

20 January 2010

Dear Sir / Madam

## **Aurora Oil & Gas Limited Performance Rights Plan**

The Directors of Aurora Oil & Gas Limited advise that shareholders will today be mailed a Notice of Meeting convening a shareholders' meeting on Friday 19 February 2010 to consider and vote on resolutions regarding the establishment of a new Performance Rights Plan and specifically the grant of Performance Rights to executive directors under that Plan.

The Remuneration Committee of the Board, consisting of independent non-executive directors, has been responsible for approving the design and recommended offers to be made to key executives under the Performance Rights Plan and is supported as a means of improving Company performance and increasing shareholder value by:

- Attracting quality key executives.
- Motivating and retaining key executives.
- Ensuring that some components of key executives' remuneration remain directly aligned with the fortunes of the Company over the medium to longer term.

The Performance Rights Plan will serve to align the interests of executives with shareholders by providing direct participation in the benefits of future Company performance. The structure of the Plan as a whole, including the level of entitlement, performance measures and time periods before entitlement to rewards, has been designed to meet the particular needs of the Company in terms of driving improved company performance.

The Plan has been designed to reward superior performance based on materially improved Company performance in terms of growth in the value of Aurora and resulting increases in shareholder value. The selection of suitable performance benchmarks was considered critical to securing this objective and have all been set at significant higher levels than those prevailing at the time of structuring the Plan.

A copy of the Notice of Meeting and accompanying documentation is attached hereto.

Yours sincerely

**AURORA OIL & GAS LIMITED**



**Jonathan Stewart**  
**CHAIRMAN**

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# aurora oil & gas limited

ABN 90 008 787 988

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## NOTICE OF GENERAL MEETING

**A General Meeting of Aurora Oil & Gas Limited will be held at 10.00 am on Friday, 19 February 2010 (WST) at Level 20, 77 St Georges Terrace, Perth, Western Australia.**

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 8 9440 2626.

## **NOTICE OF GENERAL MEETING**

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**Notice is hereby given** that the General Meeting of Shareholders of Aurora Oil & Gas Limited ("Company") will be held at 10.00 am on Friday, 19 February 2010 (WST) at Level 20, 77 St Georges Terrace, Perth, Western Australia ("Meeting").

The Proxy Form forms part of this Notice of General Meeting ("Notice").

Unless otherwise defined, capitalised terms used in this Notice are defined in the Glossary of the Explanatory Statement accompanying this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company at 10.00 am on Wednesday, 17 February 2010 (WST).

### **AGENDA**

#### **1. Approval of Performance Rights Plan**

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

*"That, pursuant to and in accordance with Listing Rule 7.2, Exception 9 and for all other purposes, the Company approves the grant of performance rights and the issue of Shares under the performance rights plan for Eligible Employees and Consultants known as the "Aurora Oil & Gas Limited Performance Rights Plan" (the terms and conditions of which are set out in Annexure A to the Explanatory Statement accompanying this Notice of Meeting) as an exception to Listing Rule 7.1."*

##### **Voting exclusion statement**

In accordance with Listing Rule 14.11.1, the Company will disregard any votes cast on Resolution 1 by any Director of the Company and their associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

#### **2. Approval of the Grant of Performance Rights to a Director – Mr Jonathan Stewart**

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

*"That, conditional upon Resolution 1 being approved, pursuant to and in accordance with Listing Rule 10.14, and section 208 of the Corporations Act 2001 (Cth) and for all other purposes, the Directors be and are hereby authorised to grant up to 3,000,000 performance rights under the Aurora Oil & Gas Limited Performance Rights Plan, for no consideration, to Mr Jonathan Stewart, a Director of the Company, on the terms described in the Explanatory Statement (including Annexure A to the Explanatory Statement) which forms part of this Notice of Meeting."*

##### **Voting exclusion statement**

The Company will in accordance with section 224 of the Corporations Act 2001 (Cth) disregard any votes cast on Resolution 2 by Mr Jonathan Stewart and any associates of Mr Jonathan Stewart.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) it is not cast on behalf of Mr Jonathan Stewart or an associate of Mr Jonathan Stewart.

### 3. Approval of the Grant of Performance Rights to a Director – Mr Ian Lusted

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

*"That, conditional upon Resolution 1 being approved, pursuant to and in accordance with Listing Rule 10.14, and section 208 of the Corporations Act 2001 (Cth) and for all other purposes, the Directors be and are hereby authorised to grant up to 990,000 performance rights under the Aurora Oil & Gas Limited Performance Rights Plan, for no consideration, to Mr Ian Lusted, a Director of the Company, on the terms described in the Explanatory Statement (including Annexure A to the Explanatory Statement) which forms part of this Notice of Meeting."*

#### **Voting exclusion statement**

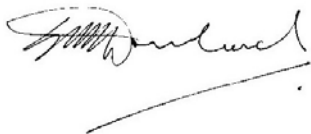
The Company will in accordance with section 224 of the Corporations Act 2001 (Cth) disregard any votes cast on Resolution 3 by Mr Ian Lusted and any associates of Mr Ian Lusted.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) it is not cast on behalf of Mr Ian Lusted or an associate of Mr Ian Lusted.

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By Order of the Board



Graham Dowland  
Director  
18 January 2010

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## **EXPLANATORY STATEMENT**

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This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the resolutions in the accompanying Notice of General Meeting.

This Explanatory Statement should be read in conjunction with the Notice of General Meeting ("Notice").

Capitalised terms in the Explanatory Statement are defined in the Glossary.

### **Resolution 1: Approval of Performance Rights Plan**

The Company seeks Shareholder approval for the Aurora Oil & Gas Limited Performance Rights Plan ("**Plan**"). The Plan is intended to provide employees, Directors and Consultants of the Company with an incentive to work towards improving the performance of the Company and the Company's share price through the receipt of performance rights. The Board believes the Plan will align the long-term creation of wealth for Shareholders with rewards to employees, including Directors. A copy of the Rules of the proposed Plan is attached to this Explanatory Statement as Annexure A. The following is a summary of the principal terms of the Plan:

- a. **Participation:** The Board may from time to time in its absolute discretion issue invitations to eligible employees (being full time or permanent part-time employees or directors of a Group Company) to participate in the Plan. Further, subject in all cases to the Company obtaining prior case-by-case ASIC relief to extend the disclosure and licensing relief given by ASIC Class Order 03/184 *Employee Share Schemes* to a consultant with respect to the Plan, the Board may in its absolute discretion issue or cause to be issued Invitations on behalf of the Company to that consultant.
- b. **Nature of the Performance Rights:** A performance right is a right to acquire a fully paid ordinary share on the terms set out in the Plan for the relevant Performance Period, subject to the satisfaction of the applicable Performance Hurdles as set out in the Invitation.
- c. **Payment:** No initial consideration will be payable for the grant of a performance right and no amount will be payable by the holder of the performance right upon the exercise of the performance right.
- d. **Vesting:** A performance right can only be exercised if it has vested. Performance rights may vest in the following ways:
  - i. If the applicable Performance Hurdles are satisfied as at the relevant Test Date, the Board will determine the number of performance rights that will become vested performance rights as at the Test Date. If the applicable Performance Hurdles are not satisfied as at the relevant Test Date, the Board will determine the number of performance rights that will lapse and such performance rights determined by the Board to have lapsed will not be carried forward to the next Test Date.
  - ii. If a Participant's employment or position as a director or Consultant of a Group Company ceases because of an Uncontrollable Event, all of the Participant's unvested performance rights that are capable of becoming exercisable if Performance Hurdles are met at the next Test Date will become vested performance rights at the next Test Date. The Board in its absolute discretion may determine the extent to which any other unvested performance rights that have not lapsed will become vested performance rights at the next Test Date. Vested performance rights that are not exercised will lapse 3 months from the date of cessation of employment or position.
  - iii. If a Participant's employment or position as a director or Consultant of a Group Company ceases because of a Controllable Event, unvested performance rights will only vest if determined by the Board in its absolute discretion. Performance rights that do not vest will lapse on the date of cessation of employment or position. Vested performance rights that are not exercised will lapse 3 months from the date of cessation of employment or position.

- iv. If there is publicly announced any proposal (whether by takeover bid, scheme of arrangement or otherwise) in relation to the Company which the Board reasonably believes may lead to a change in control, all unvested performance rights will automatically vest. Vested performance rights that are not exercised within the period notified by the Board will lapse.
- e. **Exercise:** Performance rights can only be exercised if they have vested and can be exercised until they lapse. The exercise of any vested performance right may only be effected in such form and manner as the Board may prescribe. Following exercise of a performance right, the Company must issue or transfer to the person exercising the performance right the number of Shares in respect of which the performance right has been exercised and credited as fully paid. All Shares issued or transferred to a Participant under this Plan, will, from the date of issue or transfer, rank equally with all other issued Shares.
- f. **Lapse:** The last exercise date of all performance rights will be the day ending at 5.00pm WST on the date 1 year after the vesting date but in any case no later than 5 years after the grant of the performance right, or such other date as determined by the Board in its absolute discretion and specified in the Invitation.
- g. **Issue Limitations:** The number of performance rights which may be allocated under the Plan at any time must not exceed the maximum permitted under ASIC Class Order 03/184 *Employee Share Schemes* which provides relief from the disclosure regime of the Corporations Act to permit shares to be issued on exercise of performance rights to be issued without a prospectus. In order to comply, the Company will limit the number of performance rights issued under the Plan to a maximum of 5% of the total number of issued Shares as at the time of the offer, when aggregated with the number of Shares issued (or which might be issued pursuant to an exercise of an option) during the previous five years pursuant to any employee share scheme (less certain exempt offers).

**Performance Hurdles for the first grant of performance rights under the Plan**

The Board has determined the Performance Periods and Performance Hurdles for the first grant of performance rights under the Plan.

The Performance Hurdle for the first grant of performance rights (including to Mr Jonathan Stewart under Resolution 2 and to Mr Ian Lusted under Resolution 3) under the Plan is the price of Shares quoted on the ASX (code: AUT). This price is calculated as the volume weighted average price of trades (**VWAP**) over the last fifteen trading days of July in each Performance Period (including the last day). The Performance Hurdles set, and their vesting percentage, for the first grant of performance rights under the Plan are as follows:

Performance Period	Minimum price (15 day VWAP) for which the following percentage vest (cents)		
	33.33% of the performance rights vest if the VWAP for the Shares is equal to or greater than	66.67% of the performance rights vest if the VWAP for the Shares is equal to or greater than	100% of the performance rights vest if the VWAP for the Shares is equal to or greater than
Last 15 trading days in July 2010	45	53	60
Last 15 trading days in July 2011	53	60	70
Last 15 trading days in July 2012	60	70	80
Last 15 trading days in July 2013	70	80	90

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The Board will determine the applicable Performance Hurdles and Performance Periods in relation to each grant of performance rights in accordance with the Plan.

### **Legislative Requirements**

Under Exception 9 of Listing Rule 7.2, an issue of securities under an employee incentive scheme is an exception to Listing Rule 7.1 (which contains the restrictions relating to issues exceeding 15% of the issued capital of a listed company in the 12 months before the date of issue) if, within three years before the date of the issue, shareholders have approved the issue of shares as an exception to Listing Rule 7.1. In accordance with the requirements of Listing Rule 7.2 Exception 9(b) the following information is provided:

- (a) a copy of the rules of the Plan is attached as Annexure A to this Explanatory Statement;
- (b) no securities have been issued under the Plan. This is the first approval sought under Listing Rule 7.2 Exception 9 with respect to the Plan; and
- (c) a voting exclusion statement has been included for the purposes of Resolution 1.

### **Resolution 2 and 3: Approval of the Grant of Performance Rights to Directors – Mr Jonathan Stewart and Mr Ian Lusted**

The Company proposes to issue a total of 3,000,000 performance rights to Mr Jonathan Stewart, a director, and a total of 990,000 performance rights to Mr Ian Lusted, a Director, under the Plan. The principal terms of the Plan are summarised in Resolution 1 above.

Mr Stewart and Mr Lusted do not currently hold any performance rights under the Plan.

Other than the incentive options held by Mr Lusted (refer to section (e) of this Explanatory Statement), neither Mr Lusted nor Mr Stewart hold any other incentive options, shares or performance rights.

In the Company's present circumstances, the Board considers that the incentive to Mr Stewart and Mr Lusted, that will be represented by the issue of these performance rights, are a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of Mr Stewart and Mr Lusted consistent with the strategic goals and targets of the Company.

### **Related Party Transactions**

The issue of performance rights to Mr Stewart and Mr Lusted constitutes a grant of a financial benefit to a related party for the purposes of Chapter 2E of the Corporations Act.

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party unless either:

- a. prior shareholder approval is obtained and the benefit is given within 15 months after obtaining such approval; or
- b. the giving of the financial benefit falls within one of the nominated exceptions to the provision.

For the purposes of section 219 of the Corporations Act, the following information is provided in relation to the issue of these further performance rights to Mr Stewart and Mr Lusted.

*(a) Related parties to whom the proposed resolution would permit financial benefits to be given:*

The related party to whom Resolution 2 would permit the financial benefits to be given is Jonathan Stewart, a Director of the Company.

The related party to whom Resolution 3 would permit the financial benefits to be given is Ian Lusted, a Director of the Company.

*(b) Nature of the financial benefits:*

The financial benefits to be provided to Mr Stewart and Mr Lusted, as Directors of the Company, under Resolutions 2 and 3 are performance rights under the Plan. A copy of the rules of the Plan is annexed as Annexure A.

Neither Mr Stewart nor Mr Lusted will be required to make any payment for the grant of the performance rights or on the exercise of a vested performance right. The maximum number of performance rights that could vest, and hence be exercised by Mr Stewart and Mr Lusted under Resolution 2 and Resolution 3, are as follows:

	Earliest exercise date – 31 July 2010	Earliest exercise date – 31 July 2011	Earliest exercise date – 31 July 2012	Earliest exercise date – 31 July 2013	Total
Jonathan Stewart	450,000	750,000	900,000	900,000	3,000,000
Ian Lusted	240,000	360,000	390,000	-	990,000
Total	690,000	1,110,000	1,290,000	900,000	3,990,000

For the full entitlement of these performance rights to vest, the top range of the Performance Hurdle would need to be met in the last 15 trading days in July for each year from 2010 to 2013.

*(c) Directors' recommendations to members and reasons:*

Messrs Graham Dowland, Michael Blakiston, Gren Schoch and Ian Lusted (who have no interest in the outcome of Resolution 2) recommend that Shareholders vote in favour of Resolution 2 as they believe the granting of these performance rights to Mr Stewart will align his rewards with the long-term creation of value for Shareholders.

Mr Stewart declines to make a recommendation about Resolution 2 as he has a material personal interest in the outcome of that particular Resolution as it relates to the grant of performance rights to him.

Messrs Graham Dowland, Michael Blakiston, Gren Schoch and Jonathan Stewart (who have no interest in the outcome of Resolution 3) recommend that Shareholders vote in favour of Resolution 3 as they believe the granting of these performance rights to Mr Lusted will align his rewards with the long-term creation of value for Shareholders.

Mr Lusted declines to make a recommendation about Resolution 3 as he has a material personal interest in the outcome of that particular Resolution as it relates to the grant of performance rights to him.

*(d) Directors' interests in the outcome of the Resolutions:*

If Resolution 2 is passed, Mr Stewart will become entitled to the performance rights as set out above together with the rights and entitlements associated with being a holder of such performance rights.

None of the other Directors (apart from Mr Stewart) have a relevant interest in the outcome of Resolution 2.

If Resolution 3 is passed, Mr Lusted will become entitled to the performance rights as set out above together with the rights and entitlements associated with being a holder of such performance rights.

None of the other Directors (apart from Mr Lusted) have a relevant interest in the outcome of Resolution 3

*(e) Valuation of the performance rights*

The Performance Hurdles for the grant of performance rights under the Plan to Mr Stewart and Mr Lusted, as described above, are classified as market-based hurdles. In determining the value of the performance rights to be granted to Mr Stewart and Mr Lusted, a risked statistical analysis will be used that takes into account, as at the grant date, the following variables and assumptions:

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- i. (expected life of the instrument) – the performance rights will expire, should they not previously be exercised, no later than 5 years after the date of grant. The date of grant is assumed to be 19 February 2010;
- ii. (current price of the underlying Share) – the Share price as at 13 January 2010 is \$0.29, based on the closing price of Shares on the ASX on that date;
- iii. (expected volatility) – the price volatility of the Shares is approximately 85%;
- iv. (expected dividends) – there are no dividends presently expected to be paid in respect of the underlying Shares; and
- v. (the risk-free interest rate for the expected life of the instrument) – the average current risk free interest rate is approximately 4.8%.

On this basis, each of the performance rights has an implied value as at the date of this Notice of:

Performance rights vesting – 31 July 2010	Performance rights vesting – 31 July 2011	Performance rights vesting – 31 July 2012	Performance rights vesting – 31 July 2013
\$0.13	\$0.09	\$0.06	\$0.03

The aggregate implied value of the market-based performance rights as at the date of this Notice is therefore \$207,000 for Mr Stewart and \$87,000 for Mr Lusted.

The value of the performance rights referred to above for the performance rights to be granted to Mr Stewart and Mr Lusted respectively will be expensed in the financial statements of the Company over the applicable vesting period of the performance rights.

*(f) Other remuneration currently provided to Mr Stewart and Mr Lusted and current holdings in the Company's securities:*

During the six months ended 30 June 2009, Mr Stewart was paid \$155,000 in remuneration and received no other benefits. For the period from 1 July 2009 to 31 December 2009, Mr Stewart was paid \$155,000 in remuneration and received no other benefits. For the period from 1 January 2010 to 30 June 2010, Mr Stewart is entitled to receive \$155,000 in remuneration from the Company. The Company expects that the amount of Mr Stewart's remuneration will be subject to review in mid 2010 by the Remuneration Committee of the Company. The remuneration review will not necessarily give rise to a change in the amount of Mr Stewart's remuneration.

As at the date of this Explanatory Statement Mr Stewart's current holdings in the Company's listed securities are as follows:

	Number held	As a percentage of total on issue
Shares	10,019,434 <sup>(1)</sup>	4.95
Options: Exercisable at \$0.19 per share on or before 22/02/10	7,200,000 <sup>(2)</sup>	33.67
Performance rights	-	-

Note:

- (1) 7,569,434 of these Shares are held in the name of Carolyn Stewart as trustee of the Leake Street Trust. Carolyn Stewart is the spouse of Mr Jonathan Stewart. The remaining 2,450,000 Shares are held in the name of Jonathan Stewart and Carolyn Stewart as trustee of the Epicure Superannuation Fund.
- (2) These options are held in the name of Carolyn Stewart as trustee of the Leake Street Trust.

Further information on Mr Stewart's remuneration is set out in the 30 June 2009 Remuneration Report on pages 19 to 23 of the 2009 Annual Report available on the Company's web site at [www.auroraog.com.au](http://www.auroraog.com.au).

During the six months ended 30 June 2009, Mr Lusted was paid \$13,750 in salary and received no other benefits. For the period from 1 July 2009 to 31 December 2009, Mr Lusted was paid \$13,750 in remuneration and received no other benefits. For the period from 1 January 2010 to 30 June 2010, Mr

Lusted is entitled to receive \$13,750 in remuneration from the Company. The Company expects that the amount of Mr Lusted's remuneration will be subject to review in mid 2010 by the Remuneration Committee of the Company. The remuneration review will not necessarily give rise to a change in the amount of Mr Lusted's salary.

As at the date of this Explanatory Statement Mr Lusted's current holdings in the Company's listed securities are as follows:

	Number held	As a percentage of total on issue
Fully Paid Shares	100,500 <sup>(1)</sup>	0.5
Incentive options: Exercisable at \$0.59 per share (500,000) and \$0.69 per share (500,000) on or before 30/09/10	1,000,000 <sup>(2)</sup>	4.68
Performance rights	-	-

Note:

- (1) These Shares are held in the name of Everzen Holdings Pty Ltd as trustee of the Lusted Family Account. Mr Lusted is a shareholder and director of Everzen Pty Ltd and a beneficiary under the trust.
- (2) These options are held in the name of Everzen Holdings Pty Ltd as trustee of the Lusted Family Account. Mr Lusted is a shareholder and director of Everzen Pty Ltd and a beneficiary under the trust.

Further information on Mr Lusted's remuneration is set out in the 30 June 2009 Remuneration Report on pages 19 to 23 of the 2009 Annual Report available on the Company's web site at [www.auroraog.com.au](http://www.auroraog.com.au).

*(g) Other information known to the Company:*

If Resolution 2 and Resolution 3 are approved by Shareholders it will have the effect of giving power to the Directors to grant up to 3,000,000 performance rights to Mr Stewart and up to 990,000 performance rights to Mr Lusted.

At the date of this Explanatory Memorandum and as noted above, Mr Stewart held a balance of nil performance rights. If Resolution 2 is passed, Mr Stewart will then hold 3,000,000 performance rights. The next vesting date for Mr Stewart's performance rights is 30 June 2010, at which time, up to 450,000 of Mr Stewart's performance rights (including the performance rights granted if Resolution 2 is passed) will become eligible for exercise or will lapse, depending on the Share price Performance Hurdles being achieved.

At the date of this Explanatory Memorandum and as noted above, Mr Lusted held a balance of nil performance rights. If Resolution 3 is passed, Mr Lusted will then hold 990,000 performance rights. The next vesting date for Mr Lusted's performance rights is 30 June 2010, at which time, up to 240,000 of Mr Lusted's performance rights (including the performance rights granted if Resolution 3 is passed) will become eligible for exercise or will lapse, depending on the Share price Performance Hurdles being achieved.

If any of the additional performance rights granted as proposed above vest on the relevant Test Dates, are exercised and the Company issues new Shares to Mr Stewart and Mr Lusted upon exercise, the effect would be to dilute the shareholding of existing Shareholders by up to a maximum of 1.93% (assuming all of the Company's existing options remain unexercised). The market price of the Shares during the Performance Period will normally determine the timing of the exercise of any vested performance rights.

The highest and lowest market price of the Shares during the 12 months to 12 January 2010 is set out below:

	12 month high	12 month low	Last market sale price on 12 January 2010
Ordinary Share Price	\$0.305	\$0.10	\$0.285

There will be no cash cost component to the Company as a result of the grant of the performance rights if new shares are issued upon exercise.

Other than as provided for in this Explanatory Memorandum, there is no other information known to the Company nor any of its Directors that is reasonably required by Shareholders to decide whether or not it is in the Company's best interests to pass Resolution 2 and Resolution 3.

### **Listing Rules**

Listing Rule 10.14 requires that a listed company obtain shareholder approval by ordinary resolution prior to the issue of equity securities to a related party (including a director) pursuant to an 'employee incentive scheme'. Accordingly, issues of performance rights under the Plan to Mr Stewart and Mr Lusted will require Shareholder approval for the purposes of Listing Rule 10.14.

Listing Rule 10.15 sets out a number of matters which must be included in a notice of meeting proposing an approval under Listing Rule 10.14.

For the purposes of Listing Rule 10.15, the following further information is provided in relation to Resolutions 2 and 3:

- a) The performance rights will be issued to Mr Stewart and Mr Lusted, directors of the Company.
- b) The maximum number of performance rights to be granted to Mr Stewart pursuant to Resolution 2 is 3,000,000 and the maximum number of performance rights to be granted to Mr Lusted pursuant to Resolution 3 is 990,000. The actual number of performance rights that vest is dependent on the achievement of the Performance Hurdles as described above.
- c) The performance rights will be granted as incentive performance rights and will be granted for no monetary consideration. Further, the exercise price of the performance rights will also be nil consideration.
- d) Under the rules of the Plan, only Eligible Employees (which are determined by the Board) and Consultants are entitled to participate in the Plan. Mr Stewart and Mr Lusted have been determined to be Eligible Employees for the purposes of the Plan.
- e) There have not been any performance rights issued under the Plan to date:
- f) A voting exclusion statement is set out under Resolutions 2 and 3 in the Notice of Meeting.
- g) It is proposed that the performance rights will be issued by no later than 12 months following Shareholder approval.

## Glossary

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In this Explanatory Statement, the following terms have the following meanings unless the context otherwise requires:

<b>ASIC</b>	means Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
<b>Board</b>	means the board of Directors.
<b>Chair</b>	means Mr Jonathan Stewart or such other person appointed chairman in accordance with the Constitution.
<b>Company</b>	means Aurora Oil & Gas Limited ABN 90 008 787 988.
<b>Constitution</b>	means constitution of the Company.
<b>Consultant</b>	means a consultant of a Group Company to whom ASIC has extended the disclosure and licensing relief given by ASIC Class Order 03/184 <i>Employee Share Schemes</i> with respect to the Plan and to whom the Board has issued an Invitation.
<b>Controllable Event</b>	means cessation of employment other than by an Uncontrollable Event.
<b>Corporations Act</b>	means <i>Corporations Act 2001 (Cth)</i> .
<b>Director</b>	means a director of the Company.
<b>Eligible Employee</b>	means a full-time or permanent part-time employee or director of a Group Company whom the Board determines in its absolute discretion is to participate in the Plan.
<b>Group</b>	means the Company and its Subsidiaries from time to time and a <b>Group Company</b> means any one of them.
<b>Invitation</b>	means an invitation to participate in the Plan in respect of a Performance Period.
<b>Listing Rule</b>	means the Listing Rules of ASX.
<b>Participant</b>	means an Eligible Employee or a Consultant who returns a duly completed Application Form and to whom performance rights are granted under the Plan.
<b>Performance Hurdles</b>	means the conditions relating to the performance of the Group (and the manner in which those conditions will be tested) for the purpose of determining the number of a Participant's performance rights which may be exercised, as set out in the Invitation.
<b>Performance Period</b>	means the period set out in the Invitation for the purpose of determining the extent (if any) to which the Performance Hurdles have been met.
<b>Plan</b>	means the Aurora Oil & Gas Limited Performance Rights Plan.
<b>Remuneration Report</b>	means the section of the Directors' report contained in the Annual Report entitled "remuneration report".
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means a holder of a Share.
<b>Subsidiary</b>	means a body corporate which is a subsidiary of the Company within the meaning of section 9 of the Corporations Act.
<b>Test Date</b>	in relation to a performance right means the date at which Performance Hurdles are to be measured to determine whether that performance right becomes a vested performance right.
<b>Uncontrollable Event</b>	means death, serious injury, disability or illness which renders a Participant incapable of continuing employment with a Group Company, forced early retirement, retrenchment or redundancy, or such other circumstances which results in the Participant leaving the employment with a Group Company and which the Board determines is an Uncontrollable Event.
<b>WST</b>	means Australian Western Standard Time.

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## Annexure A Aurora Oil & Gas Limited Performance Rights Plan Rules

### 1. Purpose

The Performance Rights Plan is a long term incentive aimed at creating a stronger link between employee performance and reward and increasing shareholder value by enabling Participants to have a greater involvement with, and share in the future growth and profitability of, the Company.

### 2. Definitions and interpretation

#### i. Definitions

In these Rules the following terms have the following meanings:

**Application Form** means an application form by which an Eligible Employee can accept an Invitation in such form as the Board may approve from time to time.

**Allocate** means granting an option or other right to acquire unissued Shares, or if there is no such grant, the issue and allotment of Shares.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Board** means the board of directors of the Company from time to time.

**Company** means Aurora Oil & Gas Limited (ABN 90 008 787 988) whose registered office is at 20th Floor, 77 St Georges Terrace, Perth, WA, 6000.

**Constitution** means the constitution of the Company.

**Consultant** means a consultant of a Group Company whom the Board, in accordance with clause 3.i. of the Plan, determines in its absolute discretion is to participate in the Plan.

**Controllable Event** means cessation of employment or position other than by an Uncontrollable Event.

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

**Eligible Employee** means a full time or permanent part-time employee, or director of a Group Company whom the Board determines in its absolute discretion is to participate in the Plan.

**Group** means the Company and its Subsidiaries (if any) from time to time and a **Group Company** means any one of them.

**Invitation** means an invitation to participate in the Plan in respect of a Performance Period in accordance with clause 3.1.

**Last Exercise Date** means the day ending at 5.00 pm WST on the date 1 year after the date of vesting of a Performance Right but in case no later than 5 years after the grant of that Performance Right, or such other date as determined by the Board in its absolute discretion and specified in the Invitation.

**Law** means the laws of Australia.

**Listing Rules** means the listing rules of the ASX as amended from time to time.

**Participant** means an Eligible Employee or a Consultant who returns a duly completed Application Form and to whom Performance Rights are granted under the Plan.

**Performance Hurdles** means the conditions relating to the performance of the Group (and the manner in which those conditions will be tested) for the purposes of determining the number of a Participant's Performance Rights which may be exercised, as set out in the Invitation.

**Performance Period** means the period set out in the Invitation for the purpose of determining the extent (if any) to which the Performance Hurdles have been met.

**Performance Right** means a right granted under clause 4.1 to acquire a Share on the terms set out in the Plan for the relevant Performance Period, subject to the Performance Hurdles.

**Plan** means the Performance Rights Plan of the Company.

**Security Interest** means a mortgage, charge, pledge, lien or other encumbrance of any nature.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Subsidiary** means a body corporate which is a subsidiary of the Company within the meaning of section 9 of the Corporations Act.

**Test Date** in relation to a Performance Right means the date at which Performance Hurdles are to be measured to determine whether that Performance Right becomes a Vested Performance Right.

**Trustee** means the trustee or trustees for the time being of any employee share ownership scheme or plan trust established by the Company, the beneficiaries of which include the Participants.

**Uncontrollable Event** means death, serious injury, disability or illness which renders a Participant incapable of continuing employment or position with a Group Company, forced early retirement, retrenchment or redundancy, or such other circumstances which results in the Participant leaving the employment or position of a Group Company and which the Board determines is an Uncontrollable Event.

**Unvested Performance Rights** means Performance Rights which are not yet exercisable in accordance with the Plan.

**Vested Performance Rights** means Performance Rights which are immediately exercisable in accordance with the Plan.

**WST** means Australian Western Standard Time.

## ii. Interpretation

Headings are for convenience only and do not affect interpretation. The following rules of interpretation apply unless the context requires otherwise.

- a) The singular includes the plural and conversely.
- b) A gender includes all genders.
- c) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- d) A reference to a person includes a body corporate, an unincorporated body or other entity and conversely.
- e) A reference to a clause is to a clause of the Plan.
- f) A reference to any agreement or document is to that agreement or document as amended, novated, supplemented, varied or replaced from time to time, except to the extent prohibited by the Plan.
- g) A reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it.
- h) A reference to **conduct** includes any omission and any statement or undertaking, whether or not in writing.
- i) A reference to **writing** includes a facsimile transmission and any means of reproducing words in a tangible and permanently visible form.
- j) Mentioning anything after **include**, **includes** or **including** does not limit what else might be included.

## 3. Invitation to participate

### i. Invitations

- a) The Board may from time to time in its absolute discretion issue or cause to be issued Invitations on behalf of the Company to Eligible Employees. Subject in all cases to the Company obtaining prior case-by-case ASIC relief to extend the disclosure and licensing relief given by ASIC Class Order 03/184 to a Consultant with respect to the Plan, the Board may in its absolute discretion issue or cause to be issued Invitations on behalf of the Company to that Consultant. The Invitation will be in such form as the Board determines from time to time and will include the following information:
  - i. the date of the Invitation;
  - ii. the name of the Eligible Employee to whom the Invitation is made;
  - iii. the number of Performance Rights which are capable of becoming exercisable if the Performance Hurdles are met;
  - iv. the Performance Hurdles and Performance Period;
  - v. the Test Date(s) in respect of the Performance Rights;
  - vi. the Last Exercise Date; and
  - vii. the time period in which to accept the Invitation by returning a duly completed Application Form.
- b) Invitations may be made by the Board on a differential basis to Eligible Employees, different classes of Eligible Employees or to Eligible Employees within the same class, as the case may be.

### ii. Application Form

- a) An Eligible Employee or a Consultant who receives an Invitation can only participate in the Plan by returning a duly completed Application Form within the time period and as otherwise specified in the Invitation.

- b) If an Application Form is not returned within the time specified or otherwise in accordance with the requirements set out in the Invitation, the Board may nevertheless in its sole discretion treat any Application Form received from an Eligible Employee or a Consultant as being returned in accordance with paragraph (a).
- c) For the avoidance of doubt, the Board in its sole discretion can refuse to allow an Eligible Employee or a Consultant to participate in the Plan even though a duly completed Application Form is received from the Eligible Employee or Consultant in accordance with paragraph (a).

**iii. Participants**

Following receipt of a duly completed Application Form and subject to clause 3.ii(c), and provided that the Eligible Employee is then still in the full-time or part-time employment of a Group Company, or a Consultant or director of a Group Company, the Eligible Employee will be entitled to participate in the Plan according to its terms.

## **4. Grant of Performance Rights**

**i. Grant**

- a) As soon as practicable after the receipt of a duly completed Application Form, the Company will grant to the relevant Eligible Employee or Consultant the number of Performance Rights as set out in the Invitation.
- b) An Eligible Employee or Consultant will not pay anything for the grant of Performance Rights.
- c) An Eligible Employee or Consultant has no entitlement to be granted any Performance Rights unless and until such Performance Rights are granted.
- d) None of the Performance Rights will be listed for quotation on any stock exchange.

**ii. Not transferable**

Except on the death of a Participant, Performance Rights may not be transferred, assigned or novated except with the approval of the Board.

**iii. Security Interest**

Subject to clause 4.ii, Participants will not grant any Security Interest in or over or otherwise dispose of or deal with any Performance Rights or any interest in them until the relevant Shares are either issued or transferred to that Participant, and any such Security Interest or disposal or dealing will not be recognised in any manner by the Company.

**iv. New issues**

A Performance Right does not confer on a Participant the right to participate in new issues of Shares by the Company, including by way of bonus issue, rights issue or otherwise.

## **5. Vesting and Exercise of Performance Rights**

**i. Performance Hurdles**

The Performance Hurdles applicable to any Performance Period relating to Performance Rights shall be as set out in the Invitation, including the Test Date.

**ii. Determination of number of Vested Performance Rights**

As soon as reasonably practicable after each Test Date applicable to any Performance Period, the Board shall determine in respect of each Participant as at that Test Date:

- a) whether, and to what extent, the Performance Hurdles applicable up to the Test Date have been satisfied;
- b) the number of Performance Rights (if any) that will become Vested Performance Rights as at the Test Date;
- c) the number of Performance Rights (if any) that will lapse as a result of the non-satisfaction of Performance Hurdles as at the Test Date; and
- d) the number of Performance Rights (if any) in respect of the Performance Period that continue as Unvested Performance Rights,

and shall provide written notification to each Participant as to that determination.

**iii. Exercise of Performance Rights**

- a) Unless and until a Performance Right is exercised and the relevant Shares are either issued or transferred to that Participant as a result of that exercise, a Participant has no interest in those Shares.

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- b) A Performance Right can only be exercised if, at the time of exercise, it is a Vested Performance Right that has not lapsed under clause 6.
- c) Unless otherwise provided in the Invitation, no amount shall be payable by a Participant on the exercise of Vested Performance Rights.
- d) The exercise of any Vested Performance Right may only be effected in such form and manner as the Board may prescribe.
- e) The exercise of some Vested Performance Rights only does not affect the Participant's right to exercise other Performance Rights at a later time.
- f) Following exercise of a Performance Right, the Company must issue or procure the transfer to the person exercising the Performance Right the number of Shares in respect of which the Performance Right has been exercised (as adjusted under clause 11, if relevant), credited as fully paid.
- g) All Shares issued or transferred to a Participant under this Plan, will, from the date of issue or transfer, rank equally with all other issued Shares. If necessary, the Company will apply for official quotation of these Shares on each stock exchange on which Shares are quoted.

## 6. Time of Lapse of Performance Rights

A Performance Right lapses, to the extent it has not been exercised, on the earlier to occur of:

- i. where Performance Hurdles have not been satisfied on the Test Date – the date the Board makes a determination under clause 5.ii(c) that the Performance Right will lapse;
- ii. if a Participant's employment or position as a Consultant or director of a Group Company ceases because of an Uncontrollable Event - the last day of any period specified in clause 7.i(c);
- iii. if a Participant's employment or position as a Consultant or director of a Group Company ceases because of a Controllable Event:
  - a) Vested Performance Right - the last day of any period specified in clause 7.ii(b);
  - b) Unvested Performance Right – the date of cessation of employment or position;
- iv. the day the Board makes a determination that the Performance Rights lapses under clause 8;
- v. the date of lapse under clause 9.ii; and
- vi. the Last Exercise Date.

## 7. Cessation of Employment or Position

### i. Uncontrollable Event

If a Participant's employment or position as a director or Consultant of a Group Company ceases because of an Uncontrollable Event:

- a) all of the Participant's Unvested Performance Rights that are capable of becoming exercisable if Performance Hurdles are met at the next Test Date, will become Vested Performance Rights at the next Test Date;
- b) the Board in its absolute discretion may determine the extent to which any other Unvested Performance Rights that have not lapsed will become Vested Performance Rights; and
- c) the Participant may, at any time prior to the first to occur of:
  - i. the Last Exercise Date; and
  - ii. 3 months (or such other period as the Board shall, in its absolute discretion, determine) from the date on which the Participant ceased that employment or position,exercise all Vested Performance Rights.

### ii. Controllable Event

If a Participant's employment or position as a director or Consultant of a Group Company ceases because of a Controllable Event:

- a) the Board in its absolute discretion will determine the extent to which Unvested Performance Rights will become Vested Performance Rights and will notify the Participant of this determination; and

b) the Participant may, at any time prior to the first to occur of:

- i. the Last Exercise Date; and
- ii. 3 months (or such other period as the Board shall, in its absolute discretion, determine) from the date on which the Participant ceased that employment or position,

exercise all Vested Performance Rights (including those that have become Vested Performance Rights under clause 7.ii(a)).

## 8. Breach, fraud or dishonesty

If in the opinion of the Board a Participant acts fraudulently or dishonestly or is in material breach of his or her obligations to any Group Company then the Board may in its absolute discretion determine that all the Participant's Performance Rights will lapse and the Board's decision will be final and binding.

## 9. Change of Control

### i. Vesting and notification to Participants

Where there is publicly announced any proposal (whether by takeover bid, scheme of arrangement or otherwise) in relation to the Company which the Board reasonably believes may lead to a change in control;

- a) all of the Participant's Unvested Performance Rights that have not lapsed will become Vested Performance Rights; and
- b) the Board shall promptly notify each Participant in writing that he or she may, within the period specified in the notice (**Change of Control Notice Period**), exercise Vested Performance Rights.

### ii. Lapse of Performance Rights

Unless the Board determines otherwise Vested Performance Rights that are not exercised by the end of the Change of Control Notice Period shall lapse at the end of the Change of Control Notice Period.

## 10. Administration of the Plan

- i. The Plan will be administered by the Board. The Board will have power to delegate the exercise of its powers or discretions arising under the Plan to any one or more persons (including, but not restricted to, a committee or sub-committee of the Board) for such period and on such conditions as the Board may determine.
- ii. The Board may at any time appoint or engage specialist service providers for the operation and administration of the Plan.
- iii. The Board will ensure a complete register of Participants is maintained to facilitate efficient management and administration and to comply with regulatory reporting requirements.
- iv. Shares to be provided under the Plan may either be satisfied by the issue of new Shares or by the transfer of existing Shares.
- v. The Plan may be administered in conjunction with an employee share ownership scheme or plan trust and for these purposes the Company may issue Shares or grant options to the Trustee to facilitate the awards made under the Plan. The transfer of a Share by the Trustee to a Participant will satisfy the obligation of the Company to issue or transfer a Share to a Participant under the Plan.
- vi. Where the Board is required to make a determination or is entitled to exercise discretion in respect of the Plan, that determination or discretion shall be exercised reasonably and in good faith, unless specified otherwise.

## 11. Capital Events

### i. Variation of Capital

If there are certain variations of the share capital of the Company including a capitalisation or rights issue, sub-division, consolidation or reduction of share capital, a demerger (in whatever form) or other distribution in specie, the Board may make such adjustments as it considers appropriate under clause 11.ii in accordance with the provisions of the Listing Rules.

### ii. Adjustments

An adjustment made under this clause will be to one or more of the following:

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- a) the number of Shares subject to any Performance Right;
- b) the exercise price for a Performance Right (if any); or
- c) where a Performance Right has been exercised but no Shares have been issued or transferred following the exercise, the number of Shares which may be issued or transferred.

iii. **Notice of Variation**

As soon as reasonably practicable after making any adjustment under clause 11.ii, the Board will give notice in writing of the adjustment to any Participant affected by it.

## 12. Rights of Participants

Nothing in this Plan or participation in the Plan:

- i. confers on any Eligible Employee or Participant the right to continue as an employee or director or Consultant of any Group Company;
- ii. confers on any Employee the right to become or remain an Eligible Employee or Participant or to participate under the Plan;
- iii. will be taken into account in determining a Participant's salary or remuneration for the purposes of superannuation or other pension arrangements;
- iv. affects the rights and obligations of any Eligible Employee or Participant under the terms of their office, employment or position with any Group Company;
- v. affects any rights which a Group Company may have to terminate the employment or position of an Eligible Employee or Participant or will be taken into account in determining an Eligible Employee's or Participant's termination or severance pay;
- vi. may be used to increase damages in any action brought against any Group Company in respect of any such termination; and
- vii. confers any responsibility or liability on any Group Company or its directors, officers, employees, representatives or agents in respect of any taxation liabilities of the Eligible Employee or Participant.

## 13. Amendment, termination and suspension

- i. Grants of Performance Rights under this Plan may only be made for a period of 5 years commencing on the date on which the Plan is approved by the Company's shareholders.
- ii. Subject to paragraph 13.iii, the Board may at any time and from time to time by resolution alter the Plan.
- iii. Any amendment to the Plan is subject to any restrictions or procedural requirements relating to the amendment of the rules of an employee incentive scheme imposed by the Listing Rules.
- iv. The Board may at any time, and at its complete discretion, suspend or terminate the Plan without notice to Participants. The suspension or termination of the Plan will not affect any existing grants of Performance Rights already made under the Plan and the terms of the Plan will continue to apply to such grants.

## 14. General

i. **Law, Listing Rules and the Constitution**

The Plan and all offers and issues of Performance Rights under the Plan are subject to the Law, the Listing Rules and the Constitution, each as in force from time to time.

ii. **Issue limitations**

- a) The number of Shares to be received on exercise of the Performance Rights the subject of an Invitation when aggregated with:
  - i. the number of Shares which would be issued were each outstanding offer or Performance Right, being an offer made or Performance Right granted pursuant to the Plan or any other employee incentive scheme extended only to employees or directors of the Company, exercised; and
  - ii. the number of Shares issued during the previous 5 years pursuant to the Plan or any other employee incentive scheme extended only to employees or directors of the Company;

but disregarding any offer made, or Performance Rights acquired or Share issued by way of or as a result of:

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- iii. an offer to a person situated at the time of receipt of the offer outside Australia;
- iv. an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or
- v. an offer made under a disclosure document,

must not exceed 5% (or such other maximum permitted under any ASIC Class Order providing relief from the disclosure regime of the Corporations Act) of the total number of issued Shares as at the time of the Invitation.

- b) Where the Performance Right lapses without being exercised, the Shares concerned are ignored when calculating the limits in this clause.

**iii. Costs and Expenses**

The Company will pay all expenses, costs and charges in relation to the establishment, implementation and administration of the Plan, including all costs incurred in or associated with the issue or purchase of Shares (except for taxes which are payable by Participants and the exercise price (if any) for the Performance Rights) for the purposes of the Plan. Each Group Company will, if required by the Board, reimburse the Company for any such costs and charges to the extent that they relate to its employees officers or former employees or officers.

**iv. Data protection**

By returning an Application Form, each Participant consents to the holding and processing of personal data provided by the Participant to any Group Company for all purposes relating to the operation of the Plan. These include, but are not limited to:

- a) administering and maintaining Participants' records;
- b) providing information to trustees of any employee benefit trust, registrars, brokers or third party administrators of the Plan;
- c) providing information to future purchasers of the Company or the business in which the Participant works;
- d) transferring information about the Participant to a country or territory outside Australia.

**v. Error in Allocation**

If any Performance Right is provided under this Plan in error or by mistake to a person (**Mistaken Recipient**) who is not the intended recipient, the Mistaken Recipient shall have no right or interest, and shall be taken never to have had any right or interest, in that Performance Right and those Performance Rights will immediately lapse.

**vi. Dispute**

Any disputes or differences of any nature arising under the Plan will be referred to the Board and its decision will be final and binding in all respects.

**vii. Notices**

Any notice or other communication under or in connection with the Plan may be given by personal delivery or by sending it by post or fax or email, in the case of a company to its registered office (or any other address notified by that company from time to time (**Notified Address**)) or the fax number (if any) of that registered office (or Notified Address), and in the case of an individual to their last known address, fax number, email address or, if they are a director or employee of a Group Company, either to their last known address, fax number or to the address of the place of business at which they carry out all or most of their duties, or to the fax number or email address relating to that address.

**viii. Governing Law**

This Plan and the rights of Eligible Employees, Consultants and Participants under the Plan are governed by the laws in force in the State of Western Australia, Australia.

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**AURORA OIL & GAS LIMITED**

ABN 90 008 787 988

**PROXY FORM**

The Company Secretary  
Aurora Oil & Gas Limited

**By delivery:**

**facsimile:**

Level 20, 77 St Georges Terrace  
2699  
PERTH WA 6000

**By post:**

GPO Box 2530  
PERTH WA 6001

**By**

+61 8 9440

I/We

1 \_\_\_\_\_

of \_\_\_\_\_

being a Shareholder/Shareholders of the Company and entitled to

\_\_\_\_\_

votes in the Company, hereby appoint <sup>2</sup>

\_\_\_\_\_

or failing such appointment the Chair of the Meeting as my/our proxy to vote for me/us on my/our behalf at the General Meeting of the Company to be held at 10.00 am on Friday, 19 February 2010 (WST) at Level 20, 77 St Georges Terrace, Perth, Western Australia and at any adjournment thereof in the manner indicated below or, in the absence of indication, as the Chair thinks fit. If 2 proxies are appointed, the proportion or number of votes of this proxy is authorised to exercise is \* [ ]% of the Shareholder's votes\* / [ ] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

**INSTRUCTIONS AS TO VOTING ON THE RESOLUTION**

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

		For	Against	Abstain
Resolution 1	Approval of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval of grant of performance Rights to a Director – Mr Jonathan Stewart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of grant of performance Rights to a Director – Mr Ian Lusted	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**OR**

*In relation to these Resolutions, if the Chair is to be your proxy and you do **not** wish to direct your proxy how to vote on the Resolution, please place a mark in this box.*

*By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if the Chair has an interest in the outcome of Resolutions 1 and 2 and votes cast by the Chair other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the meeting will not cast your votes on these resolutions and your votes will not be counted in computing the required majority if a poll is called on these resolutions. The Chair intends to vote in favour of these resolutions.*

**IF THE CHAIR IS TO BE YOUR PROXY IN RELATION TO RESOLUTIONS 1, 2. AND 3 YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY IN RELATION TO RESOLUTIONS 1, 2, AND 3 WILL BE DISREGARDED.**

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If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

**Authorised signature/s** - This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

\_\_\_\_\_  
Daytime Telephone

\_\_\_\_\_  
Date

\_\_\_\_\_  
Contact Name

\_\_\_\_\_  
Contact

<sup>1</sup>Insert name and address of shareholder applicable

<sup>2</sup>Insert name and address of proxy

\*Omit if not

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**Proxy Notes:**

A Shareholder entitled to attend and vote at the Meeting may appoint a person or a corporation as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a corporation as the Shareholder's proxy to attend and vote for the Shareholder at that meeting, the representative of the corporation to attend the meeting must produce the appropriate Certificate of Appointment of Representation prior to admission. A form of the certificate may be obtained from the Company's share registry.

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

- Joint Holding: where the holding is in more than one name all of the holders must sign.
- Power of Attorney: if signed under a Power of Attorney, you must have already lodged the Power of Attorney with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.
- Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

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

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the Perth office of the Company (Level 20, 77 St Georges Terrace, Perth, WA, 6000, or by post to PO Box 2530, Perth, WA, 6001 or Facsimile (08) 9440 2699 if faxed from within Australia or +618 9440 2699 if faxed from outside Australia) not less than 48 hours prior to the time of commencement of the Meeting (WST).

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