



## **Notice of Annual General Meeting and Explanatory Memorandum**

### **Armour Energy Limited**

Date of Meeting: Friday 29 November 2013

Time of Meeting: 11.00am (Brisbane time)

Place of Meeting: Level 7, Waterfront Place 1 Eagle Street, Brisbane Qld 4000

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Notice is given that the 2013 Annual General Meeting of shareholders of Armour Energy Limited ACN 141 198 414 (**Company**) will be held at the offices of HopgoodGanim, Level 7, Waterfront Place 1 Eagle Street, Brisbane Qld 4000 on 29 November 2013, at 11.00am (Brisbane time).

## Agenda

### ORDINARY BUSINESS

#### Annual Financial Reports

To receive and consider the Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, and notes to and forming part of the financial statements for the Company and its controlled entities for the financial year ended 30 June 2013.

See Explanatory Statement below for further information.

#### 1. Resolution 1 - Remuneration Report

To consider and, if thought fit, pass the following Advisory Resolution:

"That, the Remuneration Report for the year ended 30 June 2013 (as set out in the Directors' Report) is adopted."

#### Voting Restriction pursuant to Section 250R(4) of the Corporations Act

Terms used in this Notice of Meeting are defined in the "Interpretation" section of the accompanying Explanatory Memorandum.

The vote on Resolution 1 is advisory only and does not bind the Directors of the Company.

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

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

However, the above persons **may** cast a vote on Resolution 1 if:

- (a) the person does so as a proxy appointed in writing;
- (b) the vote is not cast on behalf of a member of the KMP details of whose remuneration are included in the Remuneration Report or a Closely Related Party of a KMP; and
- (c) either:
  - (1) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
  - (2) the voter is the Chairman of the meeting and the appointment of the Chairman as proxy:
    - (A) does not specify the way the proxy is to vote on the resolution; and
    - (B) expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a KMP for the Company or, if the Company is part of a consolidated entity, for the entity.

#### Voting intention of Chairman

Shareholders should be aware that any undirected proxies given to the Chairman will be cast by the Chairman and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act.

See Explanatory Statement below for further information.

## 2. Resolution 2 — Re-Election of Nicholas Mather as a Director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

*“That Nicholas Mather, who retires by rotation in accordance with Article 38 of the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”*

See Explanatory Statement below for further information.

## 3. Resolution 3 — Re-Election of Roland Sleeman as a Director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

*“That Roland Sleeman, who retires by rotation in accordance with Article 38 of the Company’s Constitution, and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”*

See Explanatory Statement below for further information.

## 4. Resolution 4 – Ratification of Share Issue

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution, of the Company:

*“That in accordance with the provisions of Listing Rule 7.4, and for all other purposes, Shareholders ratify the previous issue by the Company of 587,196 Shares (**Placement Shares**) on 29 August 2013 at an issue price of \$0.34 per Share to employees of the Company and otherwise on terms set out in the Explanatory Memorandum accompanying this Notice of Meeting.”*

### VOTING EXCLUSION STATEMENT

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

- (a) the Placees; and
- (b) any associate of the Placees.

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 Annual General 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.

See Explanatory Statement below for further information.

## 5. Resolution 5 – Approval of Amended Armour Energy Limited Share Option Plan

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution, of the Company with or without modification:

*“That for the purpose of Exception 9(b) of ASX Listing Rule 7.2 and for all other purposes, the Company be authorised to issue securities under the Armour Energy Limited Share Option Plan adopted by the Company on 9 November 2011, as amended by the Board on 24 October 2013, the terms of the Plan (as amended) being set out in the Explanatory Memorandum accompanying this Notice of Meeting.”*

#### **VOTING EXCLUSION STATEMENT FOR RESOLUTION 5**

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

- (a) a director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company; and
- (b) an associate of that person (or persons).

However, the Company need not disregard a vote if:

- (c) 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
- (d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **PROXY APPOINTMENT RESTRICTION**

In accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast on Resolution 5 by a member of the KMP or their Closely Related Parties who has been appointed as a proxy unless:

- (a) the appointed proxy votes for a person who is permitted to vote and in accordance with a direction on the proxy form (directed proxy); or
- (b) the appointed proxy is the Chairman and the appointment of the Chairman as proxy:
  - does not specify the way the proxy is to vote on the resolution; and
  - expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

See Explanatory Statement below for further information.

#### **6. Resolution 6 – Changes to the terms of option issued under the Armour Energy Limited Share Option Plan**

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution, of the Company:

*“That for the purpose of ASX Listing Rule 6.23.4 and for all other purposes, the changes to the terms of options issued under the Armour Energy Limited Share Option Plan prior to it being amended by the Board on 24 October 2013, as described in the Explanatory Memorandum accompanying this Notice of Meeting, be approved.”*

#### **VOTING EXCLUSION STATEMENT FOR RESOLUTION 6**

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

- (a) a person who holds an option that is the subject of the approval; and
- (b) an associate of that person (or persons).

However, the Company need not disregard a vote if:

- (c) 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
- (d) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### PROXY APPOINTMENT RESTRICTION

In accordance with section 250BD of the Corporations Act, the Company will disregard any votes cast on Resolution 6 by a member of the KMP or their Closely Related Parties who has been appointed as a proxy unless:

- (a) the appointed proxy votes for a person who is permitted to vote and in accordance with a direction on the proxy form (directed proxy); or
- (b) the appointed proxy is the Chairman and the appointment of the Chairman as proxy:
  - does not specify the way the proxy is to vote on the resolution; and
  - expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP.

See Explanatory Statement below for further information.

### SPECIAL BUSINESS

#### **Resolution 7 – Approval to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A**

To consider and, if thought fit, pass the following Resolution, as a Special Resolution, without amendment:

*“That, pursuant to and in accordance with Listing Rule 7.1A, and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, over a 12 month period from the date of the Meeting, at a price not less than that determined pursuant to Listing Rule 7.1A.3 and otherwise on the terms and conditions described in the Explanatory Memorandum (Placement Securities).”*

### VOTING EXCLUSION STATEMENT

The Company will disregard any votes cast on this Special Resolution by a person and any associates of that person who:

- (a) may participate in the issue of the Placement Securities; and
- (b) might obtain a benefit, except a benefit solely in their capacity as a holder of Shares if the resolution is passed.

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 Annual General 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.

### Important Note

The proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

**GENERAL BUSINESS**

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.

By Order of the Board

A handwritten signature in blue ink, appearing to read "K. Schlobohm", written over a faint horizontal line.

Karl Schlobohm  
Company Secretary  
24 October 2013

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## Explanatory Memorandum

### EXPLANATORY STATEMENT

This Explanatory Memorandum is provided to shareholders of Armour Energy Limited ACN 141 198 414 (**Company**) to explain the Resolutions to be put to Shareholders at the Annual General Meeting to be held at HopgoodGanim, Level 7, Waterfront Place 1 Eagle Street, Brisbane Qld 4000 on 29 November 2013 at 11.00 am (Brisbane time).

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions to be put to the Meeting as contained in the Notice of Meeting material. The Directors recommend Shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the Resolutions.

Terms used in this Explanatory Memorandum are defined in the "Interpretation" section of the Explanatory Memorandum.

### ORDINARY BUSINESS

#### Consider the Company's Annual Report

The Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to and forming part of the financial statements for the Company and its controlled entities for the financial year ended 30 June 2013. The Company's Annual Report for the financial year ended 30 June 2013 is attached. No voting is required for this item.

Shareholders can obtain a copy of the Company's 2013 Annual Report by sending a request to [info@armourenergy.com.au](mailto:info@armourenergy.com.au) or by downloading a copy from the Company's website: [www.armourenergy.com.au](http://www.armourenergy.com.au). The Company's 2013 Annual Report was released to the ASX on 26 September 2013.

#### Resolution 1 - Remuneration Report

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The Board has submitted its Remuneration Report (included in the 2013 Annual Report) to Shareholders for consideration and adoption by way of a non-binding Advisory Resolution in accordance with section 250R of the Corporations Act.

The Remuneration Report is set out in the Directors' Report section of the 2013 Annual Report. The Report, amongst other things:

- explains the Board's policy for determining the nature and amount of remuneration of Key Management Personnel of the Company;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each member of the Company's Key Management Personnel including details of performance related remuneration and options granted as part of remuneration; and
- details and explanations of any performance conditions applicable to the remuneration of Key Management Personnel of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report. A vote on this Resolution is advisory only and does not bind the Directors of the Company.

There are restrictions on members of the Key Management Personnel and their Closely Related Parties and their proxies voting on Resolution 1, details of which are set out in the Voting Restriction Statement included in Resolution 1 of the Notice of Meeting.

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1 subject to compliance with the Corporations Act.

#### **Resolution 2 – Re-Election of Nicholas Mather as a Director**

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Mr Mather was appointed to the Board of Directors on 18 December 2009. In accordance with the Company's Constitution, Mr Mather will retire at the Annual General Meeting, and will stand for re-election.

Mr Mather's special area of experience and expertise is the generation of and entry into undervalued or unrecognised resource exploration opportunities. He has been involved in the junior resource sector at all levels for more than 25 years. In that time he has been instrumental in the delivery of major resource projects that have delivered significant gains to shareholders. As an investor, securing projects and financiers, leading exploration campaigns and managing emerging resource companies Mr Mather brings a wealth of valuable experience.

Mr Mather is currently the Managing Director and co-founder of DGR Global Limited (ASX), an Executive Director of SolGold plc (AIM) and AusNiCo Limited (ASX), and a Non-Executive Director of Lakes Oil NL (ASX) and Navaho Gold Limited (ASX). As an Executive Director (and co-founder) of Arrow Energy NL until 2004, Mr Mather was responsible for the generation of its Surat Basin Coal Bed Methane project. Arrow Energy was the subject of an on-market take over in 2011 at a value of approximately \$3.5 billion.

The Directors (with Mr Mather abstaining) recommend that you vote in favour of this Ordinary Resolution.

#### **Resolution 3 – Re-Election of Roland Sleeman as a Director**

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Mr Sleeman was appointed to the Board of Directors on 11 October 2011. In accordance with the Company's Constitution, Mr Sleeman will retire at the Annual General Meeting, and will stand for re-election.

Mr Sleeman has 34 years experience in oil and gas as well as utilities and infrastructure. Mr Sleeman has served senior management roles, including with Eastern Star Gas as Chief Commercial Officer and AGL as General Manager of the Goldfields Gas Pipeline. He has extensive engineering and business experience including negotiation of gas sales agreements that provided a foundation for development of the North West Shelf Project, and commercialisation of new gas and power station opportunities and management of major gas transmission pipeline infrastructure. Mr Sleeman has provided specialist commercial, regulatory and project development advice to both the public and private sectors.

The Directors (with Mr Sleeman abstaining) recommend that you vote in favour of this Ordinary Resolution.

## Resolution 4 – Ratification of Share Issue

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Pursuant to Resolution 2, the Company is seeking Shareholder approval to ratify the previous issue of 587,196 Shares (**Placement Shares**) on 29 August 2013. The Placement Shares were issued at an issue price of \$0.34 per Share to certain employees of the Company as 50% of the consideration for performance bonuses earned for the 2013 financial year (**Placees**).

### 1. Listing Rule 7.4

As noted above, in accordance with Listing Rule 7.4, the Company is seeking Shareholders to ratify the previous issue of the Placement Shares, being issues of securities made by the Company during the previous 12 months for which Shareholder approval has not already been obtained.

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new equity securities equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders.

The Company seeks Shareholder approval to ratify the previous issue of the Placement Shares in accordance with Listing Rule 7.4 in order to refresh the Company's ability to issue up to 15% of its share capital (in a 12 month period) under Listing Rule 7.1.

Under Listing Rule 7.4, an issue of securities made without approval under Listing Rule 7.1 is treated as having been made with approval if the issue:

- did not breach Listing Rule 7.1 (i.e. the issue did not exceed the 15% limit under Listing Rule 7.1); and
- holders of the ordinary securities subsequently approve the issue.

### 2. Terms of the Previous Issue of Shares

For the purposes of Listing Rule 7.5 the Company advises as follows:

- 587,196 Placement Shares were issued on 29 August 2013.
- The Placement Shares were issued at a price of \$0.34 per Share.
- The Placement Shares rank pari passu with the existing Shares on issue, are not subject to escrow restrictions and are subject to the rights and obligations set out in the Company's Constitution.
- The Placement Shares were issued as partial payment of performance bonus entitlements in respect of the financial year ended 30 June 2013 to certain employees of the Company as determined by the Remuneration Committee, having regard to their individual performance, and the performance of the Company. A further explanation is provided in the Remuneration Report published as part of the Company's 2013 Annual Report.
- A Voting Exclusion Statement in relation to this Resolution 4 is set out above.

The Directors recommend that you vote in favour of this Ordinary Resolution.

## Resolution 5 – Approval of Amended Armour Energy Limited Share Option Plan

### Introduction

Resolution 5 seeks re-approval by the Shareholders for the adoption of the Armour Energy Limited Share Option Plan (**Plan**) in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

On 9 November 2011, the Company in a General Meeting approved the issue of securities under the Plan. On 24 October 2013, the Board resolved to vary the terms of the Plan to provide that in the event of a Change in Control of the Company before the Vesting Date of an Option issued under the Plan, any unvested Options shall vest immediately.

For the purposes of the Plan:

- **Change of Control** is defined as meaning where:
  - (a) the Company entering into a scheme of arrangement with its creditors or members or any class thereof pursuant to section 411 of the Corporations Act;
  - (b) a Takeover Event happening;
  - (c) where a person or group of associated persons acquires a relevant interest in sufficient shares to give it or them the ability (a **Relevant Ability**), in general meeting, to replace all or a majority of the Directors of the Company in circumstances where the Relevant Ability was not held by that person or group of associated persons as at the date of issue of the Options; or
  - (d) if at any time after the date of issue of the Options, any person or entity acquires fifty (50%) percent or more of the Shares;
- **Takeover Event** is defined for the purposes of the Plan as being when any person acquires more than fifty (50%) percent of the Shares pursuant to a takeover bid conducted in accordance with Chapter 6 of the Corporations Act;
- **Shares** means ordinary shares in the capital of the Company; and
- **Vesting Date** means in respect of an Option, the date from which the Option may be exercised by the Optionholder.

#### ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. Equity security includes an option over an unissued Share.

ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to issue Options under the Plan to eligible participants over a period of 3 years from the date that the Plan is approved, without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

The objective of the Plan is to attract, motivate and retain key employees and it is considered by the Directors that the adoption of the Plan and the future issue of Options under the Plan will provide selected employees with the opportunity to participate in the future growth of the Company. It is intended the Plan will align the interests of employees with Shareholders thus allowing the employee to consider themselves an owner of the business and enhance his or her commitment to Shareholder return.

Any future issues of Options under the Plan to a related party or a person whose relation with the Company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time. At the present time no securities have been issued option under the Plan to related parties.

For the purposes of ASX Listing Rule 7.2 exception 9B, the Company advises that:

- the Company approved the Plan in its Annual General Meeting held on 9 November 2011;
- the Company has issued 23,900,000 Options under the Plan; and
- a Voting Exclusion Statement has been included for the purposes of Resolution 5.

A summary of the key terms and conditions of the Plan is set out in below. In addition, a copy of the Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company if they have any queries or concerns.

### **Summary of Terms and Conditions**

1. The Plan is to extend to eligible employees of the Company or an associated body corporate of the Company as the Board may in its discretion determine.
2. The total number of Securities to be issued by the Company to eligible employees under the Plan shall not at any time exceed five percent (5%) of the Company's total issued ordinary Share capital in that class at that time when aggregated with:
  - (i) the number of Shares in the same class which would be issued if each outstanding offer with respect to Shares or Options under any share option scheme of the Company were accepted and exercised; and
  - (ii) the number of Shares in the same class issued during the previous five (5) years pursuant to:
    - (A) the Plan to an eligible employee; or
    - (B) any employee share option scheme of the Company,but excluding for the purposes of the calculation, any offer made, or Option acquired or Share issued by way of or as a result of:
    - 1) any offer to a person situated at the time of receipt of the offer made outside of this jurisdiction; or
    - 2) an offer that did not require disclosure to investors because of Section 708 of the Corporations Act; or
    - 3) an offer made under a disclosure document within the meaning of the Corporations Act.
3. The price at which the Shares and Options are to be issued will be determined by the Board.
4. The exercise price of an Option is to be determined by the Board at its sole discretion.
5. The vesting date will be any such date or dates with respect to the Options or tranches of Options (as the case may be) as may be determined by the Board from time to time.
6. The Option commencement date will be the date to be determined by the Board prior to the issue of the relevant Options. Where the Options have not vested on their issue, the Option commencement date will be the vesting date.

7. The Option exercise period commences on the Option commencement date and ends on the earlier of:
- (i) the expiration of such period nominated by the Board at its sole discretion at the time of the grant of the Option but being not less than two years; or
  - (ii) the business day after the expiration of three months, or any longer period which the Board may determine, after the eligible employee ceases to be employed by the Company or an associated body corporate of the Company; or
  - (iii) the eligible employee ceasing to be employed by the Company or an associated body corporate of the Company due to fraud or dishonesty.
8. In the event of a Change in Control of the Company before the vesting date of an Option, any unvested Options shall vest immediately.
9. Eligibility to participate is determined by the Board. Eligibility is restricted to eligible employees of the Company or an associated body corporate of the Company. The Board is entitled to determine:
- (i) subject to the terms of the Plan, the total number of Options to be offered in any one year to eligible employees;
  - (ii) the eligible employees to whom offers will be made; and
  - (iii) the terms and conditions of any Options granted, subject to the Plan.
10. Participants do not participate in dividends or in bonus issues unless the Options are exercised.
11. Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the Listing Rules, provide Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Options, in accordance with the requirements of the Listing Rules.
12. In the event of a pro rata issue (except a bonus issue) made by the Company during the term of the Options the Company may adjust the exercise price for the Options in accordance with a specified formula.
13. The Board has the right to vary the entitlements of all participants to take account of the effective capital reconstructions, bonus issues or rights issues.
14. The terms of the Options shall only be changed if holders (whose votes are not to be disregarded) of Shares in the Company approve of such a change. However, the terms of the Options shall not be changed to reduce the Exercise Price, increase the number of Options or change any period for exercise of the Options.
15. The Board may impose as a condition of any offer of Shares and Options under the Plan any restrictions on the transfer or encumbrance of such Shares and Options as it determines.
16. The Board may vary the Plan.
17. The Plan is separate to and does not in any way form part of, vary or otherwise affect the rights and obligations of a participant under the terms of his or her employment or arrangement.

18. At any time from the date of an offer of Shares or Options until the acceptance date of that offer, the Board undertakes that it shall provide information as to:

- (i) the current market price of the Shares; and
- (ii) the acquisition price of the Shares or Options offered where this is calculated by reference to a formula, as at the date of the Offer,

to any participant by mail (or such other form of notification as agreed by the Company and the participant) within three Business Days of a written request to the Company from that participant to do so.

The Directors recommend that you vote in favour of this Ordinary Resolution.

#### **Resolution 6 – Changes to the terms of option issued under the Armour Energy Limited Share Option Plan**

23,900,000 Options were issued to senior managers under the terms contained in the Plan before it was modified by the Board on 24 October 2013. The terms of the Plan as modified will apply to future issues of options to employees, but do not apply to existing options.

The Board believes that for the sake of fairness and consistency, the terms of the existing options on issue (23,900,000 options) should be amended to include the Plan terms as modified. See Resolution 5. The Board therefore proposes changes to the terms on which those options may vest.

Resolution 6 seeks shareholder approval for an amendment to the terms and conditions of all outstanding employee options issued pursuant to the Plan adopted by the Company in its AGM on 9 November 2011, but prior to the Plans amendment on 24 October 2013.

Existing employees' options will be amended so that in the event of a Change in Control of the Company before the vesting date, any unvested Options shall vest immediately.

**Change of Control** is defined as meaning where:

- (a) the Company entering into a scheme of arrangement with its creditors or members or any class thereof pursuant to section 411 of the Corporations Act;
- (b) a Takeover Event happening;
- (b) where a person or group of associated persons acquires a relevant interest in sufficient shares to give it or them the ability (a Relevant Ability), in general meeting, to replace all or a majority of the Directors of the Company in circumstances where the Relevant Ability was not held by that person or group of associated persons as at the date of issue of the Options; or
- (c) if at any time after the date of issue of the Options, any person or entity acquires fifty (50%) percent or more of the Shares;

**Takeover Event** is defined for the purposes of the Plan as being when any person acquires more than fifty (50%) percent of the Shares pursuant to a takeover bid conducted in accordance with Chapter 6 of the Corporations Act; and

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

#### **Listing Rule 6.23.4**

Listing Rule 6.23.4 provides that a change to option terms which is not prohibited under Listing Rule 6.23.3 can only be made if holders of ordinary securities approve the change. The change to the terms and conditions of the Existing Directors' and Employees' Options is not prohibited under Listing Rule 6.23.3 as the options exercise period is not being altered by Resolution 5.

Accordingly, shareholder approval to the amendment to the terms and conditions of issue of the Existing Directors' and Employees' Options is also being sought for the purposes of Listing Rule 6.23.4.

The Directors recommend that you vote in favour of this Ordinary Resolution.

## **Resolution 7 - Approval to Issue an Additional 10% of the Issued Capital of the Company Over a 12 Month Period Pursuant to Listing Rule 7.1A**

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### Introduction

Pursuant to Resolution 7, the Company is seeking Shareholder approval to issue an additional 10% of its issued capital over a 12 month period pursuant to Listing Rule 7.1A. If passed, this Resolution will allow the Company to allot and issue up to the number of new Equity Securities calculated in accordance with Listing Rule 7.1A.2 (**Placement Securities**) each at an issue price of at least 75% of the volume weighted average price (**VWAP**) for the Company's Equity Securities in that class (calculated over the last 15 days on which trades in the Equity Securities are recorded immediately before the date on which the price at which the Placement Securities are to be issued is agreed, or if the Placement Securities are not issued within five trading days of that date, the date on which the Placement Securities are issued) (**Issue Price**).

This approval is sought pursuant to Listing Rule 7.1A, under which small and mid cap listed entities that meet the eligibility threshold and have obtained the approval of their ordinary shareholders by Special Resolution at the Annual General Meeting, are permitted to issue an additional 10% of issued capital over a 12 month period from the date of the Annual General Meeting (**Additional 10% Placement**). The Additional 10% Placement under Listing Rule 7.1A is in addition to the ability of the Company to issue 15% of its issued capital without shareholder approval over a 12 month period pursuant to Listing Rule 7.1. The Company may issue the Placement Securities to raise funds for the Company and as non-cash consideration (further details of which are set out below).

Funds raised from the issue of Placement Securities, if undertaken, would be applied towards the acquisition of new assets or investments (including expenses associated with such acquisitions), continued exploration and feasibility study expenditure on the Company's current assets and general working capital.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

### **Listing Rule 7.1A**

#### Eligibility

An entity is eligible to undertake an Additional 10% Placement if at the time of its Annual General Meeting it has a market capitalisation of \$300 million or less and it is not included in the S&P/ASX300 Index.

For illustrative purposes only, on 1 October 2013, the Company's market capitalisation was approximately \$90 million based on the closing trading price on that date. The calculation of market capitalisation will be based on the Closing Price of the Shares, on the last Trading Day on which trades in the Shares were recorded before the date of the Annual General Meeting, multiplied by the number of Shares on issue (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is also not included in the S&P/ASX300 Index as at the time of this Annual General Meeting, however, it should be noted that the S&P/ASX300 Index is rebalanced twice a year in March and September.

The Company is therefore an Eligible Entity and able to undertake an Additional 10% Placement under Listing Rule 7.1A.

In the event that the Company for any reason ceases to be an Eligible Entity after the Company has already obtained Shareholder approval pursuant to this Resolution, the approval obtained will not lapse and the Company will still be entitled to issue the Placement Securities during the 12 month period following this AGM.

### Special Resolution

Listing Rule 7.1A requires this Resolution to be passed as a Special Resolution, which means that it must be passed by at least 75% of the votes cast by members entitled to vote on the Resolution. Pursuant to Listing Rule 7.1A, no Placement Securities will be issued until and unless this Special Resolution is passed at the Meeting.

### Shareholder Approval

The ability to issue the Placement Securities is conditional upon the Company obtaining Shareholder approval by way of a Special Resolution at the Meeting.

### **10% Placement Period - Listing Rules 7.1A.1**

Assuming Resolution 7 is passed, Shareholder approval of the Additional 10% Placement under Listing Rule 7.1A is valid from the date of the AGM and expires on the earlier to occur of:

1. the date that is 12 months after the date of the AGM; or
2. the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX.

If approval is given for the issue of the Placement Securities then the approval will expire, on 25 November 2014 unless Shareholder approval is granted pursuant to Listing Rules 11.1.2 or 11.2 prior to that date.

### **Formula for calculating 10% Placement Facility - Listing Rule 7.1A.2**

Listing Rule 7.1A2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

#### **(A x D) – E**

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

- (A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (B) plus the number of partly paid shares that became fully paid in the 12 months;
- (C) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (D) less the number of fully paid shares cancelled in the 12 months.

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

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

### **Listing Rule 7.1A.3**

#### Equity Securities

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

At the date of this Notice of Meeting, the Company has on issue 300,587,196 Shares. The Company will have the capacity to issue the following Equity Securities on the date of the Meeting:

- (1) 45,088,080 Equity Securities under Listing Rule 7.1; and
- (2) subject to Shareholder approval being obtained under Resolution 5, 30,058,720 Placement Securities under Listing Rule 7.1A.

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

#### **Information to be given to ASX – Listing Rule 7.1A.4**

If Resolution 5 is passed and the Company issues any Placement Securities under Listing Rule 7.1A, the Company will give to ASX:

1. a list of allottees of the Placement Securities and the number of Placement Securities allotted to each placee (this list will not be released to the market); and
2. the following information required by rule ASX Listing Rule 3.10.5A, which will be released to the market on the date of issue:
  - details of the dilution to the existing holders of Ordinary Securities caused by the issue;
  - where the Equity Securities are issued for cash consideration, a statement of the reasons why the Company issued the Equity Securities as a placement under rule 7.1A and not as (or in addition to) a pro rata issue or other type of issue in which existing Shareholders would have been eligible to participate;
  - details of any underwriting arrangements, including any fees payable to the underwriter; and
  - any other fees or costs incurred in connection with the issue.

#### **Listing Rule 7.1 and 7.1A**

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

As at the date of this Notice, the Company will have the capacity to issue the following Equity Securities on the date of the Meeting:

- (1) 45,088,080 Equity Securities under Listing Rule 7.1; and
- (2) subject to Shareholder approval being obtained under Resolution 5, 30,058,720 Placement Securities under Listing Rule 7.1A.

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

### Specific Information required by Listing Rule 7.3A

#### 1. Minimum Price of securities issued under Listing Rule 7.1A – Listing Rule 7.3A.1

Pursuant to and in accordance with Listing Rule 7.1A.3, the Placement Securities issued pursuant to approval under Listing Rule 7.1A must have an issue price of not less than 75% of the VWAP for the Equity Securities over the 15 trading days immediately before:

- (1) the date on which the price at which the Placement Securities are to be issued is agreed; or
- (2) if the Placement Securities are not issued within five trading days of the date in paragraph (1) above, the date on which the Placement Securities are issued.

The Company will disclose to the ASX the issue price on the date of issue of the Placement Securities.

#### 2. Risk of Economic and Voting Dilution - Listing Rule 7.3A.2

As provided by Listing Rule 7.3A.2, if this Resolution is passed and the Company issues the Placement Securities, there is a risk of economic and voting dilution to the existing Shareholders. The Company currently has on issue 300,587,196 Shares. Subject to the passing of Resolutions 4 and 5 of this meeting, the Company could subsequently issue 75,146,800 Shares (however, it is important to note that the exact number of Placement Securities which may be issued will be calculated in accordance with the formula contained in Listing Rule 7.1A.2, details of which are set out above). Any issue of Placement Securities will have a dilutive effect on existing Shareholders.

There is a specific risk that:

- (1) the Market Price for the Company's Equity Securities may be significantly lower on the date of the issue of any Placement Securities than it is on the date of the meeting; and
- (2) the Placement Securities may be issued at a price that is at a discount to the Market Price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue or the value of the Placement Securities.

As required by Listing Rule 7.3A.2, Table 1 below shows the potential economic and voting dilution effect, in circumstances where the issued share capital has doubled and the Market Price of the shares has halved. Table 1 also shows additional scenarios in which the issued share capital has increased (by both 50% and 100%) and the Market Price of the shares has:

- (1) decreased by 50%; and
- (2) increased by 100%.

**Table 1**

Issued Share Capital	50% decrease in Market Price \$0.15		Current Market Price \$0.30		100% increase in Market Price \$0.60	
	10% Voting Dilution	Capital Raised	10% Voting Dilution	Capital Raised	10% Voting Dilution	Capital Raised
<b>Present Issued Share Capital = 300,587,196 Shares</b>	30,058,720	\$4,508,808	30,058,720	\$9,017,616	30,058,720	\$18,035,232
<b>50% Increase in Share Capital = 450,880,794 Shares</b>	45,088,079	\$6,763,212	45,088,079	\$13,526,424	45,088,079	\$27,052,848
<b>100% Increase in Share Capital = 601,174,392 Shares</b>	60,117,439	\$9,017,616	60,117,439	\$18,035,232	60,117,439	\$36,070,464

**Assumptions and Explanations**

- The Market Price is \$0.30, based on the closing price of the Shares on ASX on 1 October 2013.
- The above table only shows the dilutionary effect based on the issue of the Placement Securities (assuming only Shares are issued), and not any Shares issued under the 15% capacity under Listing Rule 7.1.
- The above table includes the Shares previously issued and to be ratified under Resolution 4.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued Share capital at the time of issue. It shows the number of shares that the Company's share capital will increase by.
- The above table includes the Shares previously issued and to be ratified under Resolution 4.
- The Company issues the maximum number of Placement Securities.
- The issued Share capital has been calculated in accordance with the formula in Listing Rule 7.1A (2) as at 1 October 2013.
- The issue price of the Placement Securities used in the table is the same as the Market Price and does not take into account the discount to the Market Price (if any).
- Variable A is the issued capital of the Company.
- The table above does not show the potential dilutionary effect to a particular shareholder.

**Final Date for Issue - Listing Rule 7.3A.3**

As required by Listing Rule 7.3A.3, the Company will only issue and allot the Placement Securities during the 12 months after the date of this Meeting which the Company anticipates will end on 28 November 2014. The approval under this Resolution for the issue of the Placement Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (the disposal of the main undertaking of the Company) before the anniversary of the Annual General Meeting.

### 3. Purpose - Listing Rule 7.3A.4

As noted above, the purpose for which the Placement Securities may be issued include to raise funds for the Company and as non-cash consideration (further details of which are set out below). Funds raised from the issue of Placement Securities, if undertaken, would be applied towards the acquisition of new assets or investments (including expenses associated with such acquisitions), continued exploration and feasibility study expenditure on the Company's current assets and general working capital.

### 4. Shares Issued for Non-Cash Consideration - Listing Rule 7.3A.4

The Company may issue Placement Securities for non-cash consideration, such as the acquisition of new assets or investments. If the Company issues Placement Securities for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the Placement Securities complies with Listing Rule 7.1A.3.

### 5. Company's Allocation Policy - Listing Rule 7.3A.5

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of the Placement Securities. The identity of the allottees of Placement Securities will be determined on a case-by-case basis having regard to a number of factors including but not limited to the following:

- (1) the methods of raising funds that are available to the Company including, but not limited to, rights issue or other issue in which existing shareholders can participate;
- (2) the effect of the issue of the Placement Securities on the control of the Company;
- (3) the financial situation and solvency of the Company; and
- (4) advice from corporate, financial and broking advisers (if applicable).

The allottees of the Placement Securities have not been determined as at the date of this Notice but may include existing substantial Shareholders and new Shareholders who are not related parties or associates of a related party of the Company.

Furthermore, if the Company is successful in acquiring new assets or investments for which Placement Securities are issued as consideration, it is likely that the allottees of some of the Placement Securities will be the vendors of the new assets or investments.

### 6. Company Has Not Previously Obtained Shareholder Approval Under Listing Rule 7.1A

The Company has **not** previously obtained Shareholder approval under Listing Rule 7.1A.

### 7. Voting Exclusion Statement

A voting exclusion statement is included for this Resolution in the Notice of Meeting accompanying the Explanatory Memorandum. At the date of the Notice of Meeting, the proposed allottees of any Placement Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Placement Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

## Interpretation

**Additional 10% Placement** means the additional 10% of issued capital over a 12 month period from the date of the Annual General Meeting under Listing Rule 7.1A;

**ASX** means the ASX Limited ACN 008 624 691;

**Board** means the board of directors of the Company;

**Closely Related Party** (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by the regulations for the purposes of this paragraph;

**Company** means Armour Energy Limited ACN 141 198 414;

**Corporations Act** means the Corporations Act 2001 (Cth) as amended, varied or replaced from time to time;

**Director** means a director of the Company;

**Explanatory Memorandum** means this explanatory memorandum accompanying the Notice of Meeting;

**Issue Price** the price per security the Placement Securities may be issued;

**Key Management Personnel** or **KMP** has the definition given in the accounting standards as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity.

**Meeting** or **Annual General Meeting** means the annual general meeting to be held on 29 November 2013;

**Notice of Meeting** means this Notice of Meeting convening the Meeting and the Explanatory Memorandum;

**Ordinary Resolution** means a Resolution passed by more than 50% of the votes cast at a general meeting of shareholders;

**Placees** means the Shareholders to whom Placement Shares were issued;

**Placement Securities** means the new Equity Securities for the purposes of Listing Rule 7.1A;

**Placement Shares** means the 587,196 Shares issued on 29 August 2013 for \$0.34 per Share as set out in Resolution 4;

**Resolution** means a resolution proposed at the Meeting;

**Share** means an ordinary fully paid share in the issued capital of the Company;

**Shareholder** means a holder of Shares in the Company; and

**VWAP** means volume weighted average price.

## ENQUIRIES

Any enquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to Karl Schlobohm (Company Secretary), at Level 27, 111 Eagle Street Brisbane QLD 4000, or on (07) 3303-0620.

## Notes

### **Entitlement to Vote**

For the purposes of determining those shareholders entitled to attend and vote at the Annual General Meeting of the Company, shall be those persons recorded in the register of shareholders as at 7pm (AEST) 27 November 2013. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

### **How to Vote**

You may vote by attending the Annual General Meeting in person, by proxy or authorised representative.

### **Voting in Person**

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

### **Voting by Proxy**

A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to vote on their behalf. Where a shareholder is entitled to cast two or more votes, they may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a shareholder of the Company. Shareholders who are a body corporate are able to appoint representatives to attend and vote at the meeting under Section 250D of the Corporations Act 2001 (Cth).

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

### **Signing instructions**

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

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

**Joint Holding:** Where the holding is in more than one name, either security holder may sign.

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

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

Please indicate the office held by signing in the appropriate place.

To vote by proxy, the proxy form provided with this notice (and the original or a certified copy of any power of attorney under which it is signed) must be received by the Company not less than forty eight (48) hours before the scheduled time for the meeting. Any proxy form received after that time will not be valid for the scheduled meeting.

Completed proxies can be returned to the Company Secretary by either mail to GPO Box 5261, Brisbane, Qld 4001; or facsimile to (07) 3303-0681, or scanned and emailed to [kschlobhm@armourenergy.com.au](mailto:kschlobhm@armourenergy.com.au)

# Proxy Form

## STEP 1: APPOINTMENT OF PROXY

I/We being Shareholder(s) of Armour Energy Limited (Company) hereby appoint as my proxy for the Annual General Meeting of the Company to be held at 11.00am (Brisbane time) on 29 November 2013 and any adjournment thereof:

the Chairman of the Meeting **OR**  
(mark with an "X")

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

### IMPORTANT NOTE FOR ITEMS 1-3 AND 5-6 (INCLUSIVE)

The Chairman of the Meeting intends to vote undirected proxies **in favour of each resolution**. If the Chairman of the Meeting is your proxy, or may be appointed as your proxy by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in the box.

By marking this box you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution/s and that votes cast by the Chairman of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest. If you do **not** wish to authorise the Chairman to vote in this way, you should direct your vote in accordance with Step 2 below.

If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution. If the Chairman is appointed as your proxy, or may be appointed by default, you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

If no directions are given, the Proxy may vote as the Proxy thinks fit or may abstain, subject to compliance with the Corporations Act. By signing this appointment you acknowledge that the Proxy (whether voting in accordance with your directions or voting in their discretion under an undirected Proxy) may exercise your proxy even if he/s he has an interest in the outcome of the resolution and even if votes cast by him/her other than as proxy holder will be disregarded because of that interest, subject to compliance with the Corporations Act.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is .....%. (An additional proxy form will be supplied by the Company on request). If you wish to appoint the proxy to exercise voting power over only some of your Shares, the number of Shares in respect of which this proxy is to operate is ..... Shares (Note: proxy will be over all Shares if left blank).

## STEP 2: VOTING DIRECTIONS

I/we direct my/our proxy to vote as indicated below:

Resolution	For	Against	Abstain
1. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Nicholas Mather as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-election of Roland Sleeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratify Previous Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of Amended Armour Energy Limited Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Changes to the terms of option issued under the Armour Energy Limited Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Approval to issue additional 10% of issued share capital pursuant to Listing Rule 7.1A.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Sole Director and Secretary  
(if appointed)

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

For personal use only

## How to Complete this Proxy Form

### 1 Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### 2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in section A. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in section A. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

### 3 Votes on Items of Business

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses, except in relation to Resolution 1 where you have appointed a member of the Key Management Personnel of the Company (other than the Chairman) or their closely related parties as your proxy, in which case there are additional restrictions explained below. If you mark more than one box on an item your vote on that item will be invalid.

### 4 Appointment of a Second Proxy

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

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) Return both forms together.

### 5 Signing Instructions

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

- Individual:** where the holding is in one name, the holder must sign.
- Joint Holding:** where the holding is in more than one name, either security holder may sign.
- Power of Attorney:** To sign under Power of Attorney, you must have already lodged the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### 6 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below by 11.00 am on 27 November 2013, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.