entitled to appoint not more than two proxies. Where two proxies are appointed, the shareholder may specify the proportion of the shareholder's votes that each proxy may exercise. If the shareholder appoints two proxies and the proportions are not specified, each proxy may exercise half of the votes. If there are two proxies for a shareholder present at a meeting, neither proxy may vote on a show of hands.

A body corporate may appoint an individual as its representative to attend and vote at the meeting and exercise any other powers the body corporate can exercise at the meeting. The appointment may be a standing one. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

A proxy, attorney or (in the case of a shareholder which is a body corporate) corporate representative of a shareholder need not be a shareholder of the Company.

An appointment of proxy, attorney or corporate representative for this meeting is effective only if the Company receives the appointment (and any authority under which the appointment was signed or a certified copy of the authority) not less than 48 hours before the meeting, being 10am (AWST) on Wednesday, 25 May 2016, by one of the following means of delivery:

- online at [www.investorvote.com.au](http://www.investorvote.com.au);
- by hand to Computershare Investor Services Pty Limited, Level 11, 172 St Georges Terrace, Perth WA;
- by post to Tap Oil Limited, c/- Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001 Australia;
- by fax to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
- for Intermediary Online subscribers only (custodians or nominees), online at [www.intermediaryonline.com](http://www.intermediaryonline.com).

### **Undirected and directed proxies**

The Company encourages all shareholders who submit proxies to direct their proxy how to vote on each resolution.

The Company will not disregard any votes cast on a resolution by a person if the person is the chairman of the meeting (**Chairman**) voting an undirected proxy and their appointment expressly authorises the Chairman to exercise the proxy.

If you intend to appoint the Chairman as your proxy, you can direct him how to vote by marking the boxes for each resolution (for example, if you wish to vote "for", "against" or "abstain" from voting), or you can not mark any of the boxes and give the Chairman your express authority to vote your undirected proxy (in which case the Chairman will vote in favour of all Resolutions, except Resolution 3 where the Chairman will vote against resolution).

If you intend to appoint another member of the KMP (such as one of the directors) or one of their Closely Related Parties as your proxy, please ensure that you direct them how to vote on Resolutions 2, 3, 5 and 6. If you leave your proxy form undirected on Resolutions 2, 3, 5 and 6, the relevant KMP (other than the Chairman) and their Closely Related Parties will not be able to vote your shares on those resolutions. If the Chairman of the Annual General Meeting is your proxy and you do not direct the Chairman how to vote in

respect of Resolutions 2, 3, 5 and 6 on the proxy form, you will be deemed to have directed and expressly authorised the Chairman to vote your proxy **in favour** of Resolutions 2, 5 and 6 and **against** Resolution 3. This express authorisation acknowledges that the Chairman may vote your proxy even though Resolutions 2, 3, 5 and 6 are connected directly or indirectly with the remuneration of a KMP and even though the Chairman may have an interest in the outcome of those resolutions and is prohibited from voting on those resolutions (other than as authorised proxy holder) because of that interest.

In accordance with the Corporations Act, any directed proxies that are not voted on a poll at the meeting will automatically default to the Chairman of the meeting, who is required to vote proxies as directed.

### **Enquiries**

Shareholders are invited to contact the Company Secretary, Ms Michele Ryan, on +61 8 9485 1000 between 9.00am and 5.00pm (AWST), Monday to Friday if they have any queries in respect of the matters set out in the Notice of Annual General Meeting.

# EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of shareholders of Tap Oil Limited ABN 89 068 572 341 (**Company**) in connection with the business to be conducted at the 2016 Annual General Meeting, and should be read in conjunction with the accompanying Notice of Annual General Meeting.

## ORDINARY BUSINESS

### 1. Financial Report for the year ended 31 December 2015

In accordance with the Company's Constitution and the *Corporations Act 2001* (Cth) (**Corporations Act**), the business of the Annual General Meeting (**AGM**) will include receipt and consideration of the financial statements of the Company and its controlled entities, and the reports of the directors and of the auditors, for the year ended 31 December 2015.

The Company's annual financial report has been made available to shareholders and is available on its website at [www.tapoil.com.au](http://www.tapoil.com.au).

The Company does not provide a hard copy of the Company's annual financial report to shareholders unless specifically requested to do so.

Shareholders are not required to vote on the financial statements and the reports of the directors and auditors. During this item of business, there will be an opportunity for shareholders to comment on and ask questions about the financial statements and the reports of the directors, auditors and the management of the Company.

### 2. Resolution 1: Election of Mr. Thomas Soulsby

It is a requirement under Article 6.3 of the Company's Constitution and ASX Listing Rule 14.4 that a director of the Company who has been appointed by the other directors as an addition to the board must retire at the Company's next AGM following their appointment, and being eligible may seek election at that meeting. Accordingly, Mr. Thomas Soulsby who was appointed as a Director of the Company in January 2016 in connection with the placement of shares to Risco Energy Investments (SEA) Limited, retires and being eligible, seeks election as a Director of the Company.

Mr. Soulsby has over 25 years experience in the oil and gas and resources sector spanning investment banking, corporate business development, and management and leadership roles. He began his career at KPMG and Western Mining before moving to Potter Warburg (now UBS) as a resources equity research analyst. Mr. Soulsby then joined ANZ, before becoming a founding Director at Indonesian-listed Energi Mega Persada (EMP). Bringing together his extensive experience in resource industry management and investment banking, Mr. Soulsby has played a central role in growing Risco Energy Investments Pte Ltd, its capabilities and delivering value to its shareholders in his role as Chief Executive Officer of Risco. Mr Soulsby is also a director of Lion Energy Limited.

Mr. Soulsby has nominated Mr. Chris Newton as his Alternate Director under Article 6.4(a) of the Company's Constitution. Mr. Newton has over 25 years in senior resource industry roles in South East Asia and is active in the Indonesian Petroleum Association. Mr. Newton is currently the director of Operations & Business Development for Risco Energy Investments Pte Ltd. Mr Newton is also a director of Lion Energy Limited. Should Mr. Soulsby be elected as a Director of the Company, Mr. Newton will continue to be Mr Soulsby's Alternate Director.

#### Director's recommendation

All of the Directors (other than Mr. Soulsby who declines to make a recommendation because of his interest in this Resolution) recommend that shareholders vote in favour of Resolution 1.

### 3. Resolution 2: Adoption of Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Board is presenting the Company's Remuneration Report for the year ended 31 December 2015 to shareholders for consideration and adoption by way of a non-binding resolution.

The Remuneration Report details the Company's policy on the remuneration of non-executive directors, the Chief Executive Officer and other senior executives and is set out on pages 12 to 27 of the Directors' Report in the Company's Financial Report for the financial year ended 31 December 2015,

which has been made available to shareholders and is available on the Company's website at [www.tapoil.com.au](http://www.tapoil.com.au).

The Board notes that more than 25% of the votes cast at the 2015 AGM were against the adoption of the 2014 Remuneration Report. The Board has considered the views of shareholders in relation to the Company's remuneration practices that were expressed in connection with the 2014 Remuneration Report and has taken the following steps in response to those views:

- There was no increase in Fixed Annual Remuneration (FAR) for any staff at the 31 December 2015 annual review. Shareholders should be aware that the Company's executive leadership team have not had any salary increases since 31 December 2013.
- There was no increase in non-executive Directors' fees at the 31 December 2015 annual review. Non-executive Directors' fees have not increased since 2010. The proposed increase in the maximum aggregate level of directors' fees that may be payable to non-executive directors proposed by Resolution 7 is to accommodate the potential appointment of additional directors in the future.
- The Board exercised its discretion and determined that there would be no Short Term Incentive (STI) awards payable for 2015 despite the underlying KPI performance justifying some level of STI awards being granted/supporting a 60% payment.
- There were no special awards made to staff as a result of exceptional individual performance in 2015.
- The 2015 Long Term Incentive Award (LTI) of performance rights to employees was scaled back significantly in order to stay under the 1.5% discretionary cap set by the Board. Further information is set out on page 16 of the Directors' Report in the Company's Financial Report for the financial year ended 31 December 2015, which has been made available to shareholders and is available on the Company's website at [www.tapoil.com.au](http://www.tapoil.com.au).

The Directors take shareholder concerns about executive remuneration seriously and believe that the changes address the concerns raised in relation to the Company's remuneration practices at the 2014 AGM. Full details of all of the changes are set out in the Remuneration Report as set out in the 2015 Annual Report.

The vote on Resolution 2 is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

The Chairman of the Annual General Meeting will allow a reasonable opportunity for shareholders as a whole to ask about, or make comments on, the Remuneration Report.

The Corporations Act prohibits certain persons from voting on this resolution (see voting prohibition in Resolution 2).

#### **Director's recommendation**

The Directors recommend that shareholders vote in favour of adopting the Remuneration Report. The Directors acknowledge, however, that they have a personal interest in some aspects of the Remuneration Report.

#### **4. Resolution 3: Conditional Spill Resolution**

If at least 25% of the votes cast on Resolution 2 are against the adoption of the Remuneration Report, the Company will receive a "second strike" and Resolution 3 (**Spill Resolution**) must be put to the AGM. However, if less than 25% of the votes cast on Resolution 2 are against adopting the Remuneration Report, then there will be no "second strike" and accordingly Resolution 3 will not be put to the AGM.

If the Spill Resolution is put to the meeting, it will be considered as an ordinary resolution, which means that, to be passed, the resolution requires the approval of a simple majority of the votes cast by or on behalf of shareholders entitled to vote on the matter.

If the Spill Resolution is passed, a further extraordinary general meeting (**Spill Meeting**) must be held within 90 days after the AGM. In such circumstances, each of the non-executive Directors who were in office when the Board approved the last Directors' Report (the **Relevant Directors**) will automatically

cease to hold office immediately before the end of the Spill Meeting, unless they are willing to stand for re-election and are re-elected at the Spill Meeting (and subject to the Company maintaining the minimum number of Directors required by the Corporations Act). For these purposes, the Relevant Directors are:

- Mr. Douglas Bailey
- Dr Douglas Schwebel
- Mr. Thomas Soulsby

Each of the Relevant Directors would be eligible to seek re-election at the Spill Meeting, however, there is no assurance that any of them would do so.

#### **Director's recommendation**

Noting that each Relevant Director have a personal interest in any such resolution, and that each of them (and their Closely Related Parties) would be excluded from voting on the resolution, the Directors unanimously recommend that shareholders vote against the Spill Resolution if it is put to the Meeting. This is on the basis that the Board considers it would be extremely disruptive to the Company and that it would be inappropriate to remove all of the Relevant Directors in the circumstances.

### **SPECIAL BUSINESS**

#### **5. Resolution 4: Proportional Takeover Provision Renewal**

Resolution 4 proposes to renew provisions of the Company's Constitution which have the effect that transfers of shares acquired under a proportional takeover bid will not be registered unless a resolution approving the bid is passed by holders of bid class securities. In accordance with the Corporations Act, the existing provisions cease to operate three years after their adoption unless members resolve by special resolution to renew them in accordance with the statutory procedure. A special resolution requires a yes vote from 75% of the shareholders present at the meeting and eligible to vote. As these provisions were last approved by shareholders at the 2012 Annual General Meeting, they ceased to operate in 2015 and need to be approved by shareholders again to have any further effect.

The provisions will only apply to proportional offers, that is, to takeover offers for less than 100% of each holder's holding. The provisions will have no application to those takeover bids under which an offer is made for all of the securities in a class of securities.

If the provisions are renewed and a proportional takeover bid is made for securities of the Company, the Directors will call a meeting of holders of bid class securities to vote on a resolution to approve that bid. Each security holder affected will be entitled to vote (except for the bidder and persons associated with the bidder, who may not vote). Approval of the bid will require a simple majority of the votes cast.

The meeting must be held at least 15 days before offers close under the bid, so that holders should know the result of the voting before they have to make up their minds whether or not to accept for their own securities.

In accordance with the Corporations Act, the provisions will again cease to operate three years after their adoption unless members resolve by special resolution to further renew them in accordance with the statutory procedure.

#### **Impact of the proportional takeover approval provisions**

As at the date of this Explanatory Statement, the Directors are not aware of any proposal by a person to acquire, or to increase the extent of, a substantial interest in the Company.

Further, no takeover bids for the Company were made, either proportional or otherwise, while the proportional takeover provisions were previously in effect. The Directors are not aware of any potential takeover bid that was discouraged by the previous inclusion of proportional takeover provisions in the Company's constitution.

#### **Advantages of the proposal to shareholders**

- (a) The proposal would enable shareholders to act in a cohesive manner and thereby avoid the coercion of shareholders that arises where they believe the offer to be inadequate, but nevertheless accept through fear that other shareholders will accept.

- (b) The proposal would enable shareholders, by combining together, to veto a change of control that would lock them into a minority position.
- (c) The existence of the approval machinery in the Company's Constitution would make it more probable that any takeover bid will be a full bid for the whole shareholding of each member, so that shareholders may have the opportunity of disposing of all their shares rather than only a proportion of their shares.
- (d) If a proportional takeover bid should be made, the existence of the approval machinery will make it more probable that a bidder will set its offer price at a level that will be attractive to the shareholders who vote.

#### **Disadvantages of the proposal to shareholders**

- (a) By placing obstacles in the way of proportional takeover bids, the proposal may tend to discourage proportional takeover bids, thus reducing the opportunity for shareholders to sell a portion of their holding.
- (b) It is possible (though, in the opinion of the Board, unlikely) that the existence of the provisions might have an adverse effect on the market value of the Company's shares by making a proportional takeover bid less likely and thereby reducing any takeover speculation element in the share price.
- (c) An individual shareholder who wishes to accept a proportional takeover bid will be unable to sell to the bidder unless a majority of shareholders favour the proportional takeover bid.

#### **Advantages and disadvantages of the proposal for the Directors**

If the Directors consider that a proportional takeover bid should be opposed, they will be assisted in preventing the bidder from securing control of the Company if the bidder needs a majority of the votes cast by the independent shareholders before it can succeed.

On the other hand, under the proposal, if a proportional takeover bid is commenced, the Directors must call a meeting to seek the shareholders' views. The Directors must do so even though they believe that the bid should be accepted.

Under the approval machinery, the most effective view on the proportional takeover bid will become the view expressed by the vote of the shareholders themselves at the meeting.

#### **Reasons for proposing the resolution**

The reasons why the Board has proposed that the Company's Constitution should again provide for shareholder approval on proportional takeover bids are set out above as the advantages of the proposal.

Your Directors consider that the advantages associated with having the proportional takeover provisions included in the Company's Constitution outweigh the disadvantages. They consider that shareholders should have the power to prevent the control of the Company from passing to a bidder without it making a bid for all the bid class shares. They believe that the approval procedure is the best procedure available to shareholders to ensure that they are not forced to accept a proportional offer even though they do not wish the bidder to obtain control of the Company.

#### **Director's recommendation**

The Directors consider Resolution 4 to be in the interests of the shareholders, and recommend that shareholders adopt it by voting in favour of this Resolution 4.

### **6. Resolution 5: Ratification and approval of placement**

On 16 December 2015, the Company issued 14,270,051 ordinary fully paid shares at 19.25 cents per share to raise approximately A\$2.75 million (**Placement**). The Placement was completed within the Company's 15% capacity to issue equity securities without the need to obtain the prior approval of shareholders. Resolution 4 seeks the approval of shareholders to ratify the issue of shares under that Placement so as to provide greater flexibility to issue equity securities in the future without the need to obtain prior shareholder approval.

ASX Listing Rule 7.1 provides a general restriction on a company from issuing or agreeing to issue more equity securities in any 12 month period than the amount that represents 15% of the company's

ordinary securities on issue at the commencement of that period 12 month without the prior approval of shareholders being obtained. One exception to this rule is contained in ASX Listing Rule 7.4 which provides that an issue of equity securities made within this 15% limit will be treated as if it had been made with the approval of shareholders under Listing Rule 7.1 if it is subsequently approved by shareholders.

While the shares issued under the Placement were issued within the 15% limit imposed by ASX Listing Rule 7.1, the Company seeks the approval of shareholders to ratify the issue of those shares for the purpose of ASX Listing Rule 7.4 so that they do not count towards the 15% limitation on the issue of equity securities. Ratifying the issue of Shares under the Placement will provide the Company with greater flexibility to issue equity securities should it need to do so in the future without the need to obtain the prior approval of shareholders.

In accordance with the requirements of ASX Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the shares the subject of this Resolution 5:

- A total of 14,270,051 ordinary fully paid shares were issued under the Placement.
- The shares were issued at 19.25 cents per share.
- The shares issued were fully paid ordinary shares that rank equally in all respects with existing shares.
- The shares were issued and allotted as follows:
  - 13,620,700 shares were allotted to Risco Energy Investments (SEA) Limited; and
  - 649,351 shares were allotted to Waratah Capital Partners Pty Ltd.
- The funds raised from the Placement were intended to be used to ensure that the Company could continue to meet the liquidity requirements under the BNP Paribas and Siam Commercial Bank debt facility.

#### **Director's recommendation**

The Directors recommend that Shareholders vote in favour of ratification of the Placement.

#### **7. Resolution 6: Approval of Share Rights Plan**

As set out above, ASX Listing Rule 7.1 allows the Company to issue a maximum of 15% of its issued capital in any 12 month period without first obtaining prior shareholder approval. Under ASX Listing Rule 7.2 (Exception 9), shareholders may approve the issues of securities under an employee incentive plan as an exception to ASX Listing Rule 7.1, in which case issues of securities under the employee incentive plan will not be considered for the purposes of calculating the capacity of the Company to issue securities under ASX Listing Rule 7.1 without shareholder approval.

The Tap Oil Share Rights Plan (**Plan**) was approved by shareholders for the purposes of ASX Listing Rule 7.2 (Exception 9) at the Company's 2013 Annual General Meeting. In accordance with ASX Listing Rule 7.2 (Exception 9), that approval expires on 30 April 2016. The purpose of Resolution 5 is for shareholders to again consider, and if thought fit to approve, the Plan for the purposes of ASX Listing Rule 7.2 (Exception 9).

If Resolution 6 is approved, any securities issued under the Plan during the next three years will not count towards calculating the capacity of the Company to issue securities under ASX Listing Rule 7.1 without obtaining prior shareholder approval.

#### **Summary of Share Rights Plan**

The objective of the Plan is to attract, motivate and retain key employees. The Company believes that encouraging employees to become shareholders is the best way of aligning their interests with those of its shareholders.

A summary of the Plan is set out below. Capitalised terms used in the summary have the meanings given in the Plan. The full terms and conditions of the Plan may be obtained free of charge by contacting the Company Secretary.

- **Purpose of the Plan:** The purpose of the Plan is to provide an incentive for employees and executive Directors by enabling them to participate in the future growth of the Company and, upon becoming shareholders, to participate in the Company's profits and development. Under the Plan, employees and executive Directors may be granted rights to acquire shares in the capital of the Company (**Rights**) upon the satisfaction of specified performance criteria and specified periods of tenure. The provision of this incentive is expected to result in future benefits to the shareholders and employees of the Company.
- **Grant of Rights:** When an employee satisfies specified criteria imposed by the Board, the Board may grant the employee Rights following a written offer to the eligible Employee. The written offer of Rights to an eligible employee will specify the number of Rights being offered and the conditions that must be met by the employee before the Rights will vest.

Under the Plan, the types of Rights that may be granted are performance rights and retention rights. Broadly, both types are granted on similar terms and entitle the eligible employee to ordinary shares in the Company upon vesting. The key difference between the types of Rights are the vesting conditions. Retention rights vest upon satisfaction of a three year period of tenure with the Company, whereas performance rights vest upon satisfaction of certain performance criteria (i.e. presently, 50% of Rights are assessed against an absolute total shareholder return test measuring the increase in the Company's share price over a particular testing period and the other 50% of Rights are assessed against a relative total shareholder return test measuring the performance of the Company's share price compared to its peers).

- **Number of Rights offered:** The number of Rights that may be offered to an employee pursuant to an Offer is entirely within the discretion of the Directors. Each Right will, upon vesting, entitle the holder to one fully paid ordinary share in the capital of the Company.
- **Vesting Conditions:** The Rights will not vest unless the vesting conditions imposed by the Board have been satisfied. Rights cannot vest, nor can shares be issued in relation to vested Rights, during a blackout period.
- **Exercise price:** An employee will not be required to make any payment in return for a grant of Rights.
- **Lapse of Rights:** Rights that have not vested will lapse on the seventh anniversary of the date of grant of the Rights, or on the first to occur of certain specified events, including:
  - (a) a failure to meet the vesting conditions;
  - (b) a purported transfer of the Rights without the Board's consent;
  - (c) the employee ceasing his or her employment or employment relationship with a Group Company; or
  - (d) any other circumstances specified by the Board in the Offer.
- **Shares allotted upon exercise of Rights:** The Company will issue or transfer shares to the employee after the vesting of Rights. The shares allotted under the Plan will be of the same class and will rank equally with shares in the Company at the date of issue. The Company will seek listing of the new shares on ASX within a reasonable time after the shares are issued.
- **Transfer of Rights:** A Right is not transferable without the consent of the Board.
- **Takeover or scheme of arrangement:** In the event that a bidder acquires a relevant interest in 50.1% of the Company's shares and the bid is declared unconditional, or a court approves a proposed compromise or arrangement for the purpose of a scheme for the reconstruction of the Company or its amalgamation with another company (**Takeover Event**), the Board may, in its absolute discretion, determine that all or a specified number of unvested rights vest. Any right which the Board determines does not vest will lapse.
- **Bonus issues, rights issues and capital reconstruction:** In order to prevent a reduction of the number of shares to which the Rights relate in the event of bonus issues, rights issues or a capital reconstruction, there are provisions in the rules which provide a discretion for a method of adjustment of the number of Rights to prevent such a reduction.



- **Participation in new issues:** There are no participating rights or entitlements inherent in the Rights and the holders will not be entitled to participate in new issues of securities offered to shareholders during the currency of the Rights. In addition, holders of Rights will not be entitled to vote or receive dividends as a result of their holding of Rights.

Full details of the vesting conditions of outstanding share rights issued under the Plan are set out in section 12.4 of the Directors Report and Note 22 to the Financial Statements in the Company's Financial Report for the year ended 31 December 2015, which is contained within the Company's Annual Report and which has been made available to shareholders and is available on its website at [www.tapoil.com.au](http://www.tapoil.com.au).

#### **Disclosure of previous issues under the Plan**

In accordance with ASX Listing Rule 7.2, Exception 9(b), the Company is required to inform shareholders of the number of securities issued under the Plan since the date of the last approval given by shareholders.

Shareholders last approved issues of securities under the Plan at the Company's 2013 Annual General Meeting. Since that approval was provided, 13,920,031 Rights have been issued under the Plan. Of these, 3,118,886 Rights have lapsed or been cancelled and 1,291,764 Rights have vested, with shares issued in the Company as a result. As at the date of this notice, 14,509,381 Rights remain on issue.

#### **Director's recommendation**

The Directors (other than Mr. Hayden who is an executive Director and declines to make a recommendation because of his ability to participate in issues under the Plan) recommend that the shareholders vote in favour of Resolution 6.

### **7. Resolution 7: Approval of additional 10% share issue capacity**

As set out above, ASX Listing Rule 7.1 requires the approval of shareholders to be obtained for an issue of securities in the Company if that issue will, when aggregated with all other issues during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

In accordance with ASX Listing Rule 7.1A, eligible entities may seek shareholder approval at their annual general meeting to issue a further 10% of their issued share capital in addition to the 15% placement capacity set out in ASX Listing Rule 7.1 (**10% Share Issue Capacity**). An eligible entity for the purpose of ASX 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. At the date of this Explanatory Statement, the Company is an eligible entity.

Any issue of securities under ASX Listing Rule 7.1A:

- must be in the same class as an existing quoted class of the Company's equity securities;
- may be issued at a maximum of 25% discount to the current market price; and
- must be calculated in accordance with the formula prescribed by ASX Listing Rule 7.1A.2.

Resolution 7 seeks the approval of shareholders for the Company to have the ability to issue securities under the 10% Share Issue Capacity. The approval of Resolution 8 will provide the Company with even greater flexibility to issue securities under the 10% Share Issue Capacity in addition to the 15% placement capacity set out in ASX Listing Rule 7.1 without a further requirement to obtain the prior approval of shareholders.

#### **Technical information required by ASX Listing Rule 7.3A**

Pursuant to and in accordance with ASX Listing Rule 7.3A, the following information is provided for the purpose of obtaining shareholder approval for Resolution 7:

- Minimum price

The minimum price at which securities may be issued under the 10% Share Issue Capacity is 75% of the volume weighted average price of securities in the same 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 of the securities to be issued is agreed; or
  - (ii) if they are not issued within 5 ASX trading days of the date in paragraph (a)(i), the date on which the securities are issued.
- (b) Potential risk of economic and voting dilution

If Resolution 7 is approved and securities are issued under the 10% Share Issue Capacity, the interests of shareholders who do not receive any securities under the issue would be diluted.

Shareholders should note that in such circumstances:

- (i) the market price for equity securities in that class may be significantly lower on the issue than on the date of approval under Listing Rule 7.1.A.; and
- (ii) the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the issue date.

However, there are a range of other factors which may impact the value of the Company and its shares including, for instance, the impact of any capital raising on the Company and purpose for which the funds are used. The extent of any dilution in the value of the Company will primarily be impacted by the price at which the securities are issued and the number of securities issued.

As required by the ASX Listing Rules, the following table shows a hypothetical example of the potential dilution of Shareholders of the Company where the full 10% Share Issue Capacity is utilised, on the basis of three different assumed issue prices and three assumed different numbers of equity securities on issue.

Shares on issue before 10% Issued	Additional 10% Shares issued	Total Shares on issue	Capital raised considering hypothetical issue price of shares issued		
			\$0.061	\$0.0305 (50% of the closing trading price on T1)	\$0.122 (2 times the closing trading price on T1)
Current 413,471,720	41,347,172	454,818,892	2,522,177	1,261,089	5,044,355
50% increase 620,207,580	62,020,758	682,228,338	3,783,266	1,891,633	7,566,532
100% increase 826,943,440	82,694,344	909,637,784	5,044,355	2,522,177	10,088,710

**Note, the table above has been prepared on the following assumptions:**

1. The Issue Price is **\$0.061** being the closing price of the Shares on ASX on 18 April 2016 (T1).
2. The current issued share capital has been calculated in accordance with the formula in ASX Listing Rule 7.1A(2).
3. The Company issues the maximum number of securities available under the 10% Share Issue Capacity.
4. No options are exercised prior to the date of issue of any shares under the 10% Share Issue Capacity.

5. The table shows the effect of issues of the Company's equity securities under the 10% Share Issue Capacity, not under the Company's 15% placement capacity.
6. The table does not show an example of dilution that may be caused to any particular Shareholder due to any placements under the 10% Share Issue Capacity.

(c) Timing of potential issues

If shareholder approval of Resolution 7 is obtained, securities may be issued under the 10% Share Issue Capacity during the period commencing on the date of the Meeting and ending on the first to occur of the following:

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

(d) Purpose of potential issue

Shares may be issued under the 10% Share Issue Capacity for the following purposes:

- (i) non-cash consideration for the acquisition of new resources assets and other investments. If this occurs, the Company will provide a valuation of the non-cash consideration in accordance with ASX Listing Rule 7.1A.3; or
- (ii) cash consideration. If this occurs, the Company intends to use the funds raised for general working capital purposes.

The Company will comply with its disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon any issue of shares under the 10% Share Issue Capacity.

(e) Allocation policy under the 10% Share Issue Capacity

The Company's allocation policy will depend on the prevailing market conditions at the time of any proposed issue under the 10% Share Issue Capacity. The identity of allottees of securities under the 10% Share Issue Capacity will be determined on a case-by-case basis having regard to factors which may include:

- (i) the methods of raising funds which are available to the Company, including the time and market exposure associated with the various methods of raising capital applicable at the time of the raising;
- (ii) the effect of any such issue on the control of the Company;
- (iii) the financial situation of the Company; and
- (iv) advice from corporate, financial and broking advisers.

The Company notes that:

- (i) any funds raised from the issue of shares under the 10% Share Issue Capacity are likely to be applied towards the Company's working capital requirements;
- (ii) it is not possible to determine whether any existing shareholders, or class of shareholders, would be invited to apply for any shares to be issued under the 10% Share Issue Capacity, or to determine the category of any new investors that may be invited to participate in such a fundraising;
- (iii) prior to undertaking any fundraising, the Board will have regard to whether it is in the Company's best interests to structure such a fundraising as an entitlements issue to all of the Company's existing shareholders at that time; and

- (iv) the reasons for undertaking any particular issue under the 10% Share Issue Capacity would be announced at the time the Company sought to issue shares under that 10% Share Issue Capacity.

As at the date of this Notice, the allottees under the 10% Share Issue Capacity have not been determined. They may, however, include substantial shareholders and/or new shareholders who are not related parties or associates of a related party of the Company.

- (f) Prior shareholder approval

The Company has not previously sought shareholder approval under ASX Listing Rule 7.1A.

- (g) Voting Exclusion statement

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing shareholders or class of security holders in relation to the proposed 10% Share Issue Capacity. Accordingly, no existing shareholder will be excluded from voting under the Voting Exclusion Statement in the Notice.

#### **Directors' recommendation**

The Directors unanimously recommend Shareholders vote in favour of Resolution 7.

#### **8. Enquiries**

Shareholders should contact the Company Secretary, Ms Michele Ryan, on +61 8 9485 1000 between 9.00am and 5.00pm (AWST), Monday to Friday if they have any queries in respect of the matters set out in this Notice of Annual General Meeting or the accompanying Explanatory Statement.



**Tap Oil Limited**  
ABN 89 068 572 341



TAP  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

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**Proxy Form**

**XX**



**Vote and view the annual report online**

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- Follow the instructions on the secure website to vote.



**Your access information that you will need to vote:**

**Control Number: 999999**

**SRN/HIN: I9999999999 PIN: 99999**

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

**For your vote to be effective it must be received by 10.00am (AWST) Wednesday, 25 May 2016**

**How to Vote on Items of Business**

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

**Appointment of Proxy**

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

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

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

**A proxy need not be a securityholder of the Company.**

**Signing Instructions for Postal Forms**

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

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

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

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

**Attending the Meeting**

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

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

**GO ONLINE TO VOTE,  
or turn over to complete the form →**

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

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



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Tap Oil Limited hereby appoint

the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Tap Oil Limited to be held in the Grevillea Room at the Rendezvous Hotel, 24 Mount Street, Perth, Western Australia on Friday, 27 May 2016 at 10.00am (AWST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 2, 3 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 2, 3 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**The Chairman of the Meeting intends to vote undirected proxies in favour of each Item of business with the exception of Resolution 3 where the Chairman of the Meeting intends to vote against.**

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 2, 3 and 6 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

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

		For	Against	Abstain
Resolution 1	Election of Mr. Thomas Soulsby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Adoption of Remuneration Report for the year ended 31 December 2015	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Conditional Spill Resolution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Proportional Takeover Provisions Renewal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification and approval of previous placement of shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of Share Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of additional 10% share issue capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of Resolution 3 where the Chairman of the Meeting intends to vote against. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

TAP

999999A

Computershare +