



Pancontinental Oil & Gas NL

ABN 95 003 029 543

Notice of General Meeting, Explanatory Statement and Proxy Form

For a General Meeting of Shareholders of the Company to be held at the Holiday Inn City Centre, 788 Hay Street, Perth, Western Australia on 27 September 2012 at 2.30pm (WST).

For personal use only

Notice of General Meeting

Notice is hereby given that the General Meeting of Shareholders will be held at the Holiday Inn City Centre, 788 Hay Street, Perth, Western Australia on 27 September 2012 at 2.30pm (WST) (**Meeting**).

AGENDA

BY SPECIAL RESOLUTION

To consider, and if thought fit, to pass the following Resolutions as special resolutions with or without amendment:

Resolution 1 – Adoption of New Constitution

"That the new constitution tabled at the Meeting (excluding rule 5) and signed by the Chairman of the Meeting for the purposes of identification, be adopted as the constitution of the Company in place of the current constitution, with effect from the close of the Meeting."

Resolution 2 – Approval of Proportional Takeover Provisions

"That, with effect from the close of the Meeting, the proportional takeover provisions set out in Annexure A to the Explanatory Statement to this Notice of Meeting be inserted into the Company's constitution in force at that time (which, conditional upon Resolution 1 being passed, will be the new constitution) tabled at the Meeting, signed by Chairman of the Meeting for the purposes of identification, and approved under Resolution 1."

Resolution 3 - Approval of Shares Issued

"That for the purposes of ASX Listing Rule 7.4, the issue of securities by the Company, as more fully described in the Explanatory Statement which accompany this Notice of Meeting, be approved."

Voting Restriction

The Company will disregard any votes cast on Resolution 3 by a person who participated in the issue of securities referred to in Resolution 3 or their associates.

However, the Company will not disregard a vote if:

- it is cast by a person as proxy for a shareholder who is entitled to vote, in accordance with the directions on the Proxy Form;
- or it is cast by the person chairing the Meeting as proxy for a shareholder who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated at Perth this 24 August 2012

By order of the board of directors of the Company

V Petrovic
Company Secretary

The Notice of General Meeting, Notes, Explanatory Statement and Proxy Form should be read in their entirety. If a shareholder is in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Pancontinental Oil & Gas NL

ABN 95 003 029 543

NOTES

These notes form part of the Notice. The Notice should be read in conjunction with the accompanying Explanatory Statement.

Defined words and phrases used in this Notice of General Meeting are defined in Section 4 of the accompanying Explanatory Statement.

Voting Entitlements

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Directors have determined that a person's entitlement to attend and vote at the Meeting will be the entitlement of that person set out in the register of Shareholders as at 5.00pm (WST) on 25 September 2012. Accordingly, transactions registered after that time will be disregarded in determining a Shareholder's entitlements to attend and vote at the Meeting.

Majority required

Pursuant to section 136(2) of the Corporations Act, Resolution 1 and Resolution 2 must each be approved by a special resolution, being 75% or more of Shareholders present and voting (either in person or by proxy, attorney or body corporate representative).

Proxies

A Proxy Form is attached to the end of the Explanatory Statement.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member entitled to attend and vote at the Meeting has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes (with any fraction of votes remaining being discarded).

The member may specify the way in which the proxy is to vote on each Resolution or may allow the proxy to vote at his discretion. The instrument appointing the proxy must be received by the Company at the address specified above at least 48 hours before the time notified for the Meeting (Proxy Forms can be lodged by facsimile). If signing under a power of attorney, the power of attorney must be deposited at the Company's registered office for inspection and return, when the proxy is lodged.

In accordance with section 250BA of the Corporations Act, the Company specifies the following information for the purposes of receipt of proxy appointments:

By mail and by hand during office hours: Ground Floor, 288 Stirling Street,
Perth, Western Australia 6000

By Facsimile: + 61 8 9227 3211

Bodies corporate

A Shareholder who is a body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at the Meeting. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution.

Enquiries

Shareholders are invited to contact the company secretary on (08) 9227 3220 if they have any questions in respect of matters set out in these documents.

Explanatory Statement to Shareholders

This Explanatory Statement has been prepared for the information of Shareholders in connection with the Resolutions to be put to Shareholders at the Meeting to be held at the Holiday Inn City Centre, 788 Hay Street, Perth, Western Australia on 27 September 2012 at 2.30pm (WST).

The Explanatory Statement should be read in conjunction with, and forms part of, the accompanying Notice. The purpose of this Explanatory Statement is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

If Shareholders have any questions regarding the matters set out in the Notice, Notes, Proxy Form or this Explanatory Statement they should contact the Company or their accountant, solicitor or other professional adviser prior to voting.

Defined words and phrases used in this Explanatory Statement are defined in Section 4.

1. New Constitution

The purpose of holding this Meeting is for Shareholders to approve a new constitution.

As part of the proposal to adopt a new constitution, it is intended to insert the proposed rule 5 "Approval required for proportional takeover" (as set out in Annexure A of this Notice).

The Company's existing constitution was adopted on 29 November 2004, and has not been materially amended since then. There have been a number of recent amendments to the Corporations Act, the ASX Listing Rules and other applicable laws and rules which impact on the Company which are not reflected in the existing constitution.

More importantly, the proportional takeover provisions set out in rule 36 of the existing constitution have expired by virtue of the 3 year sunset date prescribed in the existing constitution, and required under the Corporations Act. Without the inclusion of such a provision, a proportional takeover bid for the Company may enable effective control of the Company to be acquired without Shareholders having the opportunity to dispose of all of their Shares to the bidder. Accordingly, Shareholders could be at risk of passing control to the bidder without payment of an adequate control premium for all their Shares whilst leaving themselves as part of a minority interest in the Company.

Accordingly, the Company has conducted a review of the constitution to bring it into line with current law and best market practice. As the changes introduced affect numerous provisions in the constitution, it is proposed that a new constitution be adopted, rather than amending the existing constitution.

Material changes to previous constitution

A summary of the key material differences between the Company's existing constitution and proposed constitution is set out below. This summary is not intended to be an exhaustive explanation of the all the changes effected by the adoption of the proposed constitution. A full copy of the new constitution is available for inspection at the Company's office. A complete copy will be sent by mail or email to any Shareholder who requests it prior to the Meeting. Requests for inspection or a copy should be directed to the Company Secretary on (08) 9227 3220. A complete copy of the constitution is also available on the Company's website at <http://www.pancon.com.au/> under the section on ASX Releases.

Material change

Explanation of change

Dividends

Following recent amendments to the Corporations Act, companies are no longer restricted to paying dividends out of profits. Rule 16.1 of the proposed constitution will give the Directors the flexibility to resolve to pay a dividend out of any available source permitted by law.

Further, to reflect technological change and permit flexibility, Rule 16.3 of the proposed constitution:

- expressly clarifies that dividends may be directly credited to a Shareholder's nominated bank account and the processes that will apply if no account number is provided or that number is incorrect; and
- provides that if dividends paid by cheque remain unclaimed for 11 months the Company may stop payment of the cheque.

Rule 16.7 permits the Company to invest or otherwise make use of unclaimed dividends for the benefit of the Company until claimed or otherwise disposed of according to the laws relating to unclaimed monies.

Rule 16.9 of the proposed new constitution expands on the wording of the existing constitution regarding ancillary powers of Directors in relation to dividends. The amendments confer a greater flexibility in the case of a capital return, a dividend which is made in a non-cash form or a capitalisation of profits.

Conduct of meetings

The proposed new constitution incorporates a number of changes to assist with the orderly conduct of general meetings of the Company.

This includes new rules to facilitate:

- the holding of a general meeting using appropriate technology in circumstances where not all people wishing to attend the meeting can be seated in the main meeting place;
- new procedures to be followed if there is a problem with the technology;
- by notice to ASX the changing of venue, postponement or cancellation of a general meeting (removing the cost associated with a further mail out) – although this rule will not apply to a meeting that is requisitioned by members;
- the chairperson being able to nominate an acting chairperson to take the chair for specific items of business and proxies in the chairperson's favour will be deemed to be in favour of the acting chairperson (making the constitution consistent with the common law position);
- greater clarity in respect of the chairperson's powers at general meetings, including adjournments, dealing with questions from the floor, putting matters to the vote, etc.

In addition, provisions have been included to clarify that, subject to the Corporations Act, no amendments may be made to proposed resolutions or any documents underlying proposed resolutions which have been made available to shareholders for inspection. This is to ensure that Shareholders who have appointed a proxy are not disenfranchised by any such changes.

The proposed new constitution does not include the right of Shareholders to require the chairperson to postpone, adjourn or suspend a general meeting if a majority of those present vote to adjourn the meeting.

Material change

Explanation of change

Directors

The proposed new constitution provides that where a member is intending to nominate a person for election at a general meeting, they must give the Company notice of that intention at least 35 Business Days before the meeting (as opposed to 30 business days under the existing constitution) but not more than 90 business days before the meeting. These changes recognise the need to give 28 clear days notice of the general meeting and the time required for printing and distribution of a notice of meeting along with the administrative difficulty of having a long nominations period.

The maximum number of directors permitted to be appointed to the board at any one time has been kept at nine.

Rules relating to the election of Directors have been amended so that they more closely align with changes to the Listing Rules regarding rotation of Directors. The amendments are aimed at simplifying Director rotation, while at the same time ensuring that at least one vacancy arises each year.

Director remuneration

The rules in the proposed new constitution relating to Directors' remuneration are broadly in line with the rules in the existing constitution. As with the existing constitution, under the proposed constitution, the total annual fees of Directors must not exceed the aggregate fixed by the Company in general meeting. At the date of this Notice, this amount is \$400,000 per annum, which was approved by Shareholders on 29 November 2007.

Voting

A new rule 9.4(b) has been included to clarify how proxies that have been lodged electronically may be authenticated. In addition, in line with emerging market practice, it is proposed to adopt a new rule 9.4(c) to allow the Company to seek clarification and, where authorised, amend proxy instructions received from a Shareholder.

Rule 10.4 of the proposed new constitution permits the Company to enable Shareholders in the future to vote directly on resolutions considered at a general meeting or class meeting by submitting their votes to the Company prior to the meeting (either electronically or by post or fax). This 'direct voting' would enable a Shareholder to vote on resolutions to be considered at a meeting without the need to physically attend the meeting or appoint a proxy. Shareholders will continue to be entitled to appoint proxies or attorneys if they wish even if the Company decides to introduce direct voting in the future. It is not currently the Company's intention to introduce this form of voting but the proposed constitution provides the flexibility to do so.

Proportional takeover provision

Rule 5 of the proposed new constitution contains a new proportional takeover approval provision which updates rule 36 in the existing constitution (which as stated above has now expired).

The resolution to adopt the new constitution does not include the approval of the proposed new rule 5. Instead, the new rule 5 will require a separate approval which is contained in Resolution 2. The explanatory notes associated with this rule are set out below in Resolution 2 and the rule 5 is set out in Annexure A to this Notice of Meeting.

If Resolution 1 is not passed, these rules will be incorporated into the Company's existing constitution instead.

| Material change | Explanation of change |
|--------------------------------|--|
| Indemnity and insurance | The proposed new constitution's indemnity and insurance provisions will extend to Directors and secretaries of subsidiaries of the Company, in addition to Directors and secretaries of the Company itself. |
| General | Relevant definitions have been updated to reflect current terminology and the various changes to the Corporations Act and ASX Listing Rules. Where possible the proposed constitution relies on terms defined in the Corporations Act, ASX Listing Rules and Settlement Operating Rules. |

Approval by ASX

In accordance with the requirements of the ASX Listing Rules, the proposed new constitution has been approved by ASX.

2. Resolution 1 – Adoption of New Constitution

The purpose of this Resolution 1 is for Shareholders to approve a new constitution.

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 1 is a special resolution which will enable the Company to repeal its existing constitution and adopt a new constitution which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

The Directors believe that it is preferable in the circumstances to replace the existing constitution with the proposed constitution rather than to amend a multitude of specific provisions.

Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 1. Each Director intends to vote all the Shares controlled by him or her in favour of the Resolution.

If this Resolution is approved, the proposed new constitution will be adopted from the close of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 1.

3. Resolution 2 – Approval of Proportional Takeover Provision

As part of the proposal to adopt a new constitution, it is intended to insert the proposed rule 5 "Approval Required for Proportional Takeover" (as set out in Annexure A to this Notice).

Under the Corporations Act, a company may include provisions in its constitution to enable it to refuse to register shares acquired under a proportional takeover bid unless a resolution approving the bid is passed by the shareholders.

Where the approval of Shareholders is sought to include proportional takeover provisions in a constitution, the Corporations Act requires the Company to provide Shareholders with an explanation of the proposed proportional takeover approval provisions. That information is set out below so that Shareholders may make an informed decision on whether to support or oppose the Resolution.

What is a proportional takeover bid?

A proportional takeover bid is a takeover bid where the offer made to each Shareholder is only for a proportion of that Shareholder's Shares.

Accordingly, if a Shareholder accepts in full the offer under a proportional takeover bid, the Shareholder will dispose of the specified portion of their Shares in the Company and retain the balance of the Shares.

Effect of the provisions to be inserted

If a proportional takeover bid is made to Shareholders of the Company, the board will be required to convene a meeting of Shareholders to vote on a resolution to approve the proportional takeover bid. That meeting must be held at least 14 days before the offer under the proportional takeover bid closes.

The resolution shall be taken to have been passed if a majority of Shares voted at the meeting, excluding the Shares of the bidder and its associates, vote in favour of the resolution. The Directors will breach the Corporations Act if they fail to ensure the approving resolution is voted on. However, if no resolution is voted on before the end of the 14th day before the close of the offer, the resolution will be deemed to have been passed. Where the resolution approving the offer is passed or deemed to have been passed, transfers of Shares resulting from accepting the offer will be registered provided they otherwise comply with the Corporations Act, the ASX Listing Rules, the Settlement Operating Rules and the Company's Constitution. If the resolution is rejected, then in accordance with the Corporations Act, the offer will be deemed to be withdrawn.

The proportional takeover approval provisions do not apply to full takeover bids and only apply for three years after the date of adoption of the provisions. The provisions may be renewed for a further three year term, but only by a special resolution of Shareholders.

Reasons for proposing the resolution

The Directors consider that Shareholders should have the opportunity to include a proportional takeover approval provision in the new constitution. Without the inclusion of such a provision, a proportional takeover bid for the Company may enable effective control of the Company to be acquired without Shareholders having the opportunity to dispose of all of their Shares to the bidder. Accordingly, Shareholders could be at risk of passing control to the bidder without payment of an adequate control premium for all their Shares whilst leaving themselves as part of a minority interest in the Company.

The proposed provision deals with this possibility by providing that if a proportional takeover bid is made for Shares in the Company, Shareholders must vote on whether or not a proportional takeover bid should be permitted to proceed.

The benefit of the provision is that Shareholders are able to decide collectively whether the proportional offer is acceptable in principle and it may ensure that any partial offer is appropriately priced.

No knowledge of present acquisitions proposals

As at the date on which this Explanatory Statement is prepared, no Director is aware of a proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

However, the Directors are aware of recent M&A activity in the region in which the Company's assets are located.

Potential advantages and disadvantages for the Directors and Shareholders of the Company

Advantages:

The inclusion of the proportional takeover approval provision will enable the Directors to formally ascertain the views of Shareholders in respect of a proportional takeover bid. Without such provisions, the Directors are dependent upon their perception of the interests and views of Shareholders. Other than this advantage, the Directors consider that insertion of such a provision has no potential advantages or potential disadvantages for them as they remain free to make a recommendation on whether a proportional takeover offer should be accepted.

The Directors consider that inserting a proportional takeover approval provision will benefit all Shareholders in that they will have an opportunity to consider a proportional takeover bid and then attend or be represented by proxy at a meeting of Shareholders called specifically to vote on the proposal. Accordingly, Shareholders will be able to prevent a proportional takeover bid proceeding if there is sufficient support for the proposition that control of the Company should not be permitted to pass under the proportional takeover bid. The provisions may also help Shareholders avoid being locked in as a minority with one majority Shareholder. In addition, increasing the bargaining power of Shareholders may ensure that any partial offer is adequately priced. Furthermore, knowing the view of Shareholders assists each individual Shareholder in assessing the likely outcome of the proportional takeover bid and whether to accept or reject that bid.

Disadvantages:

As to the possible disadvantages to Shareholders of inserting a proportional takeover approval provision, it may be argued that the proposal makes a proportional takeover bid more difficult and that such proportional takeover bids will therefore be discouraged. The chance of a proportional takeover bid being successful may be reduced. In turn, this may reduce the opportunities which Shareholders may have to sell all or some of their Shares at a premium to persons seeking control of the Company. Such a provision may also be considered an additional restriction on the ability of individual Shareholders to deal freely in their Shares.

Directors' Recommendation

On balance, the Directors consider that the possible advantages outweigh the possible disadvantages such that insertion of a proportional takeover approval provision is in the interests of Shareholders.

The Directors recommend that Shareholders vote in favour of Resolution 2. Each Director intends to vote all the Shares controlled by him or her in favour of the Resolution.

If this Resolution is approved, the proportional takeover approval provision will be inserted into the new constitution if it is adopted under Resolution 1 and will take effect from the date of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 2.

4. Resolution 3 – Approval of Issued Shares

ASX Listing Rule 7.1 imposes a limit on the number of equity securities (including ordinary shares) that a company can issue or agree to issue without shareholder approval. Generally, a company may not, without shareholder approval, issue in any 12 month period, a number of equity securities which is more than 15% of the number of fully paid ordinary shares on issue 12 months before the issue.

The number of equity securities that may be issued by a company under ASX Listing Rule 7.1 without shareholder approval is not impacted by equity securities which are issued under an exception contained in ASX Listing Rule 7.2 or which have received shareholder approval.

Pancontinental Oil & Gas NL

ABN 95 003 029 543

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

The Directors have decided to seek shareholder approval under ASX Listing Rule 7.4 in respect of the Company's recent placement of 25,300,002 Shares, being the shortfall of Shares issuable under the Share Purchase Plan. For further information on the Company's recent Share Purchase Plan please see the Share Purchase Plan Offer document released to ASX on 27 April 2012.

Why are we seeking Shareholder approval?

The approval of Shareholders is being sought to provide the Company with the maximum flexibility to undertake equity raisings without the need for further shareholder approval. The requirement to obtain shareholder approval for an issue, at the time of issue, could limit the Company's ability to take advantage of opportunities that may arise to raise equity capital. It should be noted that, notwithstanding an approval by shareholders of the proposed resolution relating to this item of business, any future equity raisings will remain subject to the 15% limit set out in ASX Listing Rule 7.1.

No decision has been made by the Directors to undertake any further issue of equity securities in the event that approval is received from shareholders in respect of Resolution 3. The Directors will only decide to issue further equity securities if it considers it is in the best interests of the Company to do so.

Details of the Shares issued for which approval is being sought under this Resolution

The following information is provided in connection with the approval under this Resolution sought from Shareholders for the issue of Shares. The Company confirms that the issue of Shares at the relevant time did not breach ASX Listing Rule 7.1.

These 25,300,002 Shares issued represent the shortfall under the Share Purchase Plan. For further information on the Company's recent Share Purchase Plan please see the Share Purchase Plan Offer document released to ASX on 27 April 2012.

The total amount raised from the placement was \$4,427,500.35, which will be used to fund further exploration expenditure on the Company's existing exploration projects in Kenya and Namibia, namely:

- ongoing exploration over Kenya L10A & L10B, which may include the spudding of up to two wells the costs of which are expected to be approximately US\$30 million and potentially be incurred in the 2012/13 financial year (depending upon drill ship availability);
- further seismic program over Kenya L8; the costs of which are expected to be approximately US\$2 million and be incurred in the 2012/13 financial year; and
- seismic program over Namibia EL0037, the costs of which are expected to be approximately US\$1 million and be incurred in the 2012/13 financial year,

as well as for business development and to provide general working capital to meet corporate and other administrative costs.

Details of the Shares issued for which approval is sought under this item, the issue price and the allottees are set out below:

Pancontinental Oil & Gas NL

ABN 95 003 029 543

| Allottees | Date of issue | Number of Shares | Issue price per Share |
|---|----------------|------------------|-----------------------|
| Sophisticated and professional investors who are clients of Hartleys Limited (ACN 104 195 057) (Hartleys), a licensed securities dealer (AFSL 230052) | 10 August 2012 | 25,300,002 | \$0.175 |

Directors' Recommendation

The Directors consider that the approval of the issue of Shares described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of equity securities permitted under ASX Listing Rule 7.1 in the next 12 months (without further Shareholder approval), should it be required.

Accordingly, the Directors recommend that Shareholders vote in favour of Resolution 2. Each Director intends to vote all the Shares controlled by him or her in favour of the Resolution.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 2.

5. Glossary of defined terms

The following terms and abbreviations used in this Explanatory Statement and Notice have the following meanings:

\$ means Australian dollars unless otherwise indicated.

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules means the listing rules of ASX.

Chairman means the person(s) appointed as chair of the Meeting from time to time.

Company means Pancontinental Oil & Gas NL (ABN 95 003 029 543).

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

Director means a director of the Company.

Explanatory Statement means the explanatory statement attached to this Notice.

Meeting has the meaning given in the introductory paragraph of this Notice.

Notice means the notice of meeting, to which this Explanatory Statement forms part.

Proxy Form means the proxy form accompanying the Notice.

Resolution means a resolution contained in this Notice.

Section means a section contained in this Explanatory Statement.

Settlement Operating Rules means the operating rules of ASX Settlement Pty Limited and, to the extent they are applicable, the operating rules of the ASX and the operating rules of ASX Clear Pty Ltd.

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

Shareholder means the holder of one or more Shares.

WST means Australian Western Standard Time, being the time in Perth, Western Australia.

In this Notice and Explanatory Statement words importing the singular include the plural and vice versa.

ANNEXURE A

6. Approval required for proportional takeover

6.1 Definitions

In this **rule 5**:

Approving Resolution means a resolution of Eligible Shareholders approving a Proportional Takeover.

Deadline means the day which is the 14th day before the last day of the bid period for a Proportional Takeover.

Proportional Takeover means offers for shares made under a proportional takeover bid within the meaning of the Corporations Act.

Eligible Shareholder means a person (other than the bidder or an associate of the bidder) who, as at the end of the day on which the first offer under a Proportional Takeover was made, held shares in the class of shares to which the Proportional Takeover relates.

6.2 Transfer not to be registered

The registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under a Proportional Takeover is prohibited unless and until an Approving Resolution is passed (or is taken to have been passed) in accordance with this Constitution.

6.3 Approving Resolution

- (a) Where offers have been made under a Proportional Takeover, the directors must, before the Deadline, convene a meeting of the Eligible Shareholders to vote on the Approving Resolution for the purpose of considering and, if thought fit, passing a resolution to approve the Proportional Takeover.
- (b) The provisions of this Constitution relating to general meetings apply, with such modification as is necessary, to a meeting convened under this **rule 5.3** as if that meeting were a general meeting.
- (c) Any vote cast on an Approving Resolution by the bidder or any of its associates will be disregarded.
- (d) An Approving Resolution that has been voted on is taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than 50%, and otherwise is taken to have been rejected.
- (e) If an Approving Resolution is voted on in accordance with this **rule 5.3** before the Deadline, a director or a secretary must, on or before the Deadline, give the bidder and the Exchange (if required) notice stating that an Approving Resolution has been voted on and whether it was passed or rejected.
- (f) If no Approving Resolution has been voted on in accordance with this rule as at the end of the day before the Deadline, an Approving Resolution is taken, for the purposes of this **rule 5**, to have been passed in accordance with those provisions.

6.4 Cessation of effect

Rules 5.1 to 5.3 cease to have effect at the end of three years after:

Pancontinental Oil & Gas NL

ABN 95 003 029 543

- (a) where those rules have not been renewed since their adoption, the date on which those rules were adopted by the Company; or
- (b) if those rules have been renewed since their adoption, the date on which they were last renewed.

For personal use only



PROXY FORM

I/weof.....
being a member of Pancontinental Oil & Gas NL ABN 95 003 029 543 (**Company**) hereby appoint

the chairman of the Meeting (**Chairman**) (mark box) **OR** if you are NOT appointing the Chairman as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing person/body corporate named, or if no person/body corporate is named, the chairman of the meeting (**Chairman**), as my/our proxy to vote for me and on my behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the general meeting of the Company to be held at the Holiday Inn City Centre, 788 Hay Street, Perth, Western Australia on 27 September 2012 at 2.30pm (WST) (**Meeting**) and at any postponement or adjournment of the Meeting.

I/we understand that the Chairman intends to vote undirected proxies in favour of the resolutions set out below (Resolutions).

RESOLUTIONS

| | FOR | AGAINST | ABSTAIN* |
|---|--------------------------|--------------------------|--------------------------|
| 1 Adoption of the New Constitution | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2 Approval of the Proportional Takeover Provision | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3 Approval of Issued Shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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

Dated this.....day of.....2012

If the member is a Company, it must sign in accordance with its constitution

Please sign on the reverse of this form.

For personal use only

Proxy forms (and power of attorney, if any, under which the proxy form is signed) must be sent by mail or delivered to Ground Floor, 288 Stirling Street, Perth, Western Australia, 6000 or by fax to +61 8 9227 3211

If the member is a company:

EXECUTED by)
)
ACN)
in accordance with section 127 of the Corporations)
Act)

.....
Director/Company Secretary*

.....
Director/Sole Director and Sole Company Secretary*

.....
Name of Director/Company Secretary*
(BLOCK LETTERS)

.....
Name of Director/Sole Director and Sole Company
Secretary* (BLOCK LETTERS)

*Delete whichever is not applicable

OR

.....
Signature

.....
(Insert capacity in which duly authorised officer is
signing for a member which is a company)

If the member is an individual:

.....
Signature of individual shareholder

.....
Signature of individual joint
shareholder (if any)

.....
Signature of individual joint
shareholder
(if any)

Instructions for appointment of proxy

1. A member entitled to attend and vote at the Meeting convened by the accompanying notice of general meeting is entitled to appoint not more than 2 proxies to vote on the member's behalf.
2. Where 2 proxies are appointed and the appointment does not specify the proportion or number of the member's votes each proxy may exercise half of the member's voting rights (with any fraction of votes remaining being discarded).
3. A proxy need not be a member.
4. Proxy forms (and the power of attorney, if any, under which the proxy form is signed) must be received at Ground Floor, 288 Stirling Street, Perth, Western Australia, fax number (+618) 9227 3211 no later than 48 hours before the time fixed for holding the Meeting.
5. Appointment of a proxy by a member being a natural person must be under the hand of the member or of an attorney appointed in writing by the member.
6. Appointment of a proxy by a member being a body corporate must be executed by body corporate or under the hand of an attorney appointed in writing by the body corporate.
7. If signing under a power of attorney, the power of attorney must be deposited at the Company's registered office for inspection and return, when the proxy is lodged.
8. The proxy appointment may be a standing appointment for all general meetings until it is revoked.

For personal use only