



EMPIRE ENERGY GROUP LIMITED

Australian Office

A.B.N 29 002 148 361
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28 April 2017

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

RE: ANNUAL GENERAL MEETING

Please be advised that the Annual General Meeting of Empire Energy Group Limited will be held at the office of Nexia Australia, Level 16, 1 Market Street Sydney on Wednesday 31 May 2017 at 10.00am.

A copy of the Notice of Annual General Meeting together with an Explanatory Statement and proxy form as despatched to shareholders is attached.

In addition, we confirm that the year 2016 Annual Report of the Company comprises only those documents previously provided to the ASX.

Yours faithfully

A handwritten signature in black ink, appearing to read 'R Ryan', with a long horizontal flourish extending to the right.

R Ryan
Company Secretary



NOTICE OF ANNUAL GENERAL MEETING

*An Annual General Meeting of
Empire Energy Group Limited
ABN 29 002 148 361
will be held at
Level 16, 1 Market Street,
Sydney NSW 2000
On Wednesday, 31 May 2017 at 10.00am*

IMPORTANT INFORMATION

This document is important. Please read it carefully and if you require assistance, consult your legal or financial adviser.

NOTICE OF ANNUAL GENERAL MEETING

EMPIRE ENERGY GROUP LIMITED

Notice is hereby given that an Annual General Meeting of the members of Empire Energy Group Limited ABN 29 002 148 361 ("**Company**") will be held at the offices of Nexia Australia, at the time and date listed below to consider and vote on the resolutions specified in this notice.

Time and date of meeting: 10.00am Wednesday, 31 May 2017
Place of meeting: Level 16, 1 Market Street, Sydney NSW

The business to be considered at the Annual General Meeting is set out below.

This Notice of Meeting should be read in its entirety in conjunction with the accompanying Explanatory Statement, which contains information in relation to the following resolutions. If you are in any doubt as to how you should vote on the proposals set out in this Notice of Meeting, you should consult your financial or other professional adviser.

AGENDA

1. ORDINARY BUSINESS

1.1 Resolution 1: Adoption of remuneration report

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

"That for the purposes of section 250R(2) of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 31 December 2016."

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

Note: The remuneration report, which forms part of the directors' report is set out in the Company's 2016 annual report.

Voting exclusion statement

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

- (a) any member of the key management personnel, details of whose remuneration are included in the remuneration report (**Key Management Personnel**); and
- (b) a closely related party of Key Management Personnel.

However, a person (the voter) described in paragraph (a) or (b) above may cast a vote on the resolution as a proxy if the vote is not cast on behalf of a person described in paragraph (a) or (b) above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or

- (b) the voter is the chair of the meeting and the appointment of the chair as proxy:
- a. does not specify the way the proxy is to vote on the resolution; and
 - b. expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
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1.2 Resolution 2: Re-election of D Sutton as a director

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

"That David Sutton, having retired from office as a director of the Company in accordance with ASX Listing Rule 14.4 and Article 50.1 of the Company's constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company."

1.3 Resolution 3: Ratify issue of securities for Services Rendered

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 2,000,000 Shares to S3 Consortium Pty Ltd on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on Resolution 3 by S3 Consortium Pty Ltd and any of its Associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
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1.4 Resolution 4: Ratify issue of securities for Services Rendered

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 1,000,000 Shares to EverBlu Capital Pty Ltd on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on Resolution 4 by EverBlu Capital Pty Ltd and any of its Associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
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1.5 Resolution 5: Ratify issue of securities for Services Rendered

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 1,000,000 Options to EverBlu Capital Pty Ltd and approves the Directors to issue 1,000,000 Shares on exercise of those Options on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on Resolution 5 by EverBlu Capital Pty Ltd and any of its Associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
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1.6 Resolution 6: Ratify issue of securities to Underwriter in respect of fee offset

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 17,693,153 Shares to 153 Fish Capital Pte Ltd on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on Resolution 6 by 153 Fish Capital Pte Ltd and any of its Associates.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
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1.7 Resolution 7: Ratify past issue of securities

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

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 37,750,000 Shares to professional and/or sophisticated investors on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on Resolution 7 by any person who participated in the issue and any of their Associates.

However, the Company need not disregard a vote if:

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

1.8 Resolution 8: Approval of issue of Placement Shares

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

"That for the purposes of ASX Listing Rule 7.1, and for all other purposes, Shareholders approve the issue of up to 187,500,000 Shares to sophisticated and/or professional investors on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on Resolution 8 by any person who may participate in the proposed issue of shares and any person (including but not limited to 153 Fish Capital Pte Ltd) who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if this Resolution is passed and any of their respective Associates.

However, the Company need not disregard a vote if:

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

As at the date of this Notice of Meeting it is not known who may participate in the proposed issue. On that basis, other than 153 Fish Capital Pte Ltd, no security holders are currently excluded from voting.

1.9 Resolution 9: Refreshment of Approval of Employee Share Option Plan

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

"That for the purposes of ASX Listing Rule 7.2, Exception 9(b) and for all other purposes, the Shareholders approve the Empire Energy Group Limited Employee Share Option Plan, the rules of which Plan are annexed as Annexure A to the Explanatory Statement."

Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 9 by any Directors of the Company, any of his Associates (except one who is ineligible to participate in any employee incentive scheme in relation to the entity (within the meaning of the Corporations Act 2001 (Cth))).

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
 - (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.
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1.10 Resolution 10: Approve the participation of Mr B W McLeod in the Employee Share Option Plan.

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

"That, for the purposes of ASX Listing Rule 10.14 of the ASX Listing Rules and for all other purposes, Shareholders approve the granting of 5,000,000 options under the Empire Energy Group Limited Employee Share Option Plan 2016 to Mr Bruce W McLeod, a director of the Company be approved on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on Resolution 10 by any Director of the Company who is eligible to participate in the Employee Share Option Plan and any of their Associates.

However, the Company need not disregard a vote if:

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

2.1 Resolution 11: Approval of 10% Placement Facility

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

"That for the purposes of ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities totalling up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

Voting exclusion statement

The Company will disregard any votes cast on Resolution 11 by a person who may participate in the issue of 10% placement facility the subject of Resolution 11 and any person who might obtain a benefit if Resolution 11 is passed, except a benefit solely in the capacity of a holder of shares, and any of their respective Associates.

However, the Company need not disregard a vote if:

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

In accordance with ASX Listing Rule 14.11.1 and the relevant note under that rule concerning ASX Listing Rule 7.1A, as at the date of this Notice of Meeting it is not known who may participate in the proposed issue (if any). On that basis, no security holders are currently excluded from voting.

OTHER BUSINESS

To transact any other business that might be legally brought before the Annual General Meeting.

By Order of the Board of Directors



**R Ryan
Secretary**

DATED 20 April 2017

This Notice of Meeting is accompanied by an explanatory statement to Shareholders which explains the purpose of the Annual General Meeting and the resolutions to be considered at that meeting.

Voting Information

For the purposes of determining a person's entitlement to vote at the Annual General Meeting, a person will be recognised as a member of the Company and a Shareholder if that person is recorded on the Company's register of Shareholders at 7.00pm, Sydney time on 29 May 2017.

How to Vote

You may vote by attending the meeting in person, by proxy or corporate representative.

Voting in Person

To vote in person attend the meeting on the date and place as set out below. The meeting will commence at 10:00am (Sydney time).

Time and date of meeting: 10.00am Wednesday, 31 May 2017

Place of meeting: Level 16, 1 Market Street, Sydney

Voting by Proxy

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of Meeting, so that it is received no later than 10.00am (Sydney time) on 29 May 2017, being 48 hours prior to the meeting. Proxy forms received later than this time will be invalid.

Hand deliveries:	The Secretary Empire Energy Group Limited Level 7 151 Macquarie Street Sydney NSW 2000	Postal address:	Empire Energy Group Limited Level 7 151 Macquarie Street Sydney NSW 2000
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Alternatively you can fax your proxy form so that it is received no later than 10:00am (Sydney time) on 29 May 2017 on the fax number listed below.

Fax Number: +61 2 9251 0244

Your Proxy Form is enclosed

This is an important document. Please read it carefully. If you are unable to attend the Annual General Meeting please complete the enclosed Proxy Form and return it in accordance with the instructions set out on that form.

Votes of Members

On a show of hands, each Shareholder present in person or by proxy (or, in the case of a body corporate, by a representative) at the Annual General Meeting shall have one vote.

On a poll, every member present in person or by attorney or by proxy (or, in the case of a body corporate, by a representative) at the Annual General Meeting shall have one vote for each share held provided that all shares are fully paid.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for shareholders of Empire Energy Group Limited ("**Company**") in connection with the business to be transacted at the Annual General Meeting to be held at 10.00 am on Wednesday 31 May 2017 at Level 16, 1 Market Street, Sydney and contains explanatory and other information for Shareholders in relation to the resolutions set out in the attached Notice of Meeting.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the proposed resolutions.

The Directors recommend that Shareholders vote in favour of Resolutions 1, 3 to 8 and 11 and intend to cast all votes controlled by them and any undirected proxies they hold in favour of the resolutions.

The Directors other than Mr Sutton recommend that non-Associated Shareholders vote in favour of Resolution 2.

As all the Directors are eligible to participate in the Employee Share Option Plan, the Directors do not make any recommendation in connection with the refreshment of approval of that plan in Resolution 9.

The Directors other than Mr McLeod recommend that non-Associated Shareholders vote in favour of Resolution 10.

If you are in doubt about what to do in relation to the resolutions, you should consult your financial or other professional adviser.

Resolutions

None of the resolutions are inter-conditional. Accordingly, if Shareholders do not approve one of the resolutions, other resolutions may still be approved by Shareholders.

Resolutions 1 to 10 are ordinary resolutions, which require a simple majority of votes cast (in person, by proxy or, in the case of a body corporate Shareholder, by corporate representative) by Shareholders entitled to vote on the resolution.

Resolution 11 is a special resolution, which requires approval by at least 75% of votes cast (in person, by proxy or, in the case of a body corporate Shareholder, by corporate representative) by Shareholders entitled to vote on the resolution.

Financial Statements

The financial report, Directors' report and auditor's report for the Company for the financial year ended 31 December 2016 will be laid before the Annual General Meeting.

There is no requirement for Shareholders to approve these reports.

The Meeting provides a forum for Shareholders to ask questions and make comments on the Company's reports and accounts and on the management, business and operations of the Company.

In addition, Shareholders will be allowed a reasonable opportunity at the Annual General Meeting to ask questions of the auditor (or the auditor's representative) relevant to:

- the conduct of the audit;
- the content of the auditor's report;
- the accounting policies adopted by the Company for the preparation of the financial statements; and

- the auditor's independence in relation to the above items.

Shareholders may view the Company's annual financial report on the Company's website www.empireenergygroup.net.

Resolution 1: Adoption of Remuneration Report

Pursuant to section 250R(2) of the Corporations Act 2001(Cth) ("**Corporations Act**") a resolution that the remuneration report be adopted must be put to vote at the Company's AGM. The vote on this Resolution is advisory only and does not bind the Directors or Company. The remuneration report is set out in the Company's year 2016 Annual Report which is available from the Company's website www.empireenergygroup.net.

The remuneration report:

- describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of executives and the Company's performance;
- sets out the remuneration arrangements in place for each Director and for certain members of the senior management team; and
- explains the difference between the bases for remunerating non-executive Directors and senior executives, including the Chief Executive Officer.

If Resolution 1 receives a 'no' vote of 25% or more of votes cast at the Meeting, then:

- if comments are made on the report at the Annual General Meeting, the Company's remuneration report for the financial year ended 31 December 2017 will be required to include a report on actions taken by the Board in connection with the Company's remuneration policy in the Company's next annual report or if no action is proposed, the Board's reasons for this position; and
- if, at the Company's 2018 Annual General Meeting, at least 25% of the votes cast on the resolution for adoption of the remuneration report for the relevant financial year are against its adoption, the Company will be required to put to Shareholders a resolution proposing that a General Meeting (**Spill Meeting**) be called to consider the election of directors of the Company (**Spill Resolution**). The Spill Meeting must be held within 90 days of the date of the 2018 Annual General Meeting. For a Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, all of the Directors (other than any managing director) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

The Board will take the outcome of the vote, even if it receives a less than 25% 'no' vote into consideration when reviewing the Company's remuneration policy. A 'no' vote of 25% or more was not received at the Company's 2016 Annual General Meeting.

The Chairman of the Meeting proposes to cast any undirected proxies in favour of Resolution 1.

Resolution 2: Re-election of David Sutton as a Director

At the Annual General Meeting, Mr David Sutton will retire in accordance with ASX Listing Rule 14.4 and Article 50.1 of the Company's constitution.

Being eligible, Mr Sutton will offer himself for re-election at the AGM.

Mr Sutton qualifications, experience, other directorships and shareholding in the Company are detailed in the Directors' report forming part of the Company's 2016 annual financial report which can be accessed on the Company's website at www.empireenergygroup.net.

Resolutions 3 to 5 Issue of Shares and Options for Services Rendered

The Company is seeking subsequent Shareholder approval under Resolutions 3 to 5 for the issue of Shares and Options to professional and/or sophisticated investors pursuant to ASX Listing Rule 7.4 so that such Shares and Options and the issue of [1,000,000] Shares on exercise of the Options are not taken into account in determining the Company's capacity to issue up to 15% of its issued Shares, if required, in the next 12 months without the need to obtain further Shareholder approval.

As announced to the ASX on:

- 7 July 2016, the Company issued 2,000,000 Shares to S3 Consortium Pty Ltd on 7 July 2016;
- 25 August 2016, the Company issued 1,000,000 Shares and 1,000,000 Options to EverBlu Capital Pty Ltd. The Options had an exercise price of \$0.03 and are exercisable on or before 25 August 2019.

The Company issued the relevant Shares and Options as consideration for consultancy services provided.

Under ASX Listing Rule 7.1, a listed company may (in general terms) only issue new Equity Securities up to 15% of its capital (calculated on a rolling 12 month basis). The issues of the securities which are the subject of the resolutions 3 to 5 were made within the ASX Listing Rule 7.1 placement limit.

Each allottee of the Shares and Options is a professional and/or sophisticated investor (as the case may be) for the purposes of section 708(8) or 708(11) of the Corporations Act (as applicable) and did not acquire (or in the case of Shares to be issued by the Company on exercise of the Options, the Company understands that the relevant investor will not acquire) the Options with the purpose of selling or transferring all or any of them or granting, issuing or transferring interests in or options over them, except where disclosure to investors is not required under sections 708 or 708A of the Corporations Act.

In accordance with the requirements of ASX Listing Rule 7.5, the following information is provided in relation to the securities the subject of the ratification:

Shares in relation to resolution 3:

Date of issue	7 July 2016
Number of securities issued	2,000,000 Shares
Terms of Securities	The Shares are fully paid and rank equally in all respects with all other Shares on issue.
Names of persons who received securities	S3 Consortium Pty Ltd.
Issue Price of Securities	Deemed issue price of \$0.01
Use of funds raised	No funds were raised from the issue of the Shares. The Shares were issued in consideration of consultancy services provided.
Voting exclusion statement	Refer to the Notice of Meeting for details of the voting exclusion statement for the resolution.

Shares in relation to resolution 4:

Date of issue	25 August 2016
Number of securities issued	1,000,000 Shares
Terms of securities	The Shares are fully paid and rank equally in all respects with all other Shares on issue.
Names of persons who received securities	EverBlu Capital Pty Ltd.
Issue Price of Securities	Deemed issue price \$0.02
Use of funds raised	No funds were raised from the issue of the Shares. The Shares were issued in consideration of consultancy services provided in connection with capital raising carried out by the Company.
Voting exclusion statement	Refer to the Notice of Meeting for details of the voting exclusion statement for the resolution.

Shares in relation to resolution 5:

Date of issue	25 August 2016
Number of securities issued	1,000,000 Options
Terms of securities	The Options have an exercise price of \$0.028* and an expiry date of 25 August 2019. * The Option exercise price was adjusted following a pro-rata rights issue. The original exercise price was \$0.03. The Shares issued upon exercise of the Options will be fully paid and rank equally in all respects with all other Shares on issue.
Names of persons who received securities or basis on which those persons were determined	EverBlu Capital Pty Ltd
Issue Price of Securities	The Options were granted for nil consideration
Use of funds raised	No funds were raised from the issue of the Options. The Options were issued in consideration of consultancy services provided in connection with capital raising carried out by the Company. Any funds raised from the exercise of the Options will be used for working capital purposes.
Voting exclusion statement	Refer to the Notice of Meeting for details of the voting exclusion statement for the resolution.

Resolution 6 Issue of Shares to Underwriter in respect of fee offset

The Company is seeking subsequent Shareholder approval under Resolution 6 for the issue of Shares to 153 Fish Capital Pte Ltd ("**Underwriter**") pursuant to ASX Listing Rule 7.4 so that such Shares are not taken into account in determining the Company's capacity

to issue up to 15% of its issued Shares, if required, in the next 12 months without the need to obtain further Shareholder approval.

As set out in the Rights Issue Offer Document relating to an 11 for 5 pro-rata renounceable rights issued ("**Offer**") lodged with the ASX on 14 December 2016, the Company appointed the Underwriter to the Offer.

In accordance with the requirements of ASX Listing Rule 7.5, the following information is provided in relation to the securities the subject of the ratification:

Shares in relation to resolution 6:

Date of issue	23 February 2017
Number of Securities issued	17,693,153 Shares
Terms of securities	The Shares are fully paid and rank equally in all respects with all other Shares on issue.
Names of persons who received securities	153 Fish Capital Pte Ltd
Issue Price of Securities	Deemed issue price \$0.008
Use of funds raised	No funds were raised from the issue of the Shares. The Shares were issued as an offset for fees relating to the Offer announced on 14 December 2016.
Voting exclusion statement	Refer to the Notice of Meeting for details of the voting exclusion statement for the resolution.

Resolution 7 Ratify past issue of securities

As noted above, the Company made the Offer to Shareholders late last year.

The Offer closed on 27 January 2017. As announced to the ASX on 20 February 2017, the shortfall to the Offer was 527,553,373 Shares amounting to approximately \$4.2 million ("Shortfall Amount"). The Underwriter provided application forms from sub-underwriters for a total of approximately \$5.5 million, being approximately \$1.3 million more than the Shortfall Amount. However, as at close of business on 17 February 2017, funds of approximately \$1.6 million had been received by the Company and Shares issued by the Company in respect of such funds.

An issue of shares to an underwriter under ASX Listing Rule 7.2, Exception 2 requires the shares in respect of the shortfall amount to be issued not later than 15 Business Days after the close of the offer, and in the case of the Offer, this date was Friday, 17 February 2017.

As advised to the ASX on 2 March 2017 in its response to an ASX query dated 27 February 2017, the Company worked with the Underwriter to place the remaining shortfall Shares to professional and/or sophisticated investors whom have expressed an interest in investing in the Company, which Shares were issued on 23 February 2017 under ASX Listing Rule 7.1.

The Company is seeking subsequent Shareholder approval under Resolution 7 for the issue of Shares pursuant to ASX Listing Rule 7.4 to refresh the Company's capacity to issue up to 15% of its issued Shares, if required, in the next 12 months without the need to obtain further Shareholder approval.

The allottees of the Shares were professional and/or sophisticated investors (as the case may be) for the purposes of section 708(8) or 708(11) of the Corporations Act (as applicable) and did not acquire the Shares with the purpose of selling or transferring all or

any of them or granting, issuing or transferring interests in or options over them, except where disclosure to investors is not required under sections 708 or 708A of the Corporations Act.

In accordance with the requirements of ASX Listing Rule 7.5, the following information is provided in relation to the securities the subject of the ratification:

Shares in relation to resolution 7:

Date of issue	23 February 2017
Number of securities issued	37,750,000 Shares
Terms of Securities	The Shares are fully paid and rank equally in all respects with all other Shares.
Names of persons who received securities or basis on which those persons were determined	Granted to professional and/or sophisticated investors. The allottees under Resolution 7 were not related parties of the Company.
Issue Price of Securities	\$0.008
Use of funds raised	Funds raised from the issue are to be utilised for the following purposes: <ul style="list-style-type: none"> - to provide equity for the acquisition of undervalued USA oil assets that would be considered bolt-on opportunities for the Company's existing Mid-Con operations; - to undertake development of existing Kansas and Oklahoma assets held by the Company; - for negotiations and work programs undertaken in the Northern Territory; and - for general working capital purposes.
Voting exclusion statement	Refer to the Notice of Meeting for details of the voting exclusion statement for the resolution.

Resolution 8: Approval of Issue of Placement Shares

The Company is working with the Underwriter to facilitate the placement of the remaining shortfall shares valued at a total of \$1.5 million. The Company does not have the available issuance capacity under ASX Listing Rule 7.1 to place the shares equivalent to the remaining shortfall under the Offer without seeking Shareholder approval for the issue.

On 2 March 2017, the Company advised the market that a SGX Catalyst listed shareholder (**New Shareholder**) was to invest \$1.5 million following release of the Company's audited accounts. The Underwriter has informed the Company that the Sponsor for the New Shareholder is now seeking clearance from the SGX to complete the \$1.5 million investment. The Company has been advised by the Underwriter that timing of receipt of the required clearance from SGX will be confirmed in the next few days following the issue of the Notice of Meeting.

The Company has been advised by the Underwriter that as soon as practicable after SGX clearance is received, the \$1.5 million will be deposited into an escrow account held by the Company's Singapore lawyer pending Shareholders approving the placement for \$1.5 million at the Annual General Meeting. The Escrow Agreement for the control of the \$1.5 million was entered into on 20 March 2017.

The Company received \$297,000 on 6 April 2017 from the Underwriter and has been advised by the Underwriter that the same sub underwriter is to forward further committed

funds of \$153,000 in the week following the issue of the Notice of Meeting. The remaining \$267,480 of the shortfall will be met by the Underwriter offsetting underwriting fees of \$113,700 in exchange for Shares and a further \$153,780 is expected to be received from the Underwriter. These tranches of Shares will be placed under ASX Listing Rule 7.1 as soon as practicable after funds are received and prior to the date of the Annual General Meeting.

The Company continues to hold the view that the Underwriter remains liable in respect of the shortfall under the Underwriting Agreement and will work with the Underwriter to ensure that the shortfall is placed as soon as possible.

If approved, the Shares will be issued to a number of sophisticated and/or professional investors at an issue price of \$0.008 being the same price as the previously allotted shortfall shares. (**Proposed Placement Shares**). This resolution seeks Shareholder approval for the issue of the Proposed Placement Shares pursuant to ASX Listing Rule 7.1.

Under ASX Listing Rule 7.1, subject to certain exceptions, a listed company is prohibited from issuing or agreeing to issue shares without shareholder approval if, in doing so, it would mean that the number of shares issued in the preceding 12 month period would exceed 15% of the number of fully paid ordinary shares on issue at the beginning of the 12 month period. The Company received Shareholder approval at its Annual General Meeting by special resolution for an additional 10% Placement facility under ASX Listing Rule 7.1A increasing the Company's total placement capacity to 25%. Shareholder approval is sought for Resolution 8 as the Proposed Placement exceeds the Company's current placement capacity. Approval of Resolution 8 will also enable the Company to retain its placement capacity under ASX Listing Rules 7.1 and 7.1A.

In accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of the Proposed Placement Shares which are the subject of Resolution 8:

Maximum number of securities to be issued	187,500,000 Shares
Issue price of securities	\$0.008 per Share
Terms of the Securities	The Shares will be fully paid and will rank pari passu in all respects with the Company's other Shares on issue.
Allottees	Professional and/or sophisticated investors. The allottees will not be related parties of the Company.
Intended use of funds raised	The funds raised from the issue of the Shares will be applied: <ul style="list-style-type: none"> - to provide equity for the acquisition of undervalued USA oil assets that would be considered bolt-on opportunities for the Company's existing Mid-Con operations; - to undertake development of existing Kansas and Oklahoma assets held by the Company; - for negotiations and work programs undertaken in the Northern Territory; and - for general working capital purposes.
Issue date and date of allotment	As soon as possible following Shareholder approval and in any event, within 3 months of the date of the Annual General Meeting.
Voting exclusion statement	Refer to the Notice of Meeting for details of the voting exclusion statement for the resolution.

Resolution 9: Refreshment of Approval of Employee Share Option Plan

The purpose of this resolution is to refresh approval of the employee share option plan, the rules of which are attached as Annexure A (**Plan**).

Resolution 9 has been proposed for the purposes of ASX Listing Rule 7.2, Exception 9(b) which provides that, amongst other things, the 15% limit in ASX Listing Rule 7.1 will not apply to an issue of securities under an employee incentive scheme, if within 3 years before the date of the issue, holders of ordinary securities have approved the issue of securities under the scheme as an exception to this rule.

Prior approval of Shareholder will be required before any Director or related party of the Company can receive an issue of options under the Plan.

The Company first approved a share option plan for Directors and employees in 2000. Shareholders approved the Plan on 30 May 2014.

Reasons for the Plan

The Plan has been designed to offer key personnel the opportunity to subscribe for options to acquire Shares to strengthen links between the Company and its officers and employees including through an increased range of performance incentives.

The Plan recognises the contribution of Directors and employees to the Company's success. Under the Company's current circumstances the Directors consider that the incentives to officers and employees are a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure employees and Directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Plan is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

Under the Plan, the Board may offer to eligible persons the opportunity to subscribe for such number of options in the Company as the Board may decide and on the terms set out in the rules of the Plan, a copy of which is contained in Annexure A of this Explanatory Statement. Employee options granted under the Plan will be offered to participants in the Plan on the basis of the Board's view of the contribution of the eligible person to the Company.

In accordance with the requirements of ASX Listing Rule 7.2 exception 9(b) the following information is provided:

- a) a copy of the rules of the Plan are attached as Annexure A to this Explanatory statement; and
- b) since the last date on which an option plan was approved by Shareholders on 30 May 2014 6,500,000 employee options have been issued.

The Board seeks to ensure that Shareholders are fully informed of, and seeks their agreement to, the Company's long-term incentive arrangements. Additionally, the Company wishes to exempt issues of securities under the Plan from the rolling annual limit of 15% of issued Shares prescribed by ASX Listing Rule 7.1. This limit otherwise applies to all new issues of Equity Securities made without Shareholder approval.

Resolution 10: Approve the participation of Mr B W McLeod in an issue of options under the Employee Share Option Plan

ASX Listing Rule 10.14 requires Shareholder approval for the issue of securities under an employee incentive scheme to a related party of the Company.

Shareholder approval is sought under ASX Listing Rule 10.14 to grant the following Options to a Director (and related party) of the Company under the Plan.

Director	Exercise Price	No of options to be granted	Expiry Date
Mr B W McLeod	3 cents	5,000,000	30 December 2021

The purpose of granting Options to Mr McLeod pursuant to the Plan is to provide an incentive for him to continue within the Company and achieve predetermined goals.

The following information is provided to Shareholders for the purposes of ASX Listing Rule 10.15.

- a) The maximum number of Options to be granted under Resolution 10 is:

Director	Maximum No of Options
Mr B W McLeod	5,000,000

- b) The Options will entitle the holder to subscribe for one Share in the Company at the exercise price of \$0.03 per Share prior to the expiry date and subject to the minimum term of employment vesting conditions and the other terms and conditions of the Plan.

The exercise price of the Options has been calculated at a price which represents a premium of 375% over the closing price of the Company's Shares on the ASX on 13 April 2017, which closing price on that date was \$0.008.

- c) The names of all persons referred to in ASX Listing Rule 10.14 who received securities under the scheme since its last approval on 30 May 2014 are:

	No. of options	Vesting date	Exercise price*	Expiry date
Mr B W McLeod – Executive Chairman				
Tranche 1	1,500,000	15 July 2016	\$0.169	31 December 2016
Tranche 2	1,500,000	15 July 2016	\$0.179	31 December 2016

* Price adjusted following pro rata rights issue in August 2015.

The above Options were granted as an incentive and accordingly were granted for nil consideration.

- d) The names of people referred to in ASX Listing Rule 10.14 entitled to participate in the Plan:

B W McLeod	Executive Chairman
K A Torpey	Non-Executive Director
D H Sutton	Non-Executive Director

- e) The Options will be issued as soon as practicable but in any case no later than twelve months after the date of the Annual General Meeting, unless extended by way of ASX granting a waiver to the ASX Listing Rules.

- f) The Options will be granted as incentive options and hence are granted for no consideration. As the Options will be granted for nil consideration no loan has been extended in relation to the acquisition by Mr McLeod of the Options.
- g) The Options proposed to be granted to Mr McLeod pursuant to Resolution 10 are part of his director's remuneration and considered by the Board to be reasonable in the circumstances. The Board considers that approval is not required under Chapter 2E of the Corporations Act as the exemption in section 211(1) of the Corporations Act applies.

Resolution 11: Approval of 10% Placement Facility

1. General

Under ASX Listing Rule 7.1, a listed company may (in general terms) only issue new Equity Securities up to 15% of its capital (calculated on a rolling 12 month basis). For the purposes of the Company this is the equivalent of approximately 125.3 million Shares based on the current capital of 835,470,109 Shares. Exceptions to the ASX Listing Rule 7.1 15% limit include issues of Equity Securities approved by Shareholders.

ASX Listing Rule 7.1A permits eligible entities, which have obtained shareholder approval by special resolution at the Company's annual general meeting to issue an additional 10% of issued ordinary securities through placements in a 12 month period ("**10% Placement Facility**"). The 10% Placement Facility operates in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1 as referred to above.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is, as at the date of the relevant special resolution passed for the purposes of ASX Listing Rule 7.1A, not included in the S&P/ASX 300 Index *and* has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on deferred settlement basis). The Company is an eligible entity for the purposes of ASX Listing Rule 7.1A.

The Company is seeking Shareholder approval by way of a special resolution to issue additional Equity Securities over the forthcoming 12 month period under the 10% Placement Facility.

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to section 2(c) below).

It is anticipated that funds raised by any issue of Equity Securities pursuant to the 10% Placement Facility would be used applied towards exploration drilling, to supplement the Company's working capital or the equity component of the acquisition cost of oil and gas assets in the United States.

The Company may also issue Equity Securities for non-cash consideration to consultants or other parties for services rendered and may issue Equity Securities to third parties in converting debt to equity or in satisfaction of the performance of other obligations of the Company as the Company has previously.

2. Description of ASX Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at the Annual General Meeting.

(b) Equity securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. In the case of the Company, the sole class of quoted Equity Securities is ordinary shares.

(c) Formula for calculating 10% Placement Facility

ASX Listing Rule 7.1A.2 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:

$$(A \times D) - E$$

A is the number of fully paid ordinary shares on issue 12 months before the issue date or date of agreement to issue:

- plus the number of fully paid ordinary shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- plus the number of partly paid ordinary shares that became fully paid in the 12 months;
- plus the number of fully paid shares issued in the 12 months with approval of holders of shares under ASX 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;
- less the number of fully paid ordinary shares cancelled in the 12 months.

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

D is 10%

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

(d) ASX Listing Rule 7.1 and ASX Listing Rule 7.1A

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

Issues under the placement capacities provided for in each of ASX Listing Rule 7.1 and ASX Listing Rule 7.1A are made and calculated separately. An issue or agreement to issue Equity Securities under ASX Listing Rule 7.1 without shareholder approval uses up part of the ASX Listing Rule 7.1 15% capacity.

As a separate matter, any issue or agreement to issue Equity Securities under ASX Listing Rule 7.1A uses up part of the ASX Listing Rule 7.1A 10% capacity.

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

(e) Minimum issue price

The issue price of the Equity Securities issued under ASX Listing Rule 7.1A must be not less than 75% of the volume weighted average market price ("**VWAP**") for securities in the same class calculated over the 15 trading days in which trades in that class were recorded immediately before:

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

(f) 10% placement period

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the Annual General Meeting at which approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the Annual General Meeting at which the approval is obtained; and
- (ii) the date of the approval by Shareholders of a transaction under ASX 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 ("**10% Placement Period**").

3. Specific Information Required by ASX Listing Rule 7.3A.6(a)

The table below shows the total number of all Equity Securities issued in the 12 months preceding the date of the Annual General Meeting, and the percentage such Equity Securities represent of the total number of Equity Securities on issue at the commencement of the 12 month period. This calculation does not include any Shares to be issued between the date of this notice and the date of the Annual General Meeting. It is likely a tranche of Shares will be issued prior to the Annual General Meeting as described in Resolution 8 on pages 14-15 of this Explanatory Statement.

Equity Securities issued in the prior 12 month period	492,156,232 Shares
Percentage previous issues represent of total number of Equity Securities on issue at the commencement of 12 month period	142.94% of Shares

4. Specific Information Required by ASX Listing Rule 7.3A.6(b)

The tables below set out specific details for each issue of Equity Securities that have taken place in the 12 month period preceding the date of the Annual General Meeting. It is likely a tranche of Shares will be issued prior to the Annual General Meeting as described in Resolution 8 pages 14-15 of this Explanatory Statement.

Number issued:	2,000,000	1,000,000	1,000,000	236,538,079	196,175,000	37,750,000	17,693,153
Class and type of equity security	Ordinary shares	Ordinary shares	Unlisted options	Ordinary shares	Ordinary shares	Ordinary shares	Ordinary shares
Summary of terms	Fully paid ordinary shares	Fully paid ordinary shares	Exercisable @ \$0.028 expiring 25/05/2019	Fully paid ordinary shares	Fully paid ordinary shares	Fully paid ordinary shares	Fully paid ordinary shares
Names of persons who received securities or basis on which those persons were determined	S3 Consortium Pty Ltd	EverBlu Capital Pty Ltd.	EverBlu Capital Pty Ltd.	Pro-rata rights issue to existing shareholders	Shortfall shares to Professional and/or sophisticated investors	Private placement to Professional and/or sophisticated investors.	153 Fish Capital Pte Ltd
Price	\$0.01	\$0.02	Nil	\$0.008	\$0.008	\$0.008	\$0.008
Discount to market price (if any)	N/A	N/A	N/A	42.86%*	42.86%*	42.86%*	N/A
For cash issues							
Total cash consideration received	N/A	N/A	N/A	\$1,892,305	\$1,569,400	\$302,000	N/A
Amount of cash consideration spent	N/A	N/A	N/A	\$1,892,305	\$940,000	Nil	N/A
Use of cash consideration	N/A	N/A	N/A	Repayment of debt.	Repayment of debt, general working capital.	N/A	N/A
Intended use for remaining amount of cash (if any)	N/A	N/A	N/A	N/A	Equity for the acquisition of oil and gas properties, costs of the offer and working capital.	Equity for the acquisition of oil and gas properties, costs of the offer and working capital.	N/A
For non-cash consideration							
Non-cash consideration paid	\$20,000	\$20,000	N/A	N/A	N/A	N/A	\$141,545
Current value of that non-cash consideration	\$20,000	\$20,000	N/A	N/A	N/A	N/A	\$141,545

* Discount to last closing price before the announcement of rights issue

5. Specific Information Required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility referred to in Resolution 11:

- (a) the Equity Securities will be issued at an issue price of not less than that specified in ASX Listing Rule 7.1A.3, as described at paragraph 2(e), above.
- (b) if Resolution 11 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, existing Shareholders economic and voting interests will be diluted. The table below provides examples of the potential effect of such dilution. There is also a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
 - (ii) the Equity 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 or the Equity Securities may be issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The following table shows the dilution of existing shareholdings on the basis of the assumptions set out below the table and based on the number of Shares for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at the date of the Notice of Meeting.

The following table also shows:

- (i) examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of Shares the Company has on issue at the date of the Notice of Meeting. The number of Shares on issue may increase as a result of issues of Shares that do not require Shareholder approval (for example, a pro rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1; and
- (ii) examples of where the issue price of Shares has first, decreased by 50% (Dilution first column) and, second, increased by 100% (Dilution third column), as against the current market price of Shares (\$0.008 as at 13 April 2017).

Variable 'A' in ASX Listing Rule 7.1A.2		Dilution		
		\$0.004 50% decrease in Issue Price	\$0.008 Issue Price	\$0.016 100% Increase in Issue Price
Current Variable A 835,470,109	10% Voting Dilution	83,547,011 Shares	83,547,011 Shares	83,547,011 Shares
	Funds raised	\$334,188	\$668,376	\$1,336,752
50% Increase in Current Variable A 1,253,205,164	10% Voting Dilution	125,320,516 Shares	125,320,516 Shares	125,320,516 Shares
	Funds raised	\$501,282	\$1,002,564	\$2,005,128
100% Increase in current Variable A 1,670,940,218	10% Voting Dilution	167,094,022 Shares	167,094,022 Shares	167,094,022 Shares
	Funds raised	\$668,376	\$1,336,752	\$2,673,504

The table has been prepared on the following assumptions:

- (i) the Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
 - (ii) the 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%;
 - (iii) the table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting;
 - (iv) the table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1; and
 - (v) the issue of Equity Securities under the 10% Placement Facility consists only of Shares and excludes the exercise of any options on issue including those on issue under an employee share plan. The issue price is \$0.008, being the closing price of Shares on ASX on 13 April 2017.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. Approval under Resolution 11 for the issue of the Equity Securities will lapse after that period. The approval will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities or ASX Listing Rule 11.2 (disposal of main undertaking).
- (d) The Company may seek to issue the Equity Securities for the following purposes:
- (i) non-cash consideration for the acquisition of the new resource assets and investments and to consultants or other parties for services rendered and may issue Equity Securities to third parties in converting debt to equity or in satisfaction of the performance of other obligations of the Company as the Company has previously. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards the exploration activities at its existing projects and/or for acquisition of new assets or investments (including expenses associated with such acquisition) and to supplement the Company's general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities under the 10% Placement Facility.

The Company's allocation policy is dependent on the prevailing market conditions and the purpose(s) of the issue(s) at the time of any proposed

issue(s) pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities under the 10% Placement Facility will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the purpose of the issue;
- (ii) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of the proposed issue;
- (iii) the methods of raising funds that are available to the Company, including but not limited to, entitlements issues or other issue in which existing Shareholders can participate;
- (iv) prevailing market conditions;
- (v) the financial situation and solvency of the Company; and
- (vi) advice from professional advisers, including corporate, financial and broking advisers (if applicable)

The allottees under the 10% Placement Facility have not been determined as at the date of the Notice of Meeting but may include existing substantial Shareholders and/or new Shareholders of the Company who are not related parties or Associates of a related party of the Company.

- (e) The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its 2016 Annual General Meeting. The Company has not issued any Equity Securities pursuant to that approval in the 12 month period preceding the date of the Notice of Meeting.
- (f) A voting exclusion statement is included in the Notice of Meeting. At the date of the Notice of Meeting, the Company has not approached any particular existing Shareholder or an identifiable class of existing Shareholders to participate in the issue of the Equity Securities under the 10% Placement Facility, and therefore, no existing Shareholder's votes will be excluded from voting on Resolution 11.

The Board considers that the approval of the issue of the 10% Placement Facility described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under ASX Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should it be required. At the date of the notice of this meeting, the Company has no plans to use the 10% Placement Facility should it be approved.

Glossary

In the Notice of Meeting and this Explanatory Statement the following defined terms have the following meanings:

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

Associate has the meaning given to it by Division 2 of Part 1.2 of the Corporations Act.

ASX means Australian Securities Exchange.

ASX Listing Rules means the Listing Rules of the ASX.

Board means the board of Directors of the Company.

Business Day has the meaning given to that term in the ASX Listing Rules.

Company means Empire Energy Group Limited (ABN 29 002 148 361).

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

Directors means each of the directors of the Company.

Dollar or **\$** means the lawful currency of the Commonwealth of Australia.

Equity Securities means includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Notice of Meeting means the notice of meeting that accompanies this Explanatory Statement.

Option means an option to purchase a Share.

Share means an ordinary share in the capital of the Company that is fully paid or credited as fully paid (as the case may be).

Shareholder means a registered holder of Shares in the Company.

ANNEXURE A

RULES OF EMPLOYEE SHARE OPTION PLAN EMPIRE ENERGY GROUP LIMITED ACN 002 148 361

RULES OF EMPLOYEE SHARE OPTION PLAN

1. NAME OF PLAN

- 1.1. This Plan will be called the Empire Energy Group Limited Employee Share Option Plan.

2. ESTABLISHMENT AND TERMINATION OF THE PLAN

- 2.1 The Board may establish and administer the Plan in accordance with the terms and conditions set out in these Rules and otherwise as it determines from time to time in its absolute discretion.
- 2.2 The Board may terminate the Plan, or suspend its operation for any period it considers desirable, at any time that it considers appropriate.
- 2.3 The Board may not issue any further Options after the Plan has been terminated. However, these Rules will continue to apply to Options on issue at the date of such termination until the last of those Options lapses or is exercised.

3. PURPOSE OF PLAN

- 3.1 The purpose of this Plan is to:
 - (a) recognise the ongoing ability of the employees of the Company and their expected efforts and contribution in the long term to the performance and success of the Company;
 - (b) provide an incentive to the employees of the Company to remain in their employment in the long term;
 - (c) attract persons of experience and ability to employment with the Company and foster and promote loyalty between the Company its employees; and
 - (d) provide employees of the Company with the opportunity to acquire Options, and ultimately Shares, in the Company, in accordance with these Rules.

4. OPERATION OF THE PLAN

- 4.1 The Plan operates according to these Rules which bind the Company and each Participant.

- 4.2 The aggregate number of options granted pursuant to the Plan will be limited at any time to a maximum of 15% of the total number of issued shares.

5. ELIGIBILITY

5.1 Subject to these Rules, the Board may from time to time determine that any Eligible Person is entitled to participate in the Plan and the extent of that participation. Prior to making that determination, the Board must consider:

- (a) the seniority of the relevant Eligible Person and the position the Eligible Person occupies within the Company;
- (b) the length of service of the Eligible Person with the Company;
- (c) the record of employment of the Eligible Person with the Company;
- (d) the potential contribution of the Eligible Person to the growth of the Company;
- (e) the extent (if any) of the existing participation of the Eligible Person (or any Permitted Nominee in relation to that Eligible Person) in the Plan; and
- (f) any other matters which the Board considers relevant.

5.2 The Board may exercise its powers in relation to the participation of any Eligible Person on any number of occasions.

6. OFFER OF OPTIONS AND EXERCISE PRICE

6.1 Subject to these Rules and to the Listing Rules, the Company (acting through the Board) may offer Options to any Eligible Person at such times and on such terms as the Board considers appropriate. Each offer must state:

- (a) the name and address of the Eligible Person to whom the offer is made;
- (b) that the Eligible Person to whom the Offer is addressed may accept the whole or any lesser number of Options offered;
- (c) the minimum number of Options and any multiple of such minimum or any other number which may be accepted;
- (d) the period within which the Offer may be accepted, and the period or periods during which the Options or any of them may be exercised and the Expiry Date;
- (e) any Exercise Conditions;

- (f) the method of calculation of the Exercise Price; and
 - (g) any other matters which the Board may determine
- 6.2 The method of calculation of the Exercise Price of each Option, will be determined by the Board with regard to the Market Value of the Shares when it resolves to offer the Option but must not be less than 80% of the weighted average market price of shares sold in the ordinary course of trading on the ASX during the five (5) days prior to the options being granted.
- 6.3 The expiry date of the options must not exceed the date that is the fifth anniversary of the date of issue of the options.

7. ACCEPTING OFFERS

- 7.1 Upon receipt of the Offer, an Eligible Person may, within the period specified in the Offer:
- (a) accept the whole or any lesser number of Options offered by giving to the Company an Application Form; or
 - (b) nominate a nominee in whose favour the Eligible Person wishes to renounce the Offer by notice in writing to the Board. The Board may, in its absolute discretion, resolve not to allow such renunciation of an Offer in favour of a nominee without giving any reason for such decision.
- 7.2 Upon:
- (a) receipt of the Application Form referred to in paragraph 7.1(a); or
 - (b) the Board resolving to allow a renunciation of an Offer in favour of a nominee (“Permitted Nominee”) and the Permitted Nominee accepting the whole or any lesser number of Options offered by giving the Company an Application Form,
 - (c) then the Eligible Person or the Permitted Nominee, as the case may be, will be taken to have agreed to be bound by these Rules and will be granted Options subject to these Rules.
- 7.3 If Options are issued to a Permitted Nominee or an Eligible Person, the Eligible Person must, without limiting any provision in these Rules, ensure that the Permitted Nominee complies with these Rules.

7.4 On the issue of Options following receipt by the Company of an Application Form, an Eligible Person or the Permitted Nominee, as the case may be, becomes a Participant.

8. NO CONSIDERATION

8.1 No consideration is payable by an Eligible Person for a grant of Options, unless the Board decides otherwise.

9. CERTIFICATES

9.1 The Company must give a Participant one or more Certificates stating:

- (a) the number of Options issued to the Participant;
- (b) the Exercise Price of those Options; and
- (c) the Issue Date of those Options.

9.2 The Certificates for the Options will be dispatched within 10 Business Days after the Issue Date.

10. QUOTATION

10.1 The Company will not apply for Official Quotation of any Options.

10.2 If shares of the same class as those allotted pursuant to the exercise of Options granted under the Plan are listed on the ASX, the Company must apply for Official Quotation of those shares allotted pursuant to the exercise of Options within the time required by the Listing Rules after the date of allotment.

11. NOT TRANSFERABLE

11.1 Subject to clause 14.4, Options are not transferable.

12. EXERCISE OF OPTIONS

12.1 Subject to any Exercise Conditions, Options may be exercised at any time during the period commencing on the Issue Date and ending on the Expiry Date.

12.2 Notwithstanding paragraph 12.1, all Options may be exercised:

- (a) during a Bid Period; or
- (b) at any time after a Change of Control Event has occurred; or

- (c) on application under section 411 of the Corporations Act, if a court orders a meeting to be held concerning a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company.
- 12.3 Options may only be exercised by the Participant giving notice in writing to the Board delivered to the registered office of the Company. The notice must specify the number of Options being exercised and the Exercise Price for the Options specified in the notice and must be accompanied by:
- (a) the Certificate for those Options, for cancellation by the Company; and
 - (b) a cheque payable to the Company (or another form of payment acceptable to the Board) in the amount of the product of the number of Options then being exercised by the Participant and the Exercise Price.
 - (c) The notice is only effective (and only becomes effective) when the Company has received value for the full amount referred to in a paragraph (b).
- 12.4 Subject to paragraph 14.1, within 10 Business Days after the notice referred to in clause 12.3 becoming effective, the Board must:
- (a) allot and issue the number of Shares to be issued in respect of the Options being exercised;
 - (b) cancel the Certificate for the Options being exercised; and
 - (c) if applicable, issue a new Certificate for any remaining Options covered by the Certificate accompanying the notice.
- 12.5 The Board may, at its discretion, by notice to the Participant reduce, waive or vary (provided such variation is not adverse to the Participant) the Exercise Conditions attaching to Options in whole or in part at any time and in any particular case.

13. SHARES ALLOTTED ON EXERCISE OF OPTIONS

- 13.1 All shares allotted upon exercise of the Options rank *pari passu* in all respects with Shares previously issued and, in particular, entitle the holders of Shares to participate fully in:
- (a) dividends declared by the Company after the date of allotment; and
 - (b) all issues of securities made or offered *pro rata* to holders of shares.

14. LAPSE OF OPTIONS

- 14.1 Options not validly exercised on or before the Expiry Date will automatically lapse.
- 14.2 Unless otherwise determined by the Board, if any Options are granted subject to Exercise Conditions and, prior to satisfaction of the Exercise Conditions (such that the Options are not exercisable), an Eligible Person ceases to be an Eligible Person then:
- (a) If the Eligible Person ceases to be an Eligible Person for any reason other than a Specified Reason, any such Options held by such Eligible Person, or if appropriate, his or her Permitted Nominee, will automatically lapse; and
 - (b) if the Eligible Person ceases to be an Eligible Person for a Specified Reason, such eligible Person, may exercise any such Options held by him or her subject to the provisions of the minimum period of employment conditions.
- 14.3 A certificate signed by the company secretary of the Company stating that a person ceased for any reason to be an Eligible Person shall (in the absence of manifest error) be conclusive for the purposes of the Plan, both as to such occurrence and the reason for such occurrence and the date of such occurrence.
- 14.4 Subject to clause 14.2, if at any time prior to the Expiry Date of any Options a Holder dies, the deceased Holder's Legal Personal Representative may:
- (a) elect to be registered as the new Holder of the deceased Holder's Options;
 - (b) whether or not he or she becomes so registered, exercise the Options in accordance with and subject to those Rules as if he were the Holder of them; and
 - (c) if the deceased Holder had already given the Company a notice of exercise of his or her Options, pay the Exercise Price in respect of those Options.

15. PARTICIPATION RIGHTS, BONUS ISSUES, RIGHTS ISSUES, REORGANISATIONS OF CAPITAL AND WINDING UP

- 15.1 New Issues
- (a) Participants are not entitled to participate in any new issue of securities to existing holders of Shares in the Company unless:
 - i. they have become entitled to exercise their Options under the Plan; and

- ii. they do so before the record date for the determination of entitlements to the new issue of securities and participate as a result of being holders of shares.
- (b) The Company must give Participants, in accordance with the Listing Rules, notice of any new issue of securities before the record date for determining entitlements to the new issue.

15.2 Bonus Issue

In the event that the Company makes a bonus issues of shares (other than an issue in lieu of dividends or by way of dividend reinvestment pursuant to any shareholder election), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the books closing date (Record Date) for the bonus issue. No change will be made to the exercise price applicable to the Option.

15.3 Pro Rata Issues

In the event that the Company makes a pro-rata rights issue to Shareholders (except a bonus issue) the Exercise Price shall be reduced as follows:

$$O' = O - \frac{E[P-(S+D)]}{N+1}$$

Where:

O' = the new exercise price of the option.

O = the old exercise price of the option.

E = the number of underlying securities into which one option is exercisable

P = the average market price per security (weighted by reference to volume) of the underlying securities during the 5 trading days ended on the day before the ex rights or ex entitlements date.

S = the subscription price for a security under the pro rata issue.

D = the Dividend (in the case of a trust, Distribution) due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue).

N = the Number of securities with rights or entitlements that must be held to receive a right to one new security.

The exercise price is adjusted using the formula to provide optionholders with the benefits of any bonus element that may be present in a pro-rata rights issue. There is no change in the number of shares to which the optionholder is entitled.

15.4 Reorganisation of Capital

In the event of a reorganisation (including consolidation, subdivision, reduction, return or cancellation) of the issued capital of the Company, the number of Options or the exercise price or both shall be amended as appropriate and to the extent necessary to comply with the Listing Rules of the ASX applying to a reorganisation of capital at the time of reorganisation.

15.5 Winding Up

If, prior to the expiry of any Options, a resolution for a members' voluntary winding up of the Company is proposed (other than the purpose of a reconstruction or amalgamation) the Board may, in its absolute discretion, give written notice to Participants of the proposed resolution. Subject to the exercise conditions, the Participants may, during the period referred to in the notice, exercise their options.

15.6 Calculations and Adjustments

Any calculations or adjustments which are required to be made under this clause 15 will be made by the Board and, in the absence of manifest error, are final and conclusive and binding on the Company and Participant.

15.7 Notice of Change

The Company must within a reasonable period give to each Participant notice of any change under clause 15 to the exercise price of any Options held by the Participant or to the number of shares which the Participant is entitled to subscribe for on exercise of Option.

16.AMENDMENTS TO THE RULES

16.1 Board May Alter Rules

The Board may, subject to clause 16.3 and the Listing Rules, alter, delete or add to these rules at any time (save for the provisions of clause 4.2).

16.2 Alteration of clause 4.2

The Board may alter clause 4.2 with the prior approval by ordinary resolution of the shareholders of the Company in a general meeting.

16.3 Consent of Participants

If any amendment to be made under clause 16.1 would adversely affect the rights of Participants in respect of any Options then held by them, the Board must obtain the consent of Participants who between them hold not less than 75% of the total number of those Options held by all those Participants before making the amendment.

16.4 Eligible Persons Outside Australia

The Board may make any additions, variations or modifications to the Rules in relation to the implementation of the Plan, and the specific application of the Rules, to Eligible Persons residing outside Australia.

17. POWERS OF THE BOARD

17.1 The Plan shall be administered by the Board who shall have the power to:

- (a) determine the appropriate procedures and make regulations for the administration of the Plan which are consistent with these Rules;
- (b) resolve conclusively all questions of fact or interpretation arising in connection with the Plan;
- (c) terminate or suspend the operation of the Plan at any time, provided that the termination or suspension does not adversely affect or prejudice the rights of Participants holding Options at that time;
- (d) delegate those functions and powers it considers appropriate, for the efficient administration of the Plan, to any one or more persons whom the Board reasonable believes to be capable of performing those functions and exercising those powers, for such period and on such conditions as the Board may determine;
- (e) take and rely upon independent professional or expert advice in or in relation to the exercise of any of their powers or discretions under these Rules;
- (f) administer the Plan in accordance with these Rules as and to the extent provided in these Rules; and

(g) make regulations for the operation of the Plan consistent with these Rules.

18.NOTICES

18.1 Notices may be given by the Company to any Holder either personally or by sending by post to his or her address as noted in the Company 's records or to the address (if any) within the Commonwealth of Australia supplied by him or her to the Company for the giving of notices. Notices of any overseas Holders shall be forwarded and posted by air. Where a notice is sent by post the notice shall be deemed to be served on the day after posting. The signature of any notice may be given by Director or secretary of the Company. A notice of exercise given under clause 12.3 shall not be served on the Company until actually received.

19.NO COMPENSATION OR DAMAGES

19.1 The rights and obligations of any Holder under the terms of his or her employment with the Company are not affected by his or her participation in the Plan.

19.2 These Rules do not form part of, and will not be incorporated into, any contract of engagement or employment between a holder and the Company.

19.3 No holder has any rights to compensation or damages as a result of the termination of his or her employment, so far as those rights arise or may arise from the Holder ceasing to have rights under the Plan as a result of the termination.

19.4 Participants do not, as Participants, have any right to attend or vote at general meetings of holders of Shares.

20.GOVERNING LAW

20.1 The Plan and any Options issued under it are governed by the laws of New South Wales and the Commonwealth of Australia.

20.2 Each Participant irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales, the Commonwealth of Australia and courts entitled to hear appeals from those courts.

21.ADVICE

21.1 Eligible Persons should obtain their own independent advice at their own expense on the financial, taxation and other consequences to them of or relating to participation in the Plan.

21.2 In these Rules, unless the context otherwise requires, the following words and expressions shall have the following meaning:

“Application Form” means a duly completed and executed application for the issue of Options made by and Eligible Person or Permitted Nominee in respect of an Offer, in the form approved by the Board from time to time;

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

“Bid Period” in relation to a takeover bid in respect of shares in the Company, means the period referred to in the definition of that expression in section 9 of the Corporations Act provided that where a takeover bid is publicly announced prior to the service of a bidder’s statement on the Company in relation to that takeover bid, the Bid Period shall be deemed to have commenced at the time of that announcement;

“Board” means the Board of Directors acting as the board of directors of the Company or a committee appointed by such board of directors;

“Business Day” means a day on which banks are open for business in Sydney excluding a Saturday, Sunday or public holiday;

“Certificate” means the certificate issued in accordance with clause 9 by the Company to a Holder in respect of an Option;

“Change of Control Event” means a shareholder, or a group of associated shareholders, becoming entitled to sufficient shares in the Company to give it or then the ability, and that ability is successfully exercised, in general meeting, to replace all or a majority of the Board;

“Company” means Empire Energy Group Limited ACN 002 148 361

“Corporations Act” means Corporations Act 2001 (Cth);

“Director” means a director of the Company from time to time but does not include a person who is only a director by virtue of being an alternate director;

“Eligible Person” means at any time a person who then is a Director, consultant or an employee (whether full-time or part-time) of the Company or of an associated entity of the Company;

“Exercise Condition” means the performance, vesting or other conditions (if any) determined by the Board and specified in an Offer which are, subject to these Rules, required to be satisfied, reached or met before an Option can be exercised.

“Exercise Price” means in respect of an Option, the subscription price Share, determined in accordance with clause 6.2, payable by a Holder on exercise of the Option;

“Expiry Date” means, in relation to an Option, the date determined by the Board prior to the offer of the relevant Options, subject to any restriction in the Corporations Act from time to time but in any event no longer than 5 years from Issue Date;

“Holder” means, in relation to an Option, the person (whether an Eligible Person or a Permitted Nominee) entered in the Company’s register of options as the holder of that Option;

“Issue Date” means, in relation to an Option, the date on which the Company grants that Option;

“Legal Personal Representative” means the executor of the will or an administrator of the estate of a deceased person, the trustee of the estate of a person under a legal disability or a person who holds an enduring power of attorney granted by another person;

“Listing Rules” means, the Official Listing Rules of ASX as they apply to the Company from time to time;

“Market Value” means, if the Company is admitted to the official list of ASX:

- (a) The weighted average closing sale price of the Shares recorded on the stock market of ASX over the five trading days immediately preceding the day on which the Board resolves to offer and Option; or
- (b) In circumstances where there has been no trading in the shares during the five trading days immediately preceding the day on which the Board resolves to offer an Option, the last sale price recorded on the stock market of ASX;

“Minimum period of employment” means, from the date of issue of the options, the eligible person must have been engaged by the Company for a minimum period of 2 years before vesting of the options occurs; unless they cease because of death, invalidity, cessation of contract, bonafide redundancy or retirement. In these latter instances, the eligible person will retain vesting rights up to six months after the date of issue of options;

“Offer” means, an invitation to an Eligible Person made by the Company under clause 6.1 to apply for an issue of Options;

“Official Quotation” has the meaning ascribed to it in the Listing Rules;

“Option” means an option issued under the Plan to subscribe for a share;

“Participant” means a person who holds Options issued under the Plan and includes, if a Participant dies or becomes subject to a legal disability, the Legal Personal Representative of the Participant;

“Permitted Nominee” has the meaning given to it by clause 7.2;

“Plan” means the Empire Energy Group Limited Employee Share Option Plan established in accordance with these Rules;

“Redundancy” means, in relation to an Eligible Person, that an Eligible Person has, in the opinion of the Board and with effect on a date determined by the Board, voluntarily ceased to be an employee or Director of the Company, but has not ceased to be an employee or Director of the Company as a result of Retirement or any case of serious misconduct or misdemeanour (which includes breaches of an employees or Directors obligations under their employment or service contract);

“Retirement” means, in relation to an Eligible Person, retirement by that Eligible Person from the Company at age 60 or over or such earlier age as considered by the Board;

“Rules” means these rules, as amended from time to time;

“Series” means, in relation to Options, Options with common Issue Date;

“Shares” means fully paid ordinary shares in the capital of the Company;

“Specified Reason” means Retirement, Total and Permanent Disablement, Redundancy or death;

“Tax” means any tax, levy, impost, GST, deduction, charge, rate contribution, duty or withholding which is assessed (or deemed to be assessed), levied, imposed or made by any government or any governmental, semi-governmental or judicial entity or authority together with any interest, penalty, fine, charge, fee or other amount assessed (or deemed to be assessed), levied, imposed or made on or in respect of any or all of the foregoing; and

“Total and Permanent Disablement” means, in relation to an Eligible Person, that the Eligible Person has, in the opinion of the Board and with effect on a date determined by the Board, after considering such medical and other evidence as it sees fit, become incapacitated to such an extent as to render the Eligible Person unlikely ever to engage in any occupation for which he is reasonably qualified by education, training or experience.

22.2 In these Rules, unless a contrary intention appears:

- (a) Where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning;
- (b) The singular includes the plural and vice versa;
- (c) A reference to a gender includes all genders; and
- (d) An expression defined in, or given a meaning for the purposes of, the Corporations Act has the same meaning where used in these Rules.

EMPIRE ENERGY GROUP LIMITED
 (ABN 29 002 148 361)
 ("Company")
ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD AT 10.00AM ON WEDNESDAY 31 MAY 2017
 ("Meeting")
PROXY FORM

Completed proxy forms may be returned in person or by post to the secretary of the Company at the adjacent address
 or
 by email to info@empiregp.net
 or
 by fax to: 02 9251 0244

To: The Secretary
 Empire Energy Group Limited
 Level 7, 151 Macquarie Street
 Sydney NSW 2000

I/We
[please print]

of
[please print]

being a member of Empire Energy Group Limited (ABN 29 002 148 361) and entitled to attend and vote appoint:

Name of Proxy:.....

Address of Proxy:

or, failing attendance of the individual or body corporate named above, or if no individual or body corporate is named in this form, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting (and at any adjournment thereof) on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit).

If two proxies are appointed, the proportion of my/our total voting rights that this proxy is authorised to exercise are as follows: (percentage or number of voting rights my/our proxy is authorised to exercise).

If the Chairman of the Meeting is appointed as proxy or appointed as proxy by default, the Chairman of the meeting intends to vote any undirected proxies in favour of Resolutions 1-10 as set out below.

Important Note for Item 1: If the Chairman of the meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 by marking the appropriate box below.

ITEMS OF BUSINESS

Should you desire to direct your proxy how to vote, please place a mark in the appropriate boxes below. If you do not wish to instruct your proxy how to vote on a resolution, you should leave the boxes below blank and your proxy may vote as he or she thinks fit or abstain from voting.

I/We direct that my/our proxy vote in the manner indicated below (the resolutions are numbered as in the Notice of Annual General Meeting):

Please mark **X** to indicate your directions.

RESOLUTIONS	FOR	AGAINST	ABSTAIN
1. Advisory, non-binding resolution to adopt remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Ordinary resolution to re-elect D Sutton as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Ordinary resolution to ratify past issue of 2,000,000 shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Ordinary resolution to ratify past issue of 1,000,000 shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Ordinary resolution to ratify past issue of 1,000,000 options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Ordinary resolution to ratify past issue of 17,693,153 shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- | | | | |
|--|--------------------------|--------------------------|--------------------------|
| 7. Ordinary resolution to ratify past issue of 37,750,000 shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Ordinary resolution to approve issue of 187,500,000 shares | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Ordinary resolution to approve refreshment of employee share option plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Ordinary resolution to approve participation by Mr BW McLeod in employee share option plan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 11. Special resolution to approve 10% placement facility | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

* If you mark the Abstain box for a particular item, you are directing your proxy to not 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.

EXERCISE OF PROXY BY CHAIRMAN

If the Chairman of the Meeting is your nominated proxy and you have not directed your proxy how to vote on the resolutions above, please place a mark in this 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 that resolution and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your vote on any of the resolutions and your vote will not be counted in calculating the required majority if a poll is called on any resolution. The Chairman intends to vote undirected proxies in favour of the resolutions.

SIGNATURE OF MEMBER (S)

This section must be signed by each appointing member (or member's attorney) in accordance with the instructions below to enable your directions to be implemented.

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name _____ Contact daytime Telephone _____ Date ____ / ____ / ____

NOTES ON PROXIES:

1. Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.
2. A member entitled to attend and vote at this Meeting is entitled to appoint not more than two proxies to attend and vote in their stead pursuant to the Constitution.
3. If a member appoints one proxy only, that proxy shall be entitled to vote on a show of hands, but if a Member appoints two proxies neither shall be entitled to vote on a show of hands.
4. Where more than one proxy is appointed, each proxy must be appointed to represent a specified portion of the Member's voting rights. Otherwise each proxy may exercise half of your votes.
5. A proxy need not be a security holder of the Company.
6. Signing instructions:

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

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

Power of Attorney: If this form is executed under a power of attorney and you have not already lodged the relevant power of attorney with the registry, please attach a certified photocopy of the power of attorney to this form when you return it.

Companies: Where the company has a sole director who is also the sole company secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a company secretary, a sole director can also sign alone. Otherwise this form must be signed by two directors or a director or a company secretary in accordance with section 127(1) of the Corporations Act or signed by a duly authorised officer or attorney. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

For your vote to be effective the completed proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) must be received by 10.00am on 29 May 2017, being 48 hours prior to the Meeting.