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**WINCHESTER ENERGY LIMITED****ACN 168 586 445****NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 11:00am (WST)

**DATE:** Tuesday, 22 May 2018

**PLACE:** Level 3, 18 Richardson Street West Perth WA 6005

***The business of the Meeting affects your shareholding and your vote is important.***

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 11:00am (WST) on Sunday, 20 May 2018.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2017 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

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#### 2. 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 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 2017.”*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

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

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

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR JOHN KOPCHEFF

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

*“That, for the purpose of clause 11.11 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr John Kopcheff, a Director who was appointed casually on 12 September 2017, retires by rotation, and being eligible, is re-elected as a Director.”*

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#### 4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR JOHN KENNY

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

*“That, for the purpose of clause 11.3 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr John Kenny, a Director, retires by rotation, and being eligible, is re-elected as a Director.”*

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## 5. RESOLUTION 4 – RATIFICATION OF ISSUE OF OPTIONS TO SENIOR EXECUTIVES

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, the recent issue of a total of 1,500,000 Options to two senior executives of the Company on the terms and conditions set out in the Explanatory Statement, be ratified".*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Julian Ayala or Stephen Hermeston (or any nominees of them) and any of their associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a 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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## 6. RESOLUTION 5 – RATIFICATION OF PLACEMENT

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 35,000,000 Shares at an issue price of \$0.10 each to sophisticated and professional investors on the terms and conditions and in the manner set out in the Explanatory Memorandum."*

**Voting Exclusion** The Company will disregard any votes cast on this Resolution by any person who participated in the issue of securities the subject of this Resolution and any associates of those persons.

However, the Company need not disregard a vote if:

- a. it is cast by a person as a 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 Chairperson 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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## 7. RESOLUTION 6 - APPROVAL OF 10% PLACEMENT FACILITY

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **special** resolution:

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

**Voting Exclusion** The Company will disregard any votes cast this Resolution by a person who may participate in the 10% Placement Facility and a person who might obtain a benefit (except a benefit solely in the capacity of a holder of Shares) if this Resolution is passed and any associate of that person (or those persons).

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairman 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.

At the date of the Notice, the Company has not approached any particular existing Shareholders or class of security holders in relation to the proposed 10% Placement Facility. Accordingly, no existing Shareholder will be excluded from voting on this Resolution under the voting exclusion statement in the Notice.

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## 8. RESOLUTION 7 – APPROVAL OF ISSUE OF OPTIONS TO DIRECTOR – JOHN KOPCHEFF

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

*“That, for the purposes of Section 208 of the Corporations Act and ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,500,000 Options to John Kopcheff (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by John Kopcheff (or his nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- However, the above prohibition does not apply if the proxy is the Chair and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 9. RESOLUTION 8 – APPROVAL OF ISSUE OF OPTIONS TO SENIOR EXECUTIVES

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, the Shareholders approve the issue of 2,000,000 Options to two senior executives of the Company on the terms and conditions set out in the Explanatory Statement”.*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Brian Mallick or James Allchurch (or any nominees of them) and any of their associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a 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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**Dated: 16 April 2018**

**By order of the Board**

**Lloyd Flint  
Company Secretary**

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**Voting in person**

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

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**Voting by proxy**

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

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

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 1300 133 921.***

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 31 December 2017 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.winchesterenergyLtd.com](http://www.winchesterenergyLtd.com).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

### 2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

### 2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directions given	No directions given
Key Management Personnel <sup>1</sup>	Vote as directed	Unable to vote <sup>3</sup>
Chair <sup>2</sup>	Vote as directed	Able to vote at discretion of Proxy <sup>4</sup>
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

<sup>1</sup> Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.

<sup>2</sup> Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).

<sup>3</sup> Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

<sup>4</sup> The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

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## 3. RESOLUTION 2 – ELECTION OF DIRECTOR – MR JOHN KOPCHEFF

### 3.1 General

Clause 11.10 of the Constitution allows Directors to appoint at any time any person to be a director, either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution, that number being 10.

Pursuant to clause 11.11, any Director so appointed holds office only until the next Annual General Meeting of the Company and is then eligible for re-election but is not to be taken into account in determining the Directors who are to retire by rotation at that meeting.

Mr Kopcheff, B.Sc. (Hons)(Geology and Geophysics) AAPG, SPE, AIMM is a geologist and geophysicist, with 45 years of experience in Australia, South East Asia, USA, South America and the North Sea in exploration, production, oil field operations and management. He founded ASX listed public company Victoria Petroleum N.L. (now Senex Energy Ltd) (Senex) and held the position of Managing Director for 26 years from 1984 to 2010 where he successfully pioneered oil exploration and production on the western margin of the South Australian Cooper Basin. Under his stewardship, Victoria Petroleum discovered proved, probable and possible net oil reserves of 20 million bbls. During that time Victoria Petroleum increased its ASX market cap from \$10 million at IPO to \$162 million at his retirement.

The Directors (other than Mr Kopcheff who has an interest Resolution 2) support the re-election of Mr Kopcheff as a Director.

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#### **4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR JOHN KENNY**

##### **4.1 General**

ASX Listing Rule 14.4 provides that, other than a managing director, a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer. However, where there is more than one managing director, only one is entitled not to be subject to re-election.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Clause 11.3 of the Constitution provides that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of three (3), then the number nearest one-third, and any other Director who not in such one-third who has held office for three (3) years or more (except a Managing Director), must retire from office. Any Director appointed by the Directors to fill a casual vacancy or as an addition to the Directors under clause 11.10 of the Constitution is not to be taken into account in determining the Directors who are to retire by rotation.

Clause 11.5 of the Constitution provides that the Directors to retire at any annual general meeting must be those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire must (unless they otherwise agree among themselves) be determined by lot.

The Company currently has six (6) Directors. Mr Neville Henry is the Managing Director and therefore not subject to retirement by rotation. Mr John Kopcheff was appointed during the year as an addition to the board under clause 11.10 of the Constitution (please refer to resolution 2 above) and is also not subject to retirement by rotation.

Accordingly the remaining Directors have determined that Mr John Kenny will retire and submit himself for re-election at the Meeting.

A Director who retires by rotation under clause 11.3 of the Constitution is eligible for re-election.

##### **Mr John Kenny**

Mr Kenny is a lawyer by profession and holds a Bachelor of Commerce (Hons) and Bachelor of Laws from the University of Western Australia. Through his practice of corporate and mining law and investment banking, Mr Kenny has advised a number of ASX listed public companies in the areas of equity and debt finance. Mr Kenny has been a venture capital investor in several ASX mining and oil floats and also has experience in a number of sectors of Australian agribusiness, with involvement both as a director and as an investor.

Mr Kenny, who has served as a director since 17 March 2014 and was last re-elected on 12 May 2016, retires by rotation and seeks re-election.

Directors (other than Mr Kenny who has an interest in Resolution 3) support the re-election of Mr Kenny as a Director and recommends that Shareholders vote in favour of Resolution 23.

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## 5. RESOLUTION 4 – RATIFICATION OF THE ISSUE OF OPTIONS TO SENIOR EXECUTIVES

### 5.1 General

The Company has recently granted 1,500,000 Options to two senior executives of the Company (**Executive Options**) on the terms and conditions set out below.

The two senior executives and the number of Executive Options each of them were recently granted is as follows:

Executive	Executive Options
Julian Ayala	500,000
Stephen Hermeston	1,000,000

### 5.2 Terms and Conditions of Issue

The Executive Options were granted for nil consideration and accordingly no funds were raised from their grant. The terms and conditions of the Executive Options are set out in Schedule 1, except however for the vesting conditions set out in Section 5.3 below which apply to the Executive Options.

### 5.3 Vesting Periods

The relevant vesting periods for the grant of the Executive Options are as follows:

Executive	Vesting Period
Julian Ayala	<ul style="list-style-type: none"><li>• 250,000 Executive Options were fully vested from the date of their grant.</li><li>• 250,000 Executive Options will vest (and therefore be capable of exercise) after a period of 12 months of continued further service to the Company from the date of grant of the Executive Options.</li></ul>
Stephen Hermeston	<ul style="list-style-type: none"><li>• 500,000 Executive Options were fully vested from the date of their grant.</li><li>• 500,000 Executive Options will vest (and therefore be capable of exercise) after a period of 12 months of continued further service to the Company from the date of grant of the Executive Options.</li></ul>

### 5.4 Purpose of the Grant

The primary purpose of the grant of the Executive Options to the two Executives is to provide an incentive component in the remuneration package for the Executives to motivate and reward the performance of the Executives.

## 5.5 Shareholder Approval pursuant to ASX Listing Rule 7.4

The Executive Options were issued pursuant to the Company's 15% placement capacity under Listing Rule 7.1. Subject to certain exceptions, Listing Rule 7.1 restricts a Company from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of the Company's fully paid ordinary securities on issue at the commencement of that 12 month period without shareholder approval. An exception to this rule contained in ASX Listing Rule 7.4 provides an issue made within the 15% limit will be treated as having been made with the approval of shareholders under Listing Rule 7.1 if subsequently approved by shareholders, thereby 'refreshing' the Company's ability to issue equity securities within the 15% limit, and restoring the Company's ability to make placements within that limit (if that is thought desirable) without the need for shareholder approval.

While the Executive Options described in this Resolution 4 have been issued within the Company's available capacity under ASX Listing Rules 7.1, the Company seeks Shareholder ratification of the issue of those Executive Options for the purpose of Listing Rule 7.4 so that the Company's ability to issue securities under Listing Rule 7.1 will be 'refreshed' and it will have flexibility to issue further securities should the need or opportunity arise.

In accordance with the requirements of Listing Rule 7.5, the following information is provided to Shareholders to allow them to assess the ratification of the issue of the Executive Options the subject of this Resolution 4:

- (i) the number of Executive Options issued and allotted by the Company pursuant to Listing Rule 7.1 was 1,500,000 as per Section 5.1 above;
- (ii) the Executive Options were issued for nil cash consideration to the two Executives and for the purpose set out in Section 5.4 above;
- (iii) the Executive Options were granted with terms and conditions as set out in Sections 5.2 and 5.3 and Schedule 1;
- (iv) if the Executive Options are exercised, the Shares that will be issued will be fully paid ordinary shares in the capital of the Company and rank pari passu with the Company's existing Shares; and
- (v) a voting exclusion statement is included in the Notice.

## 5.6 Directors' Recommendation

All Directors unanimously recommend to Shareholders that they vote to ratify the grant of the Executive Options to the two Executives.

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## 6. RESOLUTION 5 - RATIFICATION OF A PLACEMENT

### 6.1 Background

The Company completed a Placement on 8 December 2017 under which 35 million new Shares were issued to various institutional and sophisticated investors at \$0.10 per Share, raising a total of \$3.5 million (**Placement**) before costs.

The Company issued the Shares the subject of the Placement without prior shareholder approval out of its annual placement capacity pursuant to ASX Listing Rules 7.1 and 7.1A.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares the subject of the Placement.

## **6.2 Description of Listing Rule 7.4**

ASX Listing Rule 7.1 provides that a company must not issue, or agree to issue, equity securities during any 12 month period which, when aggregated, exceeds 15% of the number of that company's fully paid ordinary securities on issue at the commencement of that 12 month period, unless one of the exceptions in ASX Listing Rule 7.1 applies or Shareholders approve the issue for the purposes of ASX Listing Rule 7.1.

ASX Listing Rule 7.4 provides that an issue of securities made without Shareholder approval under ASX Listing Rule 7.1 will be treated as having been made with shareholder approval for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 at the time the issue was conducted and shareholders subsequently ratify the issue.

Resolution 5 seeks Shareholder approval to ratify the issue of the Shares the subject of the Placement for the purposes of ASX Listing Rule 7.4.

The approval of Resolution 5 will provide the Company with greater flexibility to issue further securities up to its 15% placement capacity in accordance with ASX Listing Rule 7.1 without needing to obtain the prior approval of its Shareholders.

## **6.3 Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- i the number of Shares allotted was 35,000,000;
- ii the Shares were issued at \$0.10 each;
- iii the Shares were issued on the same terms and conditions as the Company's existing Shares on issue and rank equally in all respects with all other Shares on issue;
- iii the Shares were issued to various international and Australian sophisticated and professional investors under sections 708(8) – (11) of the Corporations Act. No related parties participated in the Placement and Cleansing Offer; and
- iv the Company has spent approximately \$1.5 million of the funds on the development drilling program to enhance oil production in the company's 17,000 net acres of leasehold in the Permian Basin of Nolan County, Texas and for general working capital purposes. The Company intends to spend the remaining funds on continued development and for general working capital purposes.

A voting exclusion statement is included in the Notice of Meeting.

## **6.4 Directors' recommendation**

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

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## 7. RESOLUTION 6 - APPROVAL OF 10% PLACEMENT FACILITY

### 7.1 General

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements after the annual general meeting during the 10% Placement Period (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity for the purposes of Listing Rule 7.1A.

The Company is seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities 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 Listing Rule 7.1A.2 (refer to section 7.2(c) below).

The Company continues to proactively investigate opportunities that will maximise value for Shareholders. The Company may use the 10% Placement Facility to raise funds and/or acquire new projects or businesses.

### 7.2 Description of 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 an annual general meeting. Accordingly, Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

#### (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. As at the date of the Notice, the Company has only one class of quoted Equity Securities on issue, being Shares. As at the date of this Notice, the Company has 285,148,832 Shares on issue.

#### (c) Formula for calculating 10% Placement Facility

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 10% Placement Period, the number of Equity Securities calculated in accordance with the following formula:

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

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

(A) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;

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

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

**D** is 10%.

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

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

Based on the 285,148,832 Shares on issue as at the date of this Notice, subject to Shareholder approval being obtained under Resolutions 4 and 5, 28,514,883 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section 7.2(c) above).

### **7.3 Specific information required by Listing Rule 7.3A**

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

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on 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 Equity Securities are issued.
- (b) If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted. There is 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 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, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders upon the issue of the maximum number of Equity Securities under the 10% Placement Facility, using different variables for the number of ordinary securities for variable "A" (as defined in Listing Rule 7.1A) and the market price of Shares.

The table shows:

- (i) examples where variable "A" is at its current level and where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) examples of where the issue price of ordinary securities is at the current market price as at close of trading on 28 March 2018, being \$0.048, and where the issue price has decreased by 50% and increased by 100%.

The dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the 10% Placement Facility are issued.

Variable "A" in Listing Rule 7.1A.2	Dilution	50% decrease in issue price	Issue Price	100% increase in issue price
		\$0.024	\$0.048	\$0.096
Current Variable A 285,148,832 shares	10%	28,514,883	28,514,883	28,514,883
	Funds raised	\$684,357	\$1,368,714	\$2,737,429
50% increase in Current Variable A 427,723,248 shares	10%	42,772,325	42,772,325	42,772,325
	Funds raised	\$1,026,536	\$2,053,072	\$4,106,143
100% increase in Current Variable A 570,297,664 shares	10%	57,029,766	57,029,766	57,029,766
	Funds raised	\$1,368,714	\$2,737,429	\$5,474,858

**Note:** 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) No options over Shares are exercised or convertible notes converted into Shares before the date of the issue of the Equity Securities.
  - (iii) That Resolutions 4 and 5 being the ratification of securities issued are passed in favour of the ratifications.
  - (iv) 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%.
  - (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
  - (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (c) Approval of the 10% Placement Facility will be valid during the period from the date of the Meeting and will cease to be valid on the earlier to occur of:
- (i) the date that is 12 months after the date of the Meeting; or
  - (ii) in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking), (the **10% Placement Period**).

- (d) The Company may seek to issue the Equity Securities for the following purposes:
  - (i) non-cash consideration for the acquisition of the new projects or businesses. In such circumstances the Company will comply with the minimum issue price limitation under Listing Rule 7.1.A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market; or
  - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards existing project development, investing in new business opportunities (including an acquisition of new projects or businesses and expenses associated therewith) and/or general working capital.
- (e) The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities under the 10% Placement Facility.
- (f) The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the subscribers of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
  - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issue in which existing security holders can participate;
  - (ii) the effect of the issue of the Equity Securities on the control of the Company;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from corporate, financial and broking advisers (if applicable).
- (g) The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company or introduced by way of advice from corporate, financial and broking advisers (if applicable).
- (h) The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.
  - (i) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

#### **7.4 Directors' recommendation**

The Board believes that Resolution 6 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of Resolution 6.

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## **8. RESOLUTION 7 – APPROVAL OF ISSUE OF OPTIONS TO DIRECTOR -JOHN KOPCHEFF**

### **1.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to grant a total of 2,500,000 Options (**Director Options**) to the non-executive chairman of the Company, John Kopcheff (**Related Party**), on the terms and conditions set out below.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (i) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (ii) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

The grant of the Director Options constitutes the giving of a financial benefit, and Mr Kopcheff is a related party of the Company by virtue of being a Director.

In addition, ASX Listing Rule 10.11 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Director Options to the Related Party.

### **1.2 Shareholder Approval (Chapter 2E of the Corporations Act and ASX Listing Rule 10.11)**

Pursuant to and in accordance with the requirements of Section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of the Director Options:

- (i) the related party is Mr John Kopcheff and he is a related party by virtue of being a director of the Company;
- (ii) the maximum number of Director Options (being the nature of the financial benefit being provided) to be granted to the Related Party is 2,500,000 Director Options to John Kopcheff;
- (iii) the Director Options will be granted to the Related Party no later than one (1) month after the date of the Meeting and it is anticipated the Director Options will be issued on one date;
- (iv) the Director Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (v) the terms and conditions of the Director Options are set out in Schedule 1;

- (vi) the value of the Director Options and the pricing methodology is set out in Schedule 2;
- (vii) the relevant interests of the Related Party in securities of the Company as at the date of this Notice are set out below:

Related Party	Shares	Options <sup>1</sup>	Class A Convertible Milestone Notes <sup>2</sup>	Class B Convertible Milestone Notes <sup>2</sup>	Class B Convertible Milestone Notes <sup>2</sup>
John Kopcheff	3,787,632	578,512	41	82	123

<sup>1</sup> Options are exercisable at \$0.25 on or before 30 April 2019.

<sup>2</sup> Refer to Note 16 on page 37 of the Company's Annual Report for the Year Ending 31 December 2016 released to ASX on 3 April 2017 for the full terms and conditions of all the Class A, B and C Convertible Milestone Notes on issue.

- (viii) the remuneration and emoluments from the Company for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year (12 months Ending on 31 December 2017)	Previous Financial Year (12 months Ending on 31 December 2016)
John Kopcheff	A\$8,078 <sup>1</sup>	N/a <sup>1</sup>

<sup>1</sup> Appointed 11 September 2017

- (ix) if the Director Options to be granted to the Related Parties are exercised, a total of 2,500,000 Shares would be issued. This will increase the number of Shares on issue from 285,148,832 to 287,648,832 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 0.9%.

The market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If, at any time any of the Director Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company.

The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	14 cents	24 October 2017
Lowest	4.8 cents	27 March 2018
Last	4.8 cents	28 March 2018

- (x) the primary purpose of the grant of the Director Options to the Related Parties is to provide an incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors;

- (xi) The Directors (other than John Kopcheff) recommend that Shareholders vote in favour of Resolution 7 for the following reasons:
- (A) the Director Options will align the interests of the Related Party with those of Shareholders;
  - (B) the grant of the Director Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Related Parties; and
  - (C) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Director Options upon the terms proposed;
- (xii) In forming their recommendation, the Directors considered the experience of John Kopcheff, the current market price of Shares, the current market practices when determining the number of Director Options to be granted as well as the exercise price and expiry date of those Director Options; and
- (xiii) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 7.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Director Options to the Related Party will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

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## 9. RESOLUTION 8 – APPROVAL OF ISSUE OF OPTIONS TO SENIOR EXECUTIVES

### 9.1 General

Resolution 8 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of Options (**Executive Options**) on the terms and conditions below to two Senior Executives.

ASX Listing Rule 7.1 imposes a 15% limit on the number of equity securities the Company can issue within a 12 month period without shareholder approval. As the Company has already issued a significant number of Equity Securities in the last 12 months (being the subject of Ratification pursuant to Resolutions 4 and 5) the issue of these Executive Options is required to be made subject to obtaining Shareholder approval under ASX Listing Rule 7.1.

The two senior executives and the number of Executive Options proposed to be granted to each of them is as follows:

Executive	Executive Options
Brian Mallick	1,000,000
James Allchurch	1,000,000

## 9.2 Terms and Conditions of Issue

The Executive Options will be granted for nil consideration and accordingly no funds will be raised from their grant. The terms and conditions of the Executive Options are the same as those for the Director Options, and these terms and conditions are set out in Schedule 1, except however for the vesting conditions set out in Section 9.3 below which apply to the Executive Options. The value of each of the Executive Options is the same as for each of the Director Options and the pricing methodology for the Director Options is set out in Schedule 2.

## 9.3 Vesting Periods

The relevant vesting periods for the grant of the Executive Options are as follows:

Executive	Vesting Period
Brian Mallick	<ul style="list-style-type: none"><li>• 500,000 Executive Options were fully vested from the date of their grant.</li><li>• 500,000 Executive Options will vest (and therefore be capable of exercise) after a period of 12 months of continued further service to the Company from the date of grant of the Executive Options.</li></ul>
James Allchurch	<ul style="list-style-type: none"><li>• 500,000 Executive Options were fully vested from the date of their grant.</li><li>• 500,000 Executive Options will vest (and therefore be capable of exercise) after a period of 12 months of continued further service to the Company from the date of grant of the Executive Options.</li></ul>

## 9.4 Purpose of the Grant

The primary purpose of the grant of the Executive Options to the two Executives is to provide an incentive component in the remuneration package for the Executives to motivate and reward the performance of the Executives.

## 9.5 Shareholder Approval pursuant to ASX Listing Rule 7.1

In accordance with the requirements of Listing Rule 7.3, the following information is provided to Shareholders to allow them to assess the proposed grant and subsequent issue of the Executive Options the subject of this Resolution 8:

- (i) the number of Executive Options to be issued and allotted by the Company is 2,000,000 as per Section 9.1 above;
- (ii) it is anticipated that the Executive Options will be issued as soon as practicable after the date of the Meeting. In any event, however, no Executive Option will be issued later than three months after the Annual General Meeting;
- (iii) the Executive Options will be issued for nil cash consideration to the two Executives and for the purpose set out in Section 9.4 above and no funds will be raised;
- (iv) the Executive Options will be granted with terms and conditions as set out in Sections 9.2 and 9.3 and Schedule 1;

- (v) if the Executive Options are exercised, the Shares that will be issued will be fully paid ordinary shares in the capital of the Company and rank pari passu with the Company's existing Shares; and
- (vi) a voting exclusion statement is included in the Notice.

## 9.6 Directors' Recommendation

All the Directors unanimously recommend to Shareholders vote in favour of resolution 8.

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## GLOSSARY

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**\$** means Australian dollars.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

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

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Winchester Energy Limited (ACN 168 586 445).

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**Director Options** means the 2,500,000 Options proposed to be issued to the Directors, subject to Shareholder approval, pursuant to Resolution 7.

**Executive Options** means the 1,500,000 Options that have been granted to two executives of the Company and whose issue is subject to ratification by Shareholders pursuant to Resolution 4 and the proposed grant of 2,000,000 Options to executives of the Company pursuant to Resolution 8.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share and includes the Executive Options.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 31 December 2017.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

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

**Shareholder** means a registered holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## SCHEDULE 1 – TERMS OF OPTIONS

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Each Option entitles the holder to subscribe for a Share on the following terms and conditions:

**1. Exercise Price**

The exercise price of each Option is twelve cents (A\$0.12) (**Exercise Price**).

**2. Expiry Date**

Each Option expires at 5.00pm WST on 31 January 2022 (**Expiry Date**).

**3. Exercise Period**

Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

**4. Exercise of Options**

The Options may only be exercised during the Exercise Period.

**5. No Official Quotation of Options**

The Company will not apply for official quotation of the Options.

**6. Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of each Option.

**7. Notice of Exercise**

The Options may be exercised by giving written notice to the Company at any time during the Exercise Period. The notice (**Exercise Notice**) must:

- (a) specify the number of Options being exercised and the number of Shares to be issued;
- (b) specify whether the Shares are to be issued to the holder of the Options or a nominee; and
- (c) be accompanied by payment of the Exercise Price for each Option being exercised.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

**8. Shares Issued on Exercise**

Shares issued on exercise of the Options rank equally with the then Shares currently on issue.

**9. Official Quotation of Shares on Exercise**

Application will be made by the Company to the ASX for official quotation of the Shares issued upon the exercise of the Options.

**10. Timing of issue of Shares**

- (a) Within 3 Business Days after the receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised, the Company will allot and issue the Shares pursuant to the exercise of the Options and will (subject to paragraph (ii) below), at the same time, issue a cleansing notice under section 708A(5) of the Corporations Act.
- (b) If the Company is not then permitted to issue a cleansing notice under section 708A(5) of the Corporations Act, the Company must either:
  - (i) issue a prospectus on the date that the Shares are issued under paragraph (a) above (in which case the date for issuing those Shares may be extended to not more than 10 Business Days after the receipt of the Notice of Exercise, to allow the Company time to prepare that prospectus); or
  - (ii) issue a prospectus before the date that the Shares are issued under paragraph (a) above, provided that offers under that

prospectus must still be open for acceptance on the date those Shares are issued,  
in accordance with the requirements of section 708A(11) of the Corporations Act.

#### **11. Participation in New Issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

#### **12. Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

#### **13. Adjustment for Rights Issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (except a bonus issue) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E [P - (S + D)]}{N + 1}$$

- O = the old Exercise Price of the Option.
- E = the number of underlying Shares into which one Option is exercisable.
- P = average market price (as defined in the ASX Listing Rules) per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex-rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

#### **14. Adjustments for Reorganisation**

If there is any reorganisation of the issued share capital of the Company, the rights of the Option holders will be varied to the extent necessary to comply with the ASX Listing Rules which apply to the reorganisation at the time of the reorganisation.

#### **15. Options Transferable**

The Options are transferable provided that the transfer of Options complies with section 707(3) of the Corporations Act.

#### **16. Lodgement Instructions**

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for Shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

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## **SCHEDULE 2 – VALUATION OF OPTIONS**

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The Options to be issued to the Related Party pursuant to Resolution 7 have been valued by internal management.

Using the Black & Scholes option valuation model and based on the assumptions set out below, the Options were ascribed the following value:

<b>Assumptions:</b>	
Valuation date	28 March 2018
Market price of Shares	4.8 cents
Exercise price	12 cents
Expiry date (length of time from issue)	46 months
Risk free interest rate	2.2%
Volatility (no discount)	80%
<b>Indicative value per Option</b>	1.815 cents
<b>Total Value of Director Options</b>	A\$45,375
John Kopcheff	A\$45,375

Note: The valuation of each Option noted above is not necessarily the market price that an Option could be traded at and is not the market price for taxation purposes.

**PROXY FORM**

**WINCHESTER ENERGY LIMITED  
ACN 168 586 445**

**ANNUAL GENERAL MEETING**

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

**OR:**  the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 11:00am (WST), on Tuesday, 22 May 2018 at Level 3, 18 Richardson Street West Perth WA 6005, and at any adjournment thereof.

**AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS**

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 7 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 7 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

**CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES**

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

**Voting on business of the Meeting**

	FOR	AGAINST	ABSTAIN
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Election of Director – Mr John Kopcheff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Re-election of Director – Mr John Kenny	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratification of Issue of Options to Senior Executives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Ratification of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Approval of Issue of options to Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Approval of Issue of Options to Senior Executives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Please note:** If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: \_\_\_\_\_ %

**Signature of Shareholder(s):**

**Individual or Shareholder 1**

Sole Director/Company Secretary

**Shareholder 2**

Director

**Shareholder 3**

Director/Company Secretary

**Date:** \_\_\_\_\_

**Contact name:** \_\_\_\_\_

**Contact ph (daytime):** \_\_\_\_\_

**E-mail address:** \_\_\_\_\_

**Consent for contact by e-mail in relation to this Proxy Form:** YES  NO

## Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
  - **(Individual):** Where the holding is in one name, the Shareholder must sign.
  - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
  - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
  - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
  - (a) post to Winchester Energy Limited, PO Box 641, West Perth WA 6872 or Level 3, 18 Richardson Street West Perth WA 6005; or
  - (b) facsimile to the Company on facsimile number +61 8 6160 5901so that it is received not less than 48 hours prior to commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**