
WINCHESTER ENERGY LIMITED

ACN 168 586 445

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 11:00am (WST)

DATE: Friday, 31 May 2019

PLACE: Ground floor, 24 Outram 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 Wednesday, 29 May 2019.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 31 December 2018 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

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 2018."

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.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR LARRY LIU

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 Larry Liu, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 - 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 Statement."

Voting Exclusion The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who is expected to participate in the 10% Placement Facility and a person who will obtain a material benefit (except a benefit solely in the capacity by reason being a holder of Shares) if this Resolution is passed or any associate of that person (or those persons).

However, the Company need 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 Chair 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.

5. RESOLUTION 4 – APPROVAL OF ISSUE OF SHARES TO JOHN KOPCHEFF IN LIEU OF DIRECTORS FEES

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

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 605,421 Shares to John Kopcheff (or his nominee) in lieu of outstanding Directors fees payable to Mr Kopcheff, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of John Kopcheff (or his nominee) or 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.

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:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. RESOLUTION 5 – APPROVAL OF ISSUE OF SHARES TO PETER ALLCHURCH IN LIEU OF DIRECTORS FEES

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

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,105,263 Shares to Peter Allchurch (or his nominee) in lieu of outstanding Directors fees payable to Mr Allchurch, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Peter Allchurch (or his nominee) or 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.

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:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. RESOLUTION 6 – APPROVAL OF ISSUE OF SHARES TO LARRY LIU IN LIEU OF DIRECTORS FEES

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

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,105,263 Shares to Larry Liu (or his nominee) in lieu of outstanding Directors fees payable to Mr Liu, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Larry Liu (or his nominee) or 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.

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:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. RESOLUTION 7 – APPROVAL OF ISSUE OF SHARES TO JAMES HODGES

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders approve the issue of 600,233 Shares to James Hodges (or his nominee) in lieu of cash for fees payable to Mr Hodges, on the terms and conditions set out in the Explanatory Statement”.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of James Hodges (or his nominee) or 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.

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
 - (iii) 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:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. RESOLUTION 8 – APPROVAL OF ISSUE OF NEW OPTIONS TO NEVILLE HENRY IN LIEU OF DIRECTORS FEES

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

“That, for the purposes of section 195(4) of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 9,000,000 New Options to Neville Henry (or his nominee) in lieu of outstanding Directors fees payable to Mr Henry, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Neville Henry (or his nominee) or 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.

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:

- (a) the proxy is the Chair; and

- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

10. RESOLUTION 9 – APPROVAL OF ISSUE OF NEW OPTIONS TO HUGH IDSTEIN IN LIEU OF SALARY

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 4,900,000 New Options to Hugh Idstein (or his nominee) in lieu of salary payable to Mr Idstein, on the terms and conditions set out in the Explanatory Statement”.

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Hugh Idstein (or his nominee) or 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.

11. RESOLUTION 10 – APPROVAL OF ISSUE OF SHARES TO JAMES ALLCHURCH IN LIEU OF SALARY

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

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders approve the issue of 206,400 Shares to James Allchurch (or his nominee) in lieu of salary payable to Mr Allchurch, on the terms and conditions set out in the Explanatory Statement”.

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of James Allchurch (or his nominee) or 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:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

12. RESOLUTION 11 – AUTHORITY FOR MR LARRY LIU TO PARTICIPATE IN THE SHORTFALL

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

"That, for the purposes of section 195(4) of the Corporations Act, Listing Rule 10.11, and for all other purposes, approval is given for the Company to issue 10,500,000 Shares to Inventive Holdings Limited (Mr Larry Liu's nominee) at an issue price of \$0.02 each on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Larry Liu (or his nominee) or 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.

13. RESOLUTION 12 – AUTHORITY FOR MR JOHN KOPCHEFF TO PARTICIPATE IN THE SHORTFALL

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

"That, for the purposes of section 195(4) of the Corporations Act, Listing Rule 10.11, and for all other purposes, approval is given for the Company to issue 2,000,000 Shares to Berenes Nominees Pty Ltd (Mr John Kopcheff's nominee) at an issue price of \$0.02 each on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of John Kopcheff (or his nominee) or 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.

14. RESOLUTION 13 – AUTHORITY FOR MR NEVILLE HENRY TO PARTICIPATE IN THE SHORTFALL

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

"That, for the purposes of section 195(4) of the Corporations Act, Listing Rule 10.11, and for all other purposes, approval is given for the Company to issue 750,000 Shares to Mr Neville Henry (and/or his nominees) at an issue price of \$0.02 each on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Neville Henry (or his nominee) or 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: 26 April 2019

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.

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

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.

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 2018 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.winchesterenergy ltd.com.

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 ¹	Vote as directed	Unable to vote ³
Chair ²	Vote as directed	Able to vote at discretion of Proxy ⁴
Other	Vote as directed	Able to vote at discretion of Proxy

Notes:

1. 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.
2. 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).
3. 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.
4. The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR LARRY LIU

3.1 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 four (4) Directors. Mr Neville Henry is the Managing Director and therefore not subject to retirement by rotation.

Accordingly, the remaining Directors have determined that Mr Larry Liu 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.

3.2 Mr Larry Liu

Mr Larry Liu obtained a Bachelor's Degree of Engineering from Southeast University, China and a MBA from a joint program between APESMA & Deakin University, Australia. He joined General Electric in 1997 from Contact Energy New Zealand, and served in various Asia Pacific leadership positions for GE. He was the general manager of South China, HK & Macau for GE Consumer & Industrial. He is now a professional investor.

Mr Liu, who has served as a director since 10 December 2014 and was last re-elected on 23 May 2017, retires by rotation and seeks re-election.

Directors (other than Mr Liu who has an interest in Resolution 2) support the re-election of Mr Liu as a Director and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 - APPROVAL OF 10% PLACEMENT FACILITY

4.1 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 (as defined in Section 4.3(c) below) (**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 4.2(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.

4.2 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 3 is a special resolution and 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 414,473,270 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 x 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.

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

Based on the 414,473,270 Shares on issue as at the date of this Notice, 41,447,327 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 4.2(c) above).

4.3 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 volume weighted average price for the Company's Equity Securities in that class over the 15 ASX 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 3 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 15 April 2019, being \$0.037, 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
		\$0.019	\$0.037	\$0.074
Current Variable A 414,473,270 shares	10%	41,447,327	41,447,327	41,447,327
	Funds raised	\$787,499	\$1,533,551	\$3,067,102
50% increase in Current Variable A 621,709,905 shares	10%	62,170,991	62,170,991	62,170,991
	Funds raised	\$1,118,1249	\$2,300,327	\$4,600,653
100% increase in Current Variable A 828,946,540 shares	10%	82,894,654	82,894,654	82,894,654
	Funds raised	\$1,574,998	\$3,067,102	\$6,134,204

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

Note: The table has been prepared on the following assumptions:

- (a) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (b) No options over Shares are exercised or convertible notes converted into Shares before the date of the issue of the Equity Securities.
 - (c) That Resolutions 4 to 13 being the approval to issue securities are not included in the calculations.
 - (d) The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
 - (e) 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%.
 - (f) 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.
 - (g) 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:

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- (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 ASX 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 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 previously obtained Shareholder approval under Listing Rule 7.1A at its AGM held 22 May 2018.

- (i) The Company has issued 133,824,438 Equity Securities in the 12 months prior to the Meeting, representing 47% of the 285,148,832 Equity Securities on issue at the start of the 12 months preceding the date of the Meeting. Please refer to Schedule 1 of this Explanatory Statement for details of the Equity Securities issued by the Company in the 12 months preceding the Meeting.
- (j) 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.

4.4 Directors' recommendation

The Board believes that Resolution 3 is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of Resolution 3.

5. RESOLUTIONS 4 TO 6 – APPROVAL OF ISSUE OF SHARES TO DIRECTORS IN LIEU OF DIRECTORS FEES

5.1 General

Resolutions 4 to 6 seek Shareholder approval in accordance with Listing Rule 10.11 for the issue of 1,783,433 Shares to the Directors set out below (and/or their nominees).

The Company and the Directors set out below have agreed that, subject to Shareholder approval, the Directors would take a total of AUD\$53,503 of Director fees (as tabled below) for the period from 1 July 2018 to 31 December 2018 in Shares rather than in cash, at a deemed issue price equal of \$0.03 per Share.

The Company's Shares have traded between a low of \$0.019 per share and a high of \$0.044 per for the 3 months prior to the date of this Notice. The table below sets out the number of Shares to be issued to the Directors at the upper and lower limits of this range, and the deemed issue price of \$0.03.

	Amount owed at 31 December 2018	Shares to be issued at \$0.019 per Share	Shares to be issued at \$0.03 per Share	Shares to be issued at \$0.044 per Share
Directors	AUD\$			
John Kopcheff	11,503	605,421	383,433	261,432
Peter Allchurch	21,000	1,105,263	700,000	477,273
Larry Liu	21,000	1,105,263	700,000	477,273
	\$53,503	2,815,947	1,783,433	1,215,978

5.2 Chapter 2E of the Corporations Act

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:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) 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 issue of Shares to Directors as contemplated by Resolutions 4 to 6 will constitute giving a financial benefit, and Messrs Kopcheff, Allchurch and Liu are all related parties of the Company by virtue of being Directors.

The Directors (other than Mr Kopcheff who has a material personal interest in the outcome of Resolution 4) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 4 because the agreement to issue Shares in lieu of Mr Kopcheff's normal remuneration package, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

The Directors (other than Mr Allchurch who has a material personal interest in the outcome of Resolution 5) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 5 because the agreement to issue Shares in lieu of Mr Allchurch's normal remuneration package, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

The Directors (other than Mr Liu who has a material personal interest in the outcome of Resolution 6) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 6 because the agreement to issue Shares in lieu of Mr Liu's normal remuneration package, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

5.3 Section 195(4) of the Corporations Act

Section 195 of the Corporations Act provides that a Director of a public company may not vote or be present during meetings of Directors when matters in which that Director holds a "material personal interest" are being considered, except in certain limited circumstances. Section 195(4) relevantly provides that if there are not enough Directors to form a quorum for a Directors meeting because of this restriction, one or more of the Directors may call a general meeting and the general meeting may pass a resolution to deal with the matter.

It might be argued (but it is neither conceded nor, indeed, is it thought by the Board to be the case) that three of the four Directors comprising the Board have a material personal interest in the outcome of Resolutions 4 to 6. If each does have such an interest, then a quorum could not be formed to consider the matters contemplated by Resolutions 4 to 6 at Board level.

Accordingly, for the avoidance of any doubt, and for the purpose of transparency and best practice corporate governance, the Company also seeks Shareholder approval for Resolutions 4 to 6 for the purposes of section 195(4) of the Corporations Act in respect of the reliance on the reasonable remuneration exception and the decision not to seek Shareholder approval under Chapter 2E of the Corporations Act.

5.4 Listing Rule 10.11

Listing Rule 10.11 provides that a company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without the approval of shareholders. Messrs Kopcheff, Allchurch and Liu are related parties of the Company by virtue of being Directors. Therefore, approval is required under Listing Rule 10.11 for the issue of the Shares to them.

Resolutions 4 to 6 seek Shareholder approval pursuant to Listing Rule 10.11 for the issue of Shares to the value of \$53,503 to the three Directors set out above. If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1.

Accordingly, the issue of these Shares will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1. Resolutions 4 to 6 are ordinary resolutions.

5.5 Specific information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, the following information is provided in relation to Resolutions 4 to 6:

- (a) The maximum number of Shares to be issued to Messrs Kopcheff, Allchurch and Liu (and/or their nominees) is as follows:
 - (i) Mr John Kopcheff (and/or his nominee): 383,433;
 - (ii) Mr Peter Allchurch (and/or his nominee): 700,000; and
 - (iii) Mr Larry Liu (and/or his nominee): 700,000;
- (b) The Company will issue the Shares to Messrs Kopcheff, Allchurch and Liu (and/or their nominees) no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules), and it is intended that all of the Shares will be issued on the same date.
- (c) Messrs Kopcheff, Allchurch and Liu are all related parties of the Company by virtue of being Directors.
- (d) The Shares will comprise fully paid ordinary shares of the Company ranking equally with all other Shares.
- (e) The Shares will be issued for nil cash consideration, in lieu of Director's fees as set out in the table above and accordingly no funds will be raised from the issue of the Shares.
- (f) The deemed issue price of the Shares to be issued is 0.03.
- (g) As Shareholder approval is sought under Listing Rule 10.11, approval under Listing Rule 7.1 is not required.
- (h) A voting exclusion statement is included in the Notice at each of Resolutions 4 to 6.

6. RESOLUTION 7 – ISSUE OF SHARES TO JAMES HODGES

6.1 General

Resolution 7 seeks Shareholder approval pursuant to ASX Listing Rule 10.11 for the issue of Shares to Mr James Hodges, who is a former Director of the Company, having resigned effective 31 October 2018.

The Company has agreed with Mr Hodges that, subject to Shareholder approval, Mr Hodges will accept a total of AUD\$18,007 of Director fees for the period from 1 July 2018 to 31 October 2018 in Shares rather than in cash, at a deemed issue price of \$0.03 .

The Shares have traded between a low of \$0.019 per share (equivalent to the issue of 947,736 Shares) and a high of \$0.044 per share (equivalent to the issue of 409,250 share) for the 3 months prior to the date of this Notice.

The Company has therefore agreed to issue to Mr Hodges (or his nominee) 600,233 Shares in lieu of the fees owed to Mr Hodges as at the date of his resignation (31 October 2018), at a deemed issue price of \$0.03 per Share.

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in sections 5.2 and 5.4 above respectively.

6.2 Chapter 2E of the Corporations Act

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Shares to Mr Hodges because the agreement to issue the Shares represents the satisfaction of Mr Hodges reasonable remuneration currently owed by the Company, and was negotiated on an arm's length basis.

6.3 ASX Listing Rule 10.11

As the issue of Shares to Mr Hodges involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

6.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 7:

- (a) the Shares will be issued to Mr James Hodges (and/or his nominee), who is a related party of the Company by virtue of being a Director of the Company within the last 6 months;
- (b) the number of Shares to be issued to Mr Hodges (and/or his nominee) is 600,233;
- (c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;

- (d) the Shares will be issued for nil cash consideration; accordingly, no funds will be raised;
- (e) The deemed issue price of the Shares to be issued to Mr Hodges is \$0.03; and
- (f) The Shares issued to Mr Hodges (and/or his nominee) will comprise fully paid ordinary shares of the Company ranking equally with all other Shares.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Shares to Mr Hodges (and/or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

7. RESOLUTION 8 – ISSUE OF NEW OPTIONS TO RELATED PARTY – NEVILLE HENRY

7.1 General

Resolution 8 seeks Shareholder approval in accordance with Listing Rule 10.11 for the issue of a total of 9,000,000 New Options to Mr Neville Henry, the Company's Managing Director (and/or his nominee).

The New Options to be issued to Mr Henry (and/or his nominee) are comprised of 4,000,000 2018 Salary Options and 5,000,000 2019 Salary Options.

In relation to the 2018 Salary Options, the Company and Mr Henry have agreed that, subject to Shareholder approval, Mr Henry would take a total of AUD\$112,400 of Director fees for the period from 1 July 2018 to 31 December 2018 in New Options rather than in cash, on the terms and conditions set out below.

Mr Henry has further agreed with the Company that, subject to Shareholder approval, Mr Henry's 2019 cash salary will reduce from USD\$21,000 per calendar month to USD\$12,000 per calendar month. Mr Henry has agreed to accept the issue of New Options in lieu of the USD\$9,000 per calendar month forgone. The agreement to reduce Mr Henry's cash salary shall be effective on and from 1 January 2019.

Accordingly, the 5,000,000 2019 Salary Options are to be issued to Mr Henry in lieu of the cash salary forgone.

If Resolution 8 is not passed at the Meeting, and Shareholders do not approve the issue of New Options to Mr Henry, the Company shall settle all of Mr Henry's outstanding after-tax Director fees in cash.

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in sections 5.2 and 5.4 above respectively.

7.2 Chapter 2E of the Corporations Act

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

The Directors (other than Mr Henry who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of New Options because

the agreement to grant New Options in lieu of both Mr Henry's normal remuneration package for 2018, and Mr Henry's reduced cash salary, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

7.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also 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.

As the grant of the New Options involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

7.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 8:

- (a) the New Options will be issued to Mr Neville Henry (and/or his nominee);
- (b) the number of New Options to be issued is a total of 9,000,000, comprised of 4,000,000 2018 Salary Options and 5,000,000 2019 Salary Options;
- (c) the New Options will be issued to Mr Henry (and/or his nominee) no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the Same date;
- (d) the New Options will be issued for nil cash consideration, accordingly no funds will be raised;
- (e) the deemed issue prices of the New Options are as follows:
 - (i) 2018 Salary Options: \$0.0234 (as set out in Schedule 3); and
 - (ii) 2019 Salary Options: \$0.0195 (as set out in Schedule 5);
- (f) the terms and conditions of the New Options are set out in Schedule 2 and Schedule 4;
- (g) the value of the New Options and the pricing methodology is set out in Schedule 3 and Schedule 5; and
- (h) a voting exclusion statement is included in the Notice for this resolution.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the New Options to Mr Henry as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of New Options to Mr Henry (and/or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

8. RESOLUTION 9 – ISSUE OF NEW OPTIONS TO HUGH IDSTEIN

8.1 General

Resolution 9 seeks Shareholder approval in accordance with Listing Rule 7.1 for the issue of a total of 4,900,000 New Options to Mr Hugh Idstein, who is the Company's Chief Financial Officer (and/or his nominee).

The New Options to be issued to Mr Idstein (and/or his nominee) are comprised of 2,200,000 2018 Salary Options and 2,700,000 2019 Salary Options.

The issue of 2018 Salary Options to Mr Idstein is in full consideration of accrued after tax salary for the period from 1 July 2018 to 31 December 2018. The Company owes Mr Idstein AUD\$83,776 in unpaid accrued salary for this period.

Mr Idstein has further agreed with the Company that, subject to Shareholder approval, Mr Idstein's 2019 cash salary will reduce from USD\$11,300 per calendar month to USD\$6,500 per calendar month. Mr Idstein has agreed to accept the issue of New Options in lieu of the USD\$4,800 per calendar month forgone. The agreement to reduce Mr Idstein's cash salary shall be effective on and from 1 January 2019.

Accordingly, the 2,700,000 2019 Salary Options are to be issued to Mr Idstein in lieu of the cash salary forgone.

If Resolution 9 is not passed at the Meeting, and Shareholders do not approve the issue of New Options to Mr Idstein, the Company shall settle all of Mr Idstein's outstanding after-tax Director fees in cash.

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

The effect of Resolution 9 will be to allow the Company to issue the New Options to Mr Idstein (and/or his nominee) during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

8.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placements:

- (a) the New Options will be issued to Mr Hugh Idstein (and/or his nominee);
- (b) the maximum number of New Options to be issued to Mr Idstein (and/or his nominee) is a total of 4,900 000, comprised of 2,200,000 2018 Salary Options and 2,700,000 2019 Salary Options;
- (c) the New Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is likely that issue will occur on the same date;
- (d) the New Options will be issued for nil cash consideration, accordingly no funds will be raised;

- (e) the deemed issue prices of the New Options are as follows:
- (i) 2018 Salary Options: \$0.0234 (as set out in Schedule 3); and
 - (ii) 2019 Salary Options: \$0.0195 (as set out in Schedule 5);
- (f) the New Options will be issued on the terms and conditions set out in Schedule 2 and Schedule 4;
- (g) the value of the New Options and the pricing methodology is set out in Schedule 3 and Schedule 5; and
- (h) a voting exclusion statement is included in the Notice for this resolution.

9. RESOLUTION 10 – APPROVAL OF ISSUE OF SHARES TO A SENIOR EXECUTIVE

9.1 General

Resolution 10 seeks Shareholder approval pursuant to ASX Listing Rule 10.11 for the issue of 206,400 Shares to Mr James Allchurch (and/or his nominee), a current senior executive of the Company. Mr James Allchurch is the son of Director Mr Peter Allchurch, and is accordingly a related party of the Company.

The Company and Mr James Allchurch have agreed that, subject to Shareholder approval, Mr Allchurch would take a total of AUD\$6,192 of accrued salary and/or fees for the period from 1 July 2018 to 31 December 2018 in Shares rather than in cash at a deemed issue price of \$0.03.

The Company has therefore agreed to issue to Mr James Allchurch (or his nominee) 206,400 Shares in lieu of the fees owed to Mr James Allchurch as at 31 December 2018, at a deemed issue price of \$0.03 per Share.

The Shares have traded between a low of \$0.019 per share and a high of \$0.044 per for the 3 months prior to the date of this Notice. The table below sets out the number of Shares to be issued to the Directors at the upper and lower limits of this range and at the deemed issue price of \$0.03.

	Amount owed AUD	Shares issued at \$0.019 per share	Shares issued at \$0.03 per share	Shares issued at \$0.044 per share
James Allchurch	6,192	325,895	206,400	140,727
Total	\$6,192	325,895	206,400	140,727

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in sections 5.2 and 5.4 above respectively.

9.2 Chapter 2E of the Corporations Act

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Shares to Mr James Allchurch as the agreement to issue the Shares represents the satisfaction of Mr James Allchurch's reasonable remuneration currently owed by the Company, and was negotiated on an arm's length basis.

9.3 ASX Listing Rule 10.11

As the issue of Shares to Mr James Allchurch involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

9.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 10:

- (a) the Shares will be issued to Mr James Allchurch (and/or his nominee), who is a related party of the Company by virtue of being the son of a Director of the Company – Mr Peter Allchurch;
- (b) the number of Shares to be issued is 206,400;
- (c) the Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date;
- (d) the Shares will be issued for nil cash consideration; accordingly, no funds will be raised;
- (e) The deemed issue price of the Shares to be issued to Mr Hodges is \$0.03; and
- (f) The Shares issued to Mr James Allchurch (and/or his nominee) will comprise fully paid ordinary shares of the Company ranking equally with all other Shares.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Shares as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Shares to Mr James Allchurch (and/or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

10. RESOLUTIONS 11 TO 13 – AUTHORITY FOR RELATED PARTIES TO PARTICIPATE IN THE SHORTFALL PLACEMENT

10.1 Background

The Company announced the Entitlement Offer on 7 December 2018, and the Entitlement Offer closed on 4 February 2019. As announced on 7 February 2019, the Entitlement Offer had a shortfall in entitlement acceptances of 100,175,350 Shares, representing \$2,003,507 (**Shortfall**).

As announced on 9 April 2019, Messrs Larry Liu, John Kopcheff and Neville Henry, Directors of the Company (**Shortfall Directors**), have subscribed for an aggregate of \$265,000 worth of Shares under the Shortfall (**Shortfall Shares**).

Subject to Shareholder approval, the Shortfall Directors' subscription for Shortfall Shares would result in the issue to the Shortfall Directors of 13,250,000 Shortfall Shares, in the following proportions:

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- (a) Larry Liu's nominee (Inventive Holdings Limited): 10,500,000 Shortfall Shares (representing a subscription for \$210,000 worth of Shortfall Shares);
 - (b) John Kopcheff's nominee (Berenes Nominees Pty Ltd): 2,000,000 Shortfall Shares (representing a subscription for \$40,000 worth of Shortfall Shares); and
 - (c) Neville Henry: 750,000 Shortfall Shares (representing a subscription for \$15,000 worth of Shortfall Shares).

The Shortfall Shares are proposed to be issued at an issue price of \$0.02 each (being the same as the issue price of the Entitlement Offer).

10.2 Section 195(4) of the Corporations Act

A summary of section 195 of the Corporations Act is set out in Section 5.3 above.

As three of the four Directors comprising the Board have a material personal interest in the outcome of Resolutions 11 to 13, a quorum could not be formed to consider the matters contemplated by Resolutions 11 to 13 at Board level.

Accordingly, for the purpose of transparency and best practice corporate governance, the Company seeks Shareholder approval for Resolutions 11 to 13 for the purposes of section 195(4) of the Corporations Act in respect of the reliance on the arm's length transaction exception and the decision not to seek Shareholder approval under Chapter 2E of the Corporations Act.

10.3 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act and ASX Listing Rule 10.11 is set out in sections 5.2 and 5.4 above respectively.

The Shortfall Directors' receipt of Shortfall Shares will result in the issue of Shares, which constitutes giving a financial benefit and the Shortfall Directors are all related parties of the Company by virtue of being Directors.

The Directors (other than Mr Liu who has a material personal interest in Resolution 11) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 11 because:

- (a) the Shortfall Shares will be issued to Mr Liu's nominee (Inventive Holdings Limited) on the same terms as all other Shares to be issued to non-related party participants in the Shortfall; and
- (b) the Shortfall is being offered to investors on the same terms and conditions as the Company's recent Entitlement Offer,

and as such the giving of the financial benefit is on arm's length terms.

The Directors (other than Mr Kopcheff who has a material personal interest in Resolution 12) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 12 because:

- (a) the Shortfall Shares will be issued to Mr Kopcheff's nominee (Berenes Nominees Pty Ltd) on the same terms as all other Shares to be issued to non-related party participants in the Shortfall; and

- (b) the Shortfall is being offered to investors on the same terms and conditions as the Company's recent Entitlement Offer,

and as such the giving of the financial benefit is on arm's length terms.

The Directors (other than Mr Henry who has a material personal interest in Resolution 13) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 13 because:

- (a) the Shortfall Shares will be issued to Mr Henry on the same terms as all other Shares to be issued to non-related party participants in the Shortfall; and
- (b) the Shortfall is being offered to investors on the same terms and conditions as the Company's recent Entitlement Offer,

and as such the giving of the financial benefit is on arm's length terms.

10.4 Listing Rule 10.11

Approval is required under Listing Rule 10.11 for the issue of the Shortfall Shares to the Shortfall Directors.

Resolutions 11 to 13 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue of the Shortfall Shares to the Shortfall Directors (and/or their nominees). If approval is given under Listing Rule 10.11, Shareholder approval is not required under Listing Rule 7.1, and the issue of Shortfall Shares will not reduce the Company's 15% placement capacity under Listing Rule 7.1.

Resolutions 11 to 13 are ordinary resolutions.

10.5 Specific information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, information regarding the issue of Shortfall Shares is provided as follows:

- (a) The maximum number of Shortfall Shares to be issued to the Shortfall Directors is as follows:
- (i) Larry Liu's nominee (Inventive Holdings Limited): 10,500,000 Shortfall Shares (representing a subscription for \$210,000 worth of Shortfall Shares);
 - (ii) John Kopcheff's nominee (Berenes Nominees Pty Ltd): 2,000,000 Shortfall Shares (representing a subscription for \$40,000 worth of Shortfall Shares); and
 - (iii) Neville Henry: 750,000 Shortfall Shares (representing a subscription for \$15,000 worth of Shortfall Shares).
- (b) The Company will issue the Shortfall Shares no later than one month after the date of the Meeting, and it is intended that all of the Shortfall Shares will be issued on the same date.
- (c) The Shortfall Directors are all related parties of the Company by virtue of being Directors.

- (d) The Shortfall Shares will be issued an issue price of \$0.02 per Share (being the same issue price as the Entitlement Offer Shares).
- (e) The Shortfall Shares issued to the Shortfall Directors will comprise fully paid ordinary shares of the Company ranking equally with all other Shares.
- (f) The funds raised from the issue of the Shortfall Shares will be aggregated with the funds raised from the issue of all other Shares under the Shortfall and used for the purposes set out in in the Entitlement Offer document.
- (g) A voting exclusion statement is included in the Notice.

GLOSSARY

\$ means Australian dollars.

10% Placement Facility has the meaning given in Section 4.1.

2018 Salary Options means an option to acquire a Share, granted pursuant to Resolutions 8 and 9 with the terms and conditions set out in Schedule 2, and as valued in accordance with the assumptions set out in Schedule 3.

2019 Salary Options means an option to acquire a Share, granted pursuant to Resolutions 8 and 9 with the terms and conditions set out in Schedule 4, and as valued in accordance with the assumptions set out in Schedule 5.

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

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.

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.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities 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.

Entitlement Offer means the Company's non-renounceable entitlement offer to raise approximately \$2.85m (before costs) on the basis of 1 new Share, at an issue price of \$0.02 per new Share, for every 2 Shares held, as announced on 7 December 2018.

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.

New Option means either a 2018 Salary Option or a 2019 Salary Option as the context requires, or a combination of them.

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

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.

Shortfall means the shortfall in entitlement acceptances received by the Company under the Entitlement Offer. The Entitlement Offer had a shortfall in entitlement acceptances of 100,175,350 Shares, representing \$2,003,507.

Shortfall Directors mean those Directors who intend to subscribe for Shares in the Shortfall, being Mr Larry Liu, Mr John Kopcheff and Mr Neville Henry.

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

SCHEDULE 1 – SECURITIES ISSUED IN PREVIOUS 12 MONTHS

Date of issue	Number of securities issued	Class of equity security	Summary of the terms of class of equity security ¹	Names of persons who received securities or basis on which those persons were determined	Price	Cash consideration	Non-cash consideration and current value of non-cash consideration)
6 June 2018	4,500,000 ²	Unlisted options	Expiring on 31 January 2022 and having an exercise price of \$0.12.	Issued to Director and senior executives of the Company	Long term incentive forming part of remuneration.	N/A	The current value of these options is approximately \$21,285 (Black & Scholes).
11 February 2019	42,399,079 ³	Fully paid ordinary shares that rank pari passu with all other ordinary shares on issue	Same as existing fully paid ordinary shares	Entitlement shares issued to shareholders pursuant to non-renounceable entitlement offer announced 7 December 2018	\$0.02 (representing a premium of 17% to the closing market price of \$0.017 at the time of issue	\$0.02 per share - a total cash consideration of \$847,981. The Company spent \$683,000 on costs of the Offer, mobilisation, drilling and for general working capital purposes.	N/A

¹ The terms of the Company's fully paid ordinary shares are set out in the Constitution. These include the right to share in the surplus assets of the Company in a winding up, the right to dividends and to attend and vote at general meetings.

² Full details of issue included in an ASX release dated 6 June 2018

³ Full details of issue included in an ASX release dated 11 February 2019

Date of issue	Number of securities issued	Class of equity security	Summary of the terms of class of equity security ¹	Names of persons who received securities or basis on which those persons were determined	Price	Cash consideration	Non-cash consideration and current value of non-cash consideration)
5 April 2019	59,301,609 ⁴	Fully paid ordinary shares that rank pari passu with all other ordinary shares on issue	Same as existing fully paid ordinary shares	Shortfall shares issued to shareholders pursuant to non-renounceable entitlement offer announced 7 December 2018	\$0.02 (representing a discount of 43%) to the closing market price of \$0.035 at the time of issue	\$0.02 per share - a total cash consideration of \$1,186,032. The Company has not spent any of these funds yet.	N/A
9 April 2019	27,623,750 ⁵	Fully paid ordinary shares that rank pari passu with all other ordinary shares on issue	Same as existing fully paid ordinary shares	Shortfall shares issued to shareholders pursuant to non-renounceable entitlement offer announced 7 December 2018	\$0.02 (representing a discount of 43%) to the closing market price of \$0.035 at the time of issue	\$0.02 per share - a total cash consideration of \$847,981. The Company has not spent any of these funds yet.	N/A

⁴ Full details of issue included in an ASX release dated 5 April 2019

⁵ Full details of issue included in an ASX release dated 9 April 2019

SCHEDULE 2 – TERMS AND CONDITIONS OF 2018 SALARY OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.05 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is five (5) years after the date of their issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being

ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option-holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **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 without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 3 – VALUATION OF 2018 SALARY OPTIONS

The New Options to be issued pursuant to Resolutions 8 and 9 have been valued by internal management.

Using Black & Scholes option pricing model and based on the assumptions set out below, the 2018 Salary Options were ascribed the following value:

Assumptions:	
Number of options	6,200,000
Valuation date	16 April 2019
Market price of Shares	\$0.035
Exercise price	\$0.05
Expiry date (length of time from issue)	5 years
Risk free interest rate	1.49%
Volatility	95%
Indicative value per New Option	\$0.0234
Total Value of 2018 Salary Options	\$145,080

Note: The valuations noted above are not necessarily the market prices that the New Options could be traded at and they are not automatically the market prices for taxation purposes.

SCHEDULE 4 – TERMS AND CONDITIONS OF 2019 SALARY OPTIONS

(a) **Entitlement**

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

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.10 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is five (5) years after the date of their issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

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

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being

ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option-holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **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 without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 5 – VALUATION OF 2019 SALARY OPTIONS

The New Options to be issued pursuant to Resolutions 8 and 9 have been valued by internal management.

Using Black & Scholes option pricing model and based on the assumptions set out below, the 2019 Salary Options were ascribed the following value:

Assumptions:	
Number of options	7,700,000
Valuation date	16 April 2019
Market price of Shares	\$0.035
Exercise price	\$0.10
Expiry date (length of time from issue)	5 years
Risk free interest rate	1.49%
Volatility	95%
Indicative value per New Option	\$0.0195
Total Value of 2019 Salary Options	\$150,150

Note: The valuations noted above are not necessarily the market prices that the New Options could be traded at and they are not automatically the market prices 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 Friday, 31 May 2019 at Ground Floor, 24 Outram 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 4-6 and 8 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 4-6 and 8 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	Re-election of Director – Mr Larry Liu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of Issue of Shares to John Kopcheff in lieu of Directors Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Issue of Shares to Peter Allchurch in lieu of Directors Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of Issue of Shares to Larry Liu in lieu of Directors Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of Issue of Shares to James Hodges	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Approval of Issue of New Options to Neville Henry in lieu of Director's Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval of Issue of New Options to Hugh Idstein in lieu of Salary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Approval of Issue of Shares to James Allchurch in lieu of Salary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Authority for Mr Larry Liu to Participate in the Shortfall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Authority for Mr John Kopcheff to Participate in the Shortfall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Authority for Mr Neville Henry to Participate in the Shortfall	<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

For personal use only

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:
 - (b) post to Winchester Energy Limited, PO Box 641, West Perth WA 6872 or Level 3, 18 Richardson Street, West Perth WA 6005 or
 - (c) facsimile to the Company on facsimile number +61 8 6298 6191,so 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.